UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS
FIRST SESSION

VOLUME 147—PART 19

DECEMBER 13, 2001 TO DECEMBER 18, 2001
(PAGES 25935 TO 26868)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 2001

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

SENATE—*Thursday, December 13, 2001*

The Senate met at 9:30 a.m. and was called to order by the Honorable JEAN CARNAHAN, a Senator from the State of Missouri.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, You have blessed this Nation with truly great leaders in each period of our history. In Your providential care, You choose them, nurture their characters, hone their minds, and sharpen their convictions. You give them opportunities to serve You by caring for the needs of society. You allow their hearts to be broken by what breaks Your heart so that they can heal wounds, right wrongs, and lead others to grasp their full potential.

Today, we thank You for such a leader. You have placed Your hand of blessing on Senator BARBARA MIKULSKI. With Your endowed gifts of leadership, she has become a lodestar leader in her state and in her party, in the Senate, and in the Nation. Thank You for her intellectual acumen, her ability to get to the point, her loyal faithfulness, and her lively sense of humor. The Senator has the courage of her convictions and says what she means and means what she says. She is a patriotic American who is proud of her Polish heritage. We rejoice with Senator MIKULSKI today as she is given one of the highest honors ever bestowed by the Polish Government, the Commanders' Cross with Star of the Order of Merit of the Republic of Poland. May this be a truly memorable day for her, her family, all Polish-Americans, and all of us here in the Senate family who are privileged to be her friends. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JEAN CARNAHAN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD.)

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 13, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEAN CARNAHAN, a Senator from the State of Missouri, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. CARNAHAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Madam President, pursuant to the order entered last evening, there will be 90 minutes of debate equally divided and controlled in the usual form on the Bond amendment prior to a vote in relation to that amendment. There will be no intervening amendment in order prior to that vote.

The majority leader also announced last night that, after having filed a cloture motion on this legislation, there would be a cloture vote on that matter either today or tomorrow, whatever the two leaders work out. There will be votes throughout the day, and we will await further word from the leader as to what is going to transpire this evening.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1731, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

Pending:

Daschle (for Harkin) Amendment No. 2471, in the nature of a substitute.

Bond Amendment No. 2513 (to Amendment No. 2471), to authorize the Secretary of Agriculture to review Federal agency actions affecting agricultural producers.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 90 minutes debate, equally divided and controlled in the usual form, on the Bond amendment, No. 2513.

The Senator from Missouri.

CONGRATULATING SENATOR MIKULSKI

Mr. BOND. Madam President, I yield myself such time as I may require.

First, before I get into the discussion of this amendment, which I think is very important, I want to add an earthly endorsement to the holy blessings that our Chaplain just brought upon our very good friend and colleague, Senator BARBARA MIKULSKI.

It is a great honor she receives today. We all rejoice with her. She has been an outstanding Member of this body, one whose compassion, commitment, and good humor have seen us through many difficult times.

As one who has had the pleasure of working with her on the Veterans Affairs, HUD, Independent Agencies appropriations subcommittee, I can tell you there is no finer, more dedicated servant in the Senate. It is with great joy that we congratulate her on the very outstanding and generous award made to her today by the land of her forefathers, the Government of Poland.

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

With that, we say good wishes and congratulations, BARBARA. It is a well deserved honor.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

AMENDMENT NO. 2513

Mr. BOND. Madam President, may I inquire what is the pending business?

The ACTING PRESIDENT pro tempore. The Senator's amendment is the pending question.

Mr. BOND. I thank the Chair.

Last night I laid down an amendment which I think enhances this farm bill and focuses on what is important for agriculture. We have had a lot of discussion about how we have to help farm families. Clearly, they are struggling.

This country has been in a recession for about 15 months. We have been under attack by terrorists for about 3 months. But farmers across this country and their families and those with whom they work closely know they have been in recession for 4 or 5 years.

The collapse of the overseas agricultural markets has driven prices down. That is why, among other things, it is vitally important that this body pass trade promotion legislation because we must get those markets back.

In the meantime, we look for things we can do to assist farmers. We are going to send them financial assistance. In the last several years as they have suffered from low prices, we have provided very significant amounts of money to help fill in the void left by low market prices.

We can do research for them. Research in new ways of doing business made our farmers continually more productive.

We must be sure adequate transportation exists. In the heartland that means keeping the vital waterways of the Missouri and Mississippi Rivers open to transportation so we can have economical and efficient ways of getting our farm products to market.

But there is one thing farmers tell me they are concerned about, perhaps more than anything else. While they are concerned about the weather, they understand you cannot change that. They are concerned about crops and pests and their interaction. They are concerned about markets. As I said, markets have been down.

But the one thing that really frustrates them is that too often our Government seems to have farmers in their sights. They want to accomplish all kinds of good purposes, but they want the farmers to do it. The farmers who control much of the land of the United States are the ones to whom the Federal Government says: We would like to see this done, and we will have you, the farmers, who are trying to earn your living off the land, make the changes that we think are good policy whether it be environmental policy, whether it be economic or income distribution policy, or whether it be food policy. Some farmers tell me that they spend more time preparing for public hearings than they spend on their combines.

The amendment before us today says farmers are going to get a chance to have an advocate at the U.S. Department of Agriculture.

We all know that regulatory requirements are necessary. They often carry out the purposes that have been approved by the Congress. They are authorized by law, but the problem is sometimes the regulatory agencies that are trying to carry out those purposes know nothing about agriculture or farming or how the individual farmer trying to earn a living for himself or herself and their families is affected by it.

We are trying through this amendment to give the USDA the responsibility and the tools to help farmers who are being oppressed.

This is a life preserver thrown to farmers whose livelihood or safety is threatened by bad Federal regulations.

I introduced last night two letters with lengthy endorsements from farm and agricultural organizations, nationally and from my home State of Missouri.

I am pleased to be joined by Senators GRASSLEY, ENZI, HAGEL, and MILLER as cosponsors. I hope we will have more who will come to the floor and be willing to speak on behalf of this legislation once they understand its importance.

Let me go through the legislation very briefly. It is unlike the rest of the farm bill. A lot of people are still trying to read through the 900 pages of the original farm bill and 900-plus pages of the amendment that was dropped on us. This one is easy.

It says the Secretary may review any agency action proposed by a Federal agency to determine whether the action would likely have a significant adverse economic impact on or jeopardize the personal safety of agricultural producers—farmers. If the Secretary determines that it is likely to have such a significant adverse impact, the Secretary, No. 1, shall consult with the agency head, call him up on the phone, and talk with him; No. 2, advise the agency head on alteratives to the agency action which would be least likely to have a significant economic impact or jeopardize personal safety.

Then, if after a proposed agency action is finalized the Secretary thinks it would have a significant adverse impact described above, the Secretary may defer to the President, who not later than 60 days after the date on which the action is finalized reviews the determination of the Secretary. The President can reverse, preclude, or amend the agency action if the President determines that overturning that action is necessary to prevent the adverse economic impact and is in the public interest.

In considering this, the President takes into account the public record, competing economic interests, and the purposes of agency action.

The President may not overturn an agency action that is necessary to protect human health, safety, or national security, significantly limiting his options. If the President chooses to overturn an agency action, the President has to notify Congress of the decision and submit a detailed justification.

Congress then has the opportunity to review the action under the expedited procedures set forth in the bill which I was very pleased to sponsor back in 1996, the Small Business Regulatory Enforcement Fairness Act, which provides for expedited review in the Senate without the chance of filibuster. By majority vote in both Houses, the President's action overturning any of these adverse impact agency regulations could be reviewed.

That seems to me to give the President the power to step in.

It is my intention to provide, first, the Secretary of Agriculture with the responsibility of looking for these agency actions that may have an adverse impact, calling them to the attention of that agency head, and working to resolve the problems so the objectives of the proposed regulation can be achieved without imposing the burdens that the Secretary believes would be unnecessarily inflicted on farmers.

If that does not work, then the President has the discretion to resolve disputes and say in this instance the public would better be served if we overturned this regulation and issued a new one.

This amendment should force USDA to be more aggressive in protecting and fighting for farmers. It should help make other agencies more responsive to the needs of farmers.

We can help families with $170 billion in spending that we are talking about here today. But if we really care about them, and if we really care about their economic contributions, the social value of farm families, and certainly their contribution to feeding our Nation, protecting our food security, and our national security, then we ought to provide that the agency designed to serve farmers has the power and the responsibility to speak up for farmers to ensure that they are not overrun by an unthinking, ill-considered undertaking and ill-considered action.

We protect the blind mussels or other endangered species. We ought to be concerned about a farm community being threatened or endangered. I think this gives the farmers some limited leverage in assuring that they are protected.

It will not be necessary very often for the President to intervene once people know he has that power because agencies should, with this mandate to the Secretary of Agriculture, work out the problems in advance. This Presidential discretion which can be reviewed on an expedited basis by the President is a fail-safe mechanism.

This country has been in a recession for 15 months. We have given the President broad discretionary power since September 11 to conduct war and fight crime. We have appropriated tens of billions of dollars to help restore the strength of this country. We tried to help the airlines, and we are pursuing an economic stimulus package.

Parenthetically, we absolutely must pass legislation to shore up the insurance agencies to provide assurance that terrorism insurance will be available. We will have a major shutdown in our economy if we don't get that done.

I urge the majority leader to take this up immediately because we may be finding ourselves without insurance as of January 1 if we don't. I urge him to go back to the bipartisan measure worked out by the leaders of the banking committee and to pursue that legislation.

To go back to the farmers, as part of the stimulus we are going to provide assistance to the unemployed. We should recognize that farm families in rural America have been in a recession for 4 years. One of the things we can do in addition to providing dollars is to give them some protection from their Government. That is something they told me. If you ask the farmers in your State, I assure you that you will be told it is vitally important.

There is a challenge, limited as it is, that when resource issues affect farms and their families, it is OK for the Government to fight for the farmers. In the past, the fight has always been one-sided against the farmers.

In this instance, I urge my colleagues to support the amendment and send a message to farmers that we believe farmers are worthy of protection. We want the Government to make every sensible attempt to act as an advocate. We believe the USDA should be active and visible in fighting for farmers. We believe that the President and the Congress are capable of this and can be trusted with the public interest. This says to the administration that farmers don't always have to be at the bottom of the food chain.

I urge support of the amendment. I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. JEFFORDS addressed the Chair.

The ACTING PRESIDENT pro tempore. Who yields time to the Senator from Vermont?

Mr. HARKIN. Madam President, how much time do we have on our side?

The ACTING PRESIDENT pro tempore. The Senator from Iowa controls 45 minutes.

Mr. HARKIN. How much time does the Senator wish?

I yield the Senator as much time as he needs.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. JEFFORDS. Madam President, I rise in opposition to the amendment offered by the Senator from Missouri, Mr. BOND. This amendment gives broad authority to the Secretary of Agriculture and the President to overturn the legal responsibilities of Government agencies if they determine that an agency action might —might—have adverse economic impacts on or jeopardize the personal safety of a farmer or rancher.

While I know the Senator is concerned about the economic well-being of farmers and ranchers—and we all are—this amendment would waive many of the protections that our Federal agencies are charged with providing.

Under this amendment, if the Environmental Protection Agency sets a water quality standard to prevent degradation of a stream, and the Secretary and the President think meeting that standard may have an adverse economic impact on a farmer or a rancher, the President can reverse the agency action. Or, if the Secretary of the Department of the Interior adds a species to the list of threatened or endangered species, and the Secretary of Agriculture and the President determine that recovering that species may have an adverse—may have an adverse—economic impact on a farmer or a rancher, the President can reverse that action.

When Federal agencies are considering the actions they are required to take under the law, the agencies consider the cost, and weigh the cost with the benefits the actions will have before proposing them.

Finally, the amendment does not consider the necessity of protecting our environment when considering reversing an agency action; therefore, I oppose the amendment.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

If neither side yields time, the time will be charged equally to each side.

Mr. BOND. Madam President, I suggest the absence of a quorum and ask unanimous consent that the quorum call be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARKIN. Madam President, I yield myself such time as I might consume.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. HARKIN. Madam President, I yield to no one, including my good friend from Missouri, in fighting for our farmers and people who live in small towns in rural America to ensure that they are not set upon by the powers of the Federal Government in any way that would act to their detriment, their safety, their security, their well-being, their ability to make a living, or their ability to live as free and independent citizens of this country.

But I have looked over this amendment. At first I thought it might be OK. I looked it over. Then it hit me that the Senator's amendment says basically that the Secretary of Agriculture may review any action proposed by any Federal agency. That is what it says here. It says: Any. It says: The Secretary may review any agency action proposed by any Federal agency. . . .

And then it says: If the Secretary determines that a proposed agency action is going to do certain things with adverse effects on agricultural producers, then the Secretary can give it to the President for review. And then the President can reverse the agency action, just like that. He can reverse it, preclude it from going into effect, or he can amend it.

Well now, I don't know. I would like to ask: Why don't we include small businesses? I know my friend from Missouri is a strong defender of small business. Why don't we include small businesses in this? Why don't we let the head of SBA review any agency action by any Federal agency to determine whether or not it is going to have an adverse effect on small business, and let the President then reverse or amend the agency action?

Mr. BOND. Madam President, may I respond?

Mr. HARKIN. Sure, I yield for a question or a response to my question.

Mr. BOND. My question is, Are you familiar with the role of the Counsel for Advocacy in Small Business? That is his job. Are you familiar with the Small Business Regulatory Enforcement Fairness Act that we have adopted in the Small Business Committee to provide teeth for that act?

Mr. HARKIN. Having served on the Small Business Committee of the Senate now for 17 years, I am fully aware of all of the acts adopted in that Committee. But there is nothing in the Small Business Administration Act that allows the SBA Administrator to review all these agencies' actions and then give them to the President for further review, and that lets the President amend an action or reverse an action by himself, with only a notification to Congress.

I ask the Senator from Missouri: Is there anything in the Small Business Administration Act, or any law passed by Congress, that gives the President that power?

Mr. BOND. The answer to that is not yet, but if the manager of the bill would like to come to the committee and offer that, I would certainly be interested in supporting it.

We are working on the farm bill here. I think most of us agree that farmers need some additional protection. They do not have a counsel for advocacy in USDA. We have not seen the Secretary of Agriculture take that role. This says specifically they should.

Mr. HARKIN. I say to my friend from Missouri, we do have a counsel at the Department of Agriculture who has every ability to do exactly what the Senator is talking about.

The Senator says, take it to committee. I say to the Senator, take this to the committee. Let's have the committee take a look at this and not do it on the floor. Just as the Senator says we ought to take it to the Small Business Committee, that is my suggestion.

And why stop with small business? Why don't we do veterans? Why don't we do the same thing for our veterans in this country, who, time and time and time again, are affected by agency decisions in other parts of the Government?

Why don't we have the Secretary of Veterans Affairs have the same power that the Senator from Missouri wants to give to the Secretary of Agriculture? Why not do the same thing for our veterans and give them that kind of protection that they need, so that the President, without even consulting Congress, could overturn, amend, reverse any agency decision if he believes it adversely affects veterans in this country? Why don't we give that power to the Secretary of Veterans Affairs?

Why stop there? Why not give the same power to the Secretary of the Interior to review any agency action that might adversely affect a public park or interfere with the enjoyment I might have in going to a public park? And then let the President amend it, reverse it, without ever consulting with Congress?

Why stop there? Why don't we do the same thing for the Secretary of Labor? Let the Secretary of Labor have the power to review any agency action by any Federal agency? And if the Secretary of Labor thinks the action will adversely affect a working person in this country, the Secretary of Labor could give it to the President and let the President reverse it, do away with it, and then just let Congress know. That is what the amendment of the Senator from Missouri says. It says the President can do all this. He can reverse it, preclude it, amend it. All he has to do is notify Congress of the decision to reverse, preclude, or amend the action and submit to Congress a detailed justification for the decision. We don't have any power. The President can do the whole thing.

Why stop there? Let's think about other things. On the face of it, it might sound good. Then you start thinking about it and you say: Wait a second; we do could this for everything. What it means is that we would give the President of the United States the power to reverse, amend, preclude any agency decision without ever having to come to Congress.

We have an Administrative Procedure Act, a law passed by this Congress to provide the President and the Federal agencies—the executive branch of Government—with the guidelines under which it can operate. We amend it from time to time. This is where this amendment ought to go, on the Administrative Procedure Act. But there are in the Administrative Procedure Act certain things that have to be done. One of the things that is most important of all is to insist that Congress play its constitutional role and exercises its constitutional right. The President can't just do these things without letting Congress have the power to say whether he can do it or not. Otherwise, we might as well shut our doors and go home; let the White House run everything in this country.

This amendment on its face kind of sounds good. It sounds good. But I wonder if supporters of this amendment have really thought through all the implications of it and what it may mean. The farmers I talk to don't want another layer of bureaucracy from Washington. This would be yet another layer of regulatory burden when agencies are carrying out the law.

And keep in mind, it could be something that maybe a farm group or a farm organization might want but the Secretary of Agriculture or the President may not like it. This is a two-edged sword.

My friend from Missouri would say: Well, but it has to have an adverse economic impact on, or jeopardize the personal safety of, agricultural producers. That is pretty broad. I am sure any smart Secretary of Agriculture or President could say: We have this agency action out there, and we can interpret it so that it has an adverse economic impact on farmers. Therefore, we are going to reverse it willy-nilly because we, the President and the Secretary of Agriculture, have decided that it has an adverse economic impact on farmers. But the agency action may be in the best interest of farmers according to what some of us may think. Maybe some of us here may think that agency action may actually benefit farmers. Others may not think so. Maybe the President of whatever party may not think so. He can just reverse it. What power do we have?

I guess we have to go through the legislative process of having a bill and getting it through committee. We have no say-so whatsoever in the President's decision to reverse, preclude or amend the agency action.

I always say at this time of the year, when people come around with nice presents for you, that you had better unwrap the present and take a good look at it. Just because it has a fancy bow and fancy paper doesn't necessarily mean it is a gift. I say to my farmers and my friends in rural America, the amendment offered by my friend from Missouri is not a gift. This is a two-edged sword. It may help sometimes, but it may hurt. It may also open the floodgates for a lot of mischief in other Federal agencies that may adversely affect our farmers.

Unwrap this package and take a look at it. You will see it is not what it is touted to be.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER (Mrs. LINCOLN). The Senator from Missouri.

Mr. BOND. Madam President, I yield myself such time as I may require.

I certainly accept the manager's invitation to unwrap this package. I only wish we could do this on the southern border of Iowa and the northern border of Missouri, out where farmers live, away from the rarified atmosphere of this Chamber, and ask the farmers of Iowa and Missouri, the farmers of any other State, is this really a two-edged sword? Are you as a farmer really worried that the Fish and Wildlife Service is going to put out a regulation that would help farmers and the Secretary of Agriculture would oppose it and try to overturn it and get the President to overturn it?

That one won't meet the laugh test. That dog won't hunt in farm country. People know what is going on out there. It is not a danger to farmers that we have too much regulation. Actually, when regulations are overturned, it is usually when a regulation affects a large metropolitan area—building a bridge, something like that. Maybe if there are a lot of people around who are affected, then they can get some relief. When it is just a few farmers, when they need some irrigation water, then other things come to the fore.

Ask the farmers on the Klamath River about the sucker fish. Ask the farmers in Texas about the Arkansas shiner. Who is being protected there? The Fish and Wildlife Service has the power, overwhelming power, to jump in and protect endangered species. Some people think it is time somebody had the power to jump in and protect endangered farmers. That is the difference.

It is time we turn around the balance of the Federal regulatory juggernaut that has been running over farmers in the name of all kinds of other interests and give the farmers some protection, give the farmers a chance to be heard.

The President has to weigh these issues carefully and find out if they protect public health or safety or the national interest before he turns it around. The Senator from Vermont said the Secretary could overturn it. That is not what this bill proposes. Only the President can issue such an order, only under the most unusual circumstances. And my friend from Iowa is not correct; the Congress does have power. The Congress does have power to overturn that action.

I can tell my colleagues with that threatened action facing a President, a President is not going to do this lightly. That is why we say it ought to be elevated to the highest level because it would only be used in the most serious of circumstances.

My friend from Iowa says there are all kinds of protections. The Administrative Procedure Act is a great protection for farmers. That is laugh line No. 2. You go to the elevators or the livestock market around my State or your State or anybody else's State and ask: How much protection are you getting from the Administrative Procedure Act? If you are lucky, they will give you a smile. They know that doesn't work for the individual farmers. If there are all these protections working for farmers, how come the farmers are not being protected?

Just ask. I urge my colleagues, if you are undecided, get on the phone and call a couple of farmers back in your home State and see how safe they feel with all these protections that my friend from Iowa says are on the books. They are not there, Madam President. They are not there.

When you unwrap it, you see that this is a very important measure to move the Secretary of Agriculture into an active advocacy role which, frankly, USDA has not provided. They may have the power, but they haven't used it. This tells the Secretary she must use that power. And I believe she will. It gives the President power in unusual circumstances—the highest level of circumstances—to make an order which has to be in the public interest and which is immediately reviewable by Congress. I think that is a protection we need.

Again, I urge the support for this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I yield myself such time as I may consume.

This is a good debate. I enjoy my friend from Missouri, south of the Iowa border. I would be glad to meet on the dividing line with Missouri and Iowa and have a debate. We will invite the farmers in and talk to them about this because this is a double-edged sword. What happens if this power goes to the Secretary of Agriculture? This is a dangerous road—say this is extended to all agencies. Then the Secretary of the Interior gets the same power. Let's say USDA makes some decision that we think is beneficial for farmers and helps farmers, and then the Secretary of the Interior says that decision affects fish and wildlife. The Secretary of Interior can just go to the President and reverse that decision. That would not be good for the farmers. He overturns it, amends it, or precludes it—those three words that the Senator has in his bill. That is the double-edged sword. We just can't chance that.

The best protection our farmers have out there right now is those of us sitting on this floor today, including my friend from Missouri and the occupant of the chair. I don't care if they are Democrats or Republicans. The best protection for our farmers and our people in rural America is the Congress of the United States, the House and Senate, Republicans and Democrats alike—not the administration. The administrations—I don't care who they are, Republican or Democrat, at the White House—and I have seen it in my 27 years here—give scant attention to rural America.

I know this amendment by my friend from Missouri is well intentioned. I know what he is trying to do. But I have to tell you, the other edge of that sword can be mightier than the edge of the sword he is trying to give to the Secretary of Agriculture. Just look at the history of past administrations and then ask: How often do they come down on the side of farmers? How often do they come down on the side of other interests? That ought to tell the tale right there.

No, this is not in the best interest of farmers. The best interest of farmers is to keep the power here in Congress and in committees, where we can fight for our rural people and our farmers and not give that power to the President of the United States.

Mr. BOND. Will my friend yield?

Mr. HARKIN. I am glad to yield.

Mr. BOND. I ask my colleague this: He said maybe the Secretary of the Interior would want to come in. Does my friend know that, under the Endangered Species Act, the Fish and Wildlife Service doesn't even have to go to the President? The Fish and Wildlife Service can shut down an agricultural operation, a road-building operation. The Fish and Wildlife Service has already, in the current law, the power we would seek to give the President, only there is no congressional review.

So would the Senator explain to us the difference between the power of the Fish and Wildlife Service and what we hope to give the President on a congressionally reviewable basis.

Mr. HARKIN. I say to my friend that the Fish and Wildlife Service has to abide by the Administrative Procedure Act and the laws passed by Congress. The Congress has every power to review and to keep the Fish and Wildlife Service—as the Senator knows, because we have done it—from doing what they want to do. We have that power. I don't see that in the amendment here. We have the power now. I don't see it in this amendment.

Mr. BOND. Madam President, this doesn't change in any way the powers of Congress. As a matter of fact, it gives Congress a new power for expedited congressional review.

Mr. HARKIN. I say to my friend, I don't see that. The President can do all this and notify Congress. We don't have any power to do anything, according to this.

Mr. BOND. I ask my colleague to read the provisions in the amendment that describe the congressional notification and congressional review, beginning on line 19 of page 4, "Reversal preclusion, or amendment of any agency action . . . shall be subject to section 802 of title 5, United States Code."

We did not spell it out there, but that is the expedited congressional review procedure. Again, I apologize for the way this is drafted. Legislative counsel has said to get to expedited congressional review on page 4, lines 19 through 22, do that job.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged to each side equally.

Mr. BOND. Madam President, I yield 5 minutes to Senator Thomas.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Madam President, I have been listening to the conversation and debate here. Although I am, frankly, not as familiar with the details of it as I might be, I am sympathetic to what the Senator from Missouri is seeking to do. I deal, of course, as most of us do, with agriculture at all time in my State, where agriculture, public lands, and grazing are very much an integral part of our economy and indeed our society.

So regulations have a great deal to do with the opportunities we have, for instance, for multiple use of public lands. They have had a great deal of impact on what we have done with clean water and nonpoint source water propositions, and so on. Regulations are put out there, quite often, without a real evaluation of what impact they have. We have been dealing with one for a long time on the endangered species. I think this species was nominated, but if someone looked at it before it was implemented, I think the conclusion was that this was not a legitimate listing.

But work as we try, we can't seem to do much about that. So it does seem to me that the congressional oversight is certainly there, but we don't get into the details of every application of every regulation. That is not the role of Congress but, rather, to deal more broadly with the authorities.

I think it is so interesting sometimes to see how different people in different agencies, under the same statutes, can come up with quite different ideas. So it seems to me it would make sense to have some kind of oversight on agriculture and take a look at what is done and promoted by some of these other agencies. The lack of having that opportunity generally causes us to end up in a myriad of lawsuits. And we are more governed by lawsuits or the threat of lawsuits than we are by analysis of the impacts.

The proposal by the Senator from Missouri has a great deal of value. I suggest my colleagues favorably support his amendment.

I yield the floor and suggest the absence of a quorum.

The **PRESIDING OFFICER**. The Senator does not control time. Who yields time?

Mr. **BOND**. I ask the time be charged equally.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **HARKIN**. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HARKIN**. Madam President, I was sitting here thinking about this amendment my friend from Missouri has offered. I thought of another instance of how it might affect farmers. I forgot about the Secretary of Transportation. There are safety rules that the Department of Transportation promulgates for farm equipment on highways. There are weight limits, headlights, taillights, and other safety regulations that the Department of Transportation has mandated for farm equipment on highways.

Some may argue that those requirements are burdensome. I sympathize with you, but you understand it is for the public good that the Department of Transportation says you have to have certain restrictions, certain lights, certain warning signs on farm equipment on highways.

Taking this example of what the Senator has said, if we give this power to the Secretary of Agriculture, the Secretary of Agriculture will say: That is burdensome, that is an economic hardship on our farmers that they have may have to change some practices; therefore, the President can reverse it.

The Secretary would find it would have a significant adverse economic impact.

Mr. **BOND**. May I inquire——

Mr. **HARKIN**. I yield to my friend.

Mr. **BOND**. I ask my good friend from Iowa if he has read on page 4, line 13:

> Limitation.—The President shall not reverse, preclude, or amend an agency action that is necessary to protect—
>
> (A) human health;
>
> (B) safety; or
>
> (C) national security.

The manager has raised an excellent question. I believe we have totally addressed it in this bill.

Further, the President, before he takes action, must find that it is in the public interest. I believe the protection is built in.

Mr. **HARKIN**. I appreciate what my friend has said. To a certain degree, again, like the rest of this, when one reads it, it sounds OK, but that is pretty vague—human health or safety or national security. It is vague. Who decides what that is?

Now I think we get to the nub of what is wrong with this amendment. Under the Administrative Procedure Act, any agency, if the agency is promulgating a rule, has to allow time and opportunity for public comment on the proposed rule. Under the Administrative Procedure Act, the public must be involved, the public must be heard on the record, and the agencies have to take the public's input into account when they are promulgating the rule.

The amendment of the Senator from Missouri does not allow for that. This says the Secretary makes these decisions, there is no public comment, and then it goes to the President. Did I miss a part of it?

Mr. **BOND**. Madam President, may I call the attention of my friend and colleague to the top of page 4 which says that before the President takes any action in conducting a review, "the President shall consider (A) the determination of the Secretary under subsection (c)(1)—this is on page 4—"(B) the public record."

The public record is there. The President has to consider the public record that was developed by the agency in the process of issuing the regulation. The public record must have in it all the information, and the President can only act after consideration of that public record.

Mr. **HARKIN**. My friend said the President ought to consider the public record, but there will be no public record of what the Secretary of Agriculture and President do under this amendment. There is nothing in here that I can find that requires the Secretary, in reviewing an agency action and determining whether to send it to the President, to do all of this in a manner consistent with the requirements of the Administrative Procedure Act. In other words, nothing in this amendment requires that these activities by the Secretary must become part of the public record, with hearings and an opportunity for members of the public to participate. Usually, with any agency action, there is a 60- or 90-day period for the public to be heard on matters before a final decision is made, and those public comments go on the public record. That is not included in the amendment. Did I miss it?

Mr. **BOND**. Madam President, if I may inquire, my colleague is certainly well versed in the Administrative Procedure Act. Prior to the adoption of a regulation by some other agency that would be under review, the Administrative Procedure Act has to be followed; is that correct?

Mr. **HARKIN**. That is true.

Mr. **BOND**. The agency has to establish a public record under the APA before a regulation is issued; is that correct?

Mr. **HARKIN**. The Senator is right.

Mr. **BOND**. The President, under this law, can only act after an agency action has become final and the President is directed to take into account the public record because the agency action could not be taken under the APA without a public record. That is why we specify it must take into account the public record, the one that was developed in the issuance of the regulation which is subject to the President's discretionary review.

Mr. **HARKIN**. True. But, the President can still act to change a decision of the agency even if doing so goes against the underlying law that Congress passed, and the President can do this without consulting Congress. And the President will have taken this action after the agency has promulgated a rule and gone through the notice and public comment requirements of the Administrative Procedure Act.

Years later, the Secretary of Agriculture can say: That action that was taken by that agency 5 years ago is an economic hardship, it has an adverse economic impact on farmers; therefore, I am going to recommend to the President that he reverse it and do away with it.

Five years have gone by and now this action taken by the Secretary is every bit as important and vital in overturning the regulation as it was in promulgating it. Yet in overturning it under this amendment, there is no need for any public record, no need for any public hearing.

I yield to my colleague.

Mr. **BOND**. I understand my colleague's concern about action taken 5 years later. Will my friend look at page 3 and read lines 8 through 10?

Does that language not say:

> If, after a proposed agency action is finalized, the Secretary determines that the agency action would be likely to have a significant adverse economic impact on or jeopardize the safety of agricultural producers, the President may, not later than 60 days after the date on which the agency action is finalized, review the determination of the Secretary; reverse, preclude.

I believe the language is specific, and I appreciate my colleague directing his attention to that.

Mr. **HARKIN**. I will consult on that because I was told the way it was written it may not, but I will check on it and see whether or not he can do it after 60 days.

Mr. **BOND**. Is the language not clear?

Mr. **HARKIN**. I do not know. We are going to find out.

Mr. BOND. Not later than 60 days.

Mr. HARKIN. We will find out whether or not the determination by the Secretary has to take place within that 60 days. I am not certain that it does.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

If neither side yields time, time will be charged to each side equally.

Mr. HARKIN. Madam President, the Senator from Missouri is right, and I misspoke. He is absolutely right that it is 60 days. So it cannot be 5 years. He does have to do it in 60 days. But my point is still valid that there is a hearing record for an agency decision; but then this sets up a whole new layer of bureaucracy and layer of decisionmaking, and there does not have to be a hearing on the President's reversal, preclusion or amendment of the agency action under this amendment.

So, therefore, the President can wipe out whatever was done, and they do not have to have a hearing based upon what he wants to do. But the Senator from Missouri is right, it has to be done within 60 days. Five years, no. I misspoke. I was wrong on that, and I am glad to correct myself on that.

Lastly, I would like to know if the Senator from Missouri could enlighten us as to the definition of agricultural producer.

For the Record, if we could, exactly what is an agricultural producer?

I yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

If neither side yields time, time will be charged to each side equally.

The Senator from Iowa.

Mr. HARKIN. Madam President, I ask again my friend from Missouri, what is the definition of an agricultural producer? What is an agricultural producer? I wish the Senator from Missouri could enlighten us as to what an agricultural producer is.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. The definition of agricultural producer on page 2 is the owner or operator of a small or medium-sized farm or ranch.

Mr. HARKIN. What is medium-sized? Does the Senator have a definition for what a medium-sized farm might be, or ranch?

Mr. BOND. That would be up to the Secretary of Agriculture or the President to decide. It is not large. There are large corporate farms in the State of the Senator from Iowa, my State, and the State of the Chair.

I think the Supreme Court said it well in describing obscenity: You know one when you see one, and it is not going to be a specific farmer or rancher who comes in. This is going to have to be a judgment made by the Secretary of Agriculture who has to defend his or her judgment based on how generally it affects small and medium-sized farms and ranches, not the large ranches, and I think that test is adequate. I do not think one needs to have the technical definition of so many acres or so many hundreds of thousand dollars.

Mr. HARKIN. Again, another vagueness in this bill. For example, an agricultural producer could be Scottie Pippin who owns a horse farm of maybe 120 acres or 100 acres and he is an agricultural producer. So, again, very vague.

I yield the floor.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged to each side equally.

Mr. HARKIN. Madam President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Iowa has 9 minutes and the Senator from Missouri has 16¾ minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Madam President, I ask unanimous consent that I be allowed to speak for 1 minute as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. McCAIN are printed in today's RECORD under "Morning Business.")

Mr. McCAIN. Madam President, I thank my colleagues for their indulgence.

Mr. HARKIN. I yield 5 minutes to the Senator from Nevada.

Mr. REID. Madam President, this amendment is too broad, too general. It violates the canon of law that exists in this country. From a constitutional perspective, it grants the President authority to overturn action by any Federal action that the Secretary of Agriculture determines may harm producers. It allows the President to ignore any law passed by Congress. This is a significant transfer of power to the President.

As I discussed yesterday, the Endangered Species Act is in existence; we have acknowledged for many years there should be action taken to change it. There was a bipartisan effort a few years ago by Senators CHAFEE, BAUCUS, KEMPTHORNE, and REID to change this. We entered into an agreement in the Environment and Public Works Committee to introduce legislation that we would not accept any amendments on the floor; we would vote against any of them. It was a tremendous revision of the Endangered Species Act. We had widespread support of a significant number of people in the environmental community and many people in the development community. It had the support of mayors and Governors. However, it was not brought to the floor because people were certain they could do better. Of course, the perfect got in the way of the good and nothing has happened since then.

In spite of that, the Endangered Species Act has done a great deal to salvage species and prevent the wiping out of species. Threatened and endangered species are now protected.

This amendment is certainly an assault on the environmental laws of the country. It allows the President to waive the Endangered Species Act, the Clean Air Act, and the Clean Water Act in one fell swoop. It would not be one of them; he could, in fact, waive any of the three. It would set the country back at least 30 years in environmental protection.

This amendment goes far beyond environmental laws. The definition of this legislation being proposed is so vague that virtually any action can be overturned by the President, including an effort to improve the U.S. Department of Agriculture civil rights procedures, and the President can overturn laws protecting farm workers, actions to implement free trade agreements.

This is an amendment that is too broad and too general and tries to accomplish things that are so harmful from a constitutional perspective and from an environmental perspective. There should be other action taken.

I hope the activities now by staff of the Environment and Public Works Committee and others will come up with an amendment to this second-degree amendment that will more directly affect the problems that are trying to be addressed in this amendment. I hope this amendment will not become part of this bill. It would be a blow to this fine piece of legislation.

This amendment would elevate the Secretary of Agriculture and the authorities of that agency over every other Federal agency and every other law passed by Congress. That is pretty broad. It allows the Secretary to stop any agency action to protect the environment, to protect food safety, to protect workplace safety if the Secretary decides action would have a negative impact on farmers. If another agency moves forward with the action to protect the environment, to protect workers or our food supply, the Secretary of Agriculture simply will ask the President to override these procedures and it will be complete.

This is not fair. It is wrong. I hope we can come up with something that better addresses what I think the Senator is trying to do. I hope he is not trying in one fell swoop to take out of existence the Endangered Species Act, the Clean Water Act, and the Clean Air Act.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. I yield myself such time as I may require.

I welcome the distinguished majority assistant leader. He came in after we had the discussions. We have clarified the issue of whether any safety regulations can be waived. Explicitly, this law says he may not waive where safety regulations are imposed. It also includes human health or national security.

Now, the distinguished majority whip has pointed out this somehow overrides the power of agencies. We don't elect agencies, we elect a President and we elect a Congress. The power exercised in the agencies is delegated by the President to the agencies. This is Presidential power. We are seeking in this law simply to say when one of these agents of the President does something that is really stupid, that is really bad, that hurts farmers, the Secretary of Agriculture can say: Mr. President, you must look at this action. And he only has 60 day to do it. There are limitations. He cannot overturn where human health, safety, or the national security interests are involved. Then he can go back and tell the person to whom he delegated the power to make the regulation, to carry out the law in the first place: You have to do it differently.

Not only is he limited, but this law says Congress can use expedited congressional review to overturn his decision. This is strictly limited. The President does not even have the power in this provision that the Director of Fish and Wildlife has to stop things that farmers want to do or that transportation officials want to do.

Incidentally, we checked with the U.S. Department of Agriculture. There is no advocacy counsel in Agriculture as there is in SBA, for small businesses. So this is giving the Secretary of Agriculture the responsibility we think should have been there in the first place, narrowly circumscribing the powers the President has to overturn it.

As my good friend from Nevada is leaving, I might say if he wishes to offer a second-degree amendment, obviously we would vote on that. But we intend to keep coming back to get a vote on this one as well. I will be happy to work with him. If he has other ideas he wants to put up as a second-degree amendment, that is fine. But we will do our best to make sure we have an up-or-down vote on this amendment.

With that, I urge my colleagues to support this amendment. I reserve the remainder of my time.

Mr. ENZI. Madam President, I rise in support of the amendment offered by the Senator from Missouri. This amendment gives the Secretary of Agriculture the authority to review any proposed Federal agency action to determine whether the action is likely to have a "significant adverse economic impact on or [could] jeopardize the personal safety of agricultural producers."

Federal actions and regulations seriously impact the way the Wyoming agricultural producers operate. The regulations are proffered by agencies that do not often consider how their actions could harm small and medium sized agricultural operations. These are the operations that are facing the most risk in the marketplace. These are the operations that need more protection. This amendment is important because it forces accountability before the fact. The Secretary of Agriculture would have the option of consulting with the head of the agency proposing an action and could offer advice on how to make the action less onerous to producers.

Agencies realize that their actions will be scrutinized for their impact on agriculture. Actions that could have a significant adverse economic impact on or jeopardize the personal safety of agricultural producers could be overturned or amended by the President. This amendment does not place the needs of agriculture above human health, safety or national security. It merely gives agricultural producers an advocate to represent their interests. I ask that my colleagues support this most important advocacy for agricultural producers and support this amendment.

Mr. HAGEL. Madam President, I rise as a cosponsor of the Bond amendment.

This amendment would allow the Secretary of Agriculture to review the proposed actions of other Federal agencies to determine if those actions are likely to adversely impact agriculture producers. Should the Secretary find that such an action would jeopardize a producer's safety or economic well-being, the Secretary could work with other agencies to identify the alternatives least likely to cause harm.

This authority is long overdue.

For the first time, the government would be forced to determine in advance how its actions might impact America's farmers and ranchers. That is only fair. And no one within the government is better qualified to make that determination that the Secretary of Agriculture.

For too long, Federal regulators have made farmers and livestock producers bear the burden and cost of government decisions. The result has been that real people suffer. That is unfair. That is wrong.

This amendment will put some justice back into the system by reining in regulatory agencies, and giving agriculture a voice in the regulatory process.

In my State of Nebraska, we have seen the disastrous impact that Federal regulations have had on our farmers and livestock producers.

This amendment pursues some of the goals of legislation that I introduced earlier this year. My bill, the "Private Property Rights Act", would require the Federal Government to conduct an economic impact analysis before taking any action that would inhibit or restrict the use of private property.

The amendment before us today is more narrow in scope. But it will make government agencies think through the consequences before they act on rules that hinder those who work America's fields, feedlots and pastures.

It will put some balance back into the system by reining in over-reaching regulatory agencies. And most importantly, it will give agriculture producers a seat at the table when it comes to make and reviewing new regulations.

I appreciate the work done by the senior Senator from Missouri on this issue, and support his efforts to bring some common sense and reality to the system. I urge my colleagues to support the Bond amendment.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged equally.

Mr. REID. Madam President, I conferred with Senator BOND who offered this amendment and he indicated he wants a vote on his amendment. We have indicated we have something that would be a side-by-side vote on this matter. We are going to work on that.

In the meantime, we are going to a quorum call or do some other business that will not affect the Senator's amendment. In the near future, we will try to come up to something that allows maybe a side-by-side vote or something such as that. If we can figure out some way to second-degree his amendment, we will do that, or whatever.

Mr. BOND. My friend from Nevada makes a very reasonable request. I will be happy to have side-by-side votes. I have no objection to setting this aside.

I need to check with the ranking member. But personally I have no objection so long as we can have side-by-side votes. I will defer to the ranking member.

Mr. REID. Madam President, I want to make sure my friend understood everything I said. Side-by-side would be the preferable way. We may have to do a second-degree amendment. But whatever it is, we will give the Senator plenty of notice.

Mr. BOND. Madam President, we intend to get a vote on this one way or the other. We would like to do it. I think we can save everybody a lot of trouble if the majority side has an amendment on which they wish to vote. They can get that up first. I would have no objection to doing that if they will then give us an up-or-down vote on my amendment.

Mr. REID. Whatever happens, you won't be in any worse position than you are right now. We are not preventing you from going forward. Our only other alternative would be to go into a quorum if anything happened. Neither of us thinks that would accomplish anything. We will make sure you have the opportunity to be in no worse position than you would be 5 minutes from now when the time expires on your amendment.

Mr. BOND. Being in no worse position than I am now makes me think of the eighth place Cardinal hitter who was facing Kurt Schilling. It is not a very attractive spot. But we will take our swings in any event.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BAYH). The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator from Missouri still controls 3 minutes.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I yield whatever time I have remaining, if I have any remaining.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. When all time has expired on this amendment, I ask unanimous consent to lay the amendment aside for the purpose of taking up the amendment offered by the Senator from Wisconsin, Mr. FEINGOLD.

On the disposition of this amendment, we will set it aside for another amendment.

But this amendment will be the pending amendment.

Mr. BOND. Mr. President, I have no objection to that. We have held discussions. I believe the majority side will propound a second-degree amendment. I have personally no objection to that. But there will be a vote up or down on the amendment I have provided. Perhaps at that time, if less than 60 days have elapsed, we will ask for 2 minutes on each side so the distinguished manager from Iowa may reiterate his objection.

I thank the Chair.

Mr. HARKIN. I thank the Senator.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

AMENDMENT NO. 2522 TO AMENDMENT NO. 2471

Mr. FEINGOLD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. GRASSLEY, and Mr. HARKIN, proposes an amendment numbered 2522 to amendment No. 2471.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To reform certain mandatory arbitration clauses)

Strike the period at the end of section 1021 and insert a period and the following:

SEC. 10 . ARBITRATION CLAUSES.

Title IV of the Packers and Stockyards Act, 1921, is amended by inserting after section 413 (7 U.S.C. 228b–4) the following:

"SEC. 413A. ARBITRATION CLAUSES.

"Notwithstanding any other provision of law, in the case of a contract for the sale or production of livestock or poultry under this Act that is entered into or renewed after the date of enactment of this section and that includes a provision that requires arbitration of a dispute arising from the contract, a person that seeks to resolve a dispute under the contract may, notwithstanding the terms of the contract, elect—

"(1) to arbitrate the dispute in accordance with the contract; or

"(2) to resolve the dispute in accordance with any other lawful method of dispute resolution, including mediation and civil action.".

Mr. FEINGOLD. Mr. President, I rise today to submit an amendment that will give farmers some options in identifying the forum to resolve disputes with agribusinesses. I, along with a number of other Members of this body, am deeply concerned that the concentration of power in the hands of a few large agribusiness firms—firms that can raise $1 billion on Wall Street at the drop of a hat—is forcing farmers and ranchers to be placed at a competitive disadvantage in the marketplace. These large corporations are using their market power to force independent producers into what is really a position of weakness through unfair concentration and other uses of market leverage.

In some cases, the domestic marketplace has become almost noncompetitive for family farmers. Farmers have few buyers and suppliers than ever before.

One indication of their dominance is the one-sided contracts that favor agribusinesses at the expense of farmers and ranchers. It is of paramount importance that we help restore competition in rural America.

I was very disappointed when I learned that the Agriculture Committee did not approve Senator HARKIN's proposal to add a competition title to this bill.

I commend the work of the chairman, Chairman HARKIN, of the Agriculture Committee for his leadership on this issue.

When I testified at a hearing on the packers, stockyards, and processors last year, I thought a number of important reforms outlined should have been addressed in the farm bill.

Senator HARKIN's competition title would have done a lot. It would have provided a measure of fairness and transparency and equity in America's agricultural markets. I believe this proposal would have taken a huge step toward ensuring the future prosperity of our farmers and ranchers.

One important aspect of the competition title would have provided farmers with options to resolve disputes with agribusinesses by providing farmers with a choice as to the forum for resolving disputes with agribusinesses.

I want to be clear about this. I think that alternative methods of dispute resolution such as arbitration can and often do serve a useful purpose in resolving disputes between parties.

I am extremely concerned about the increasing trend of stronger parties to a contract forcing weaker parties to waive their rights in advance and agree to arbitrate any future disputes that may arise.

It has recently come to my attention that large agribusiness companies often present producers with what is basically take-it-or-leave-it contracts which increasingly include mandatory and binding arbitration clauses as a condition of initially entering into the contract. This practice forces farmers to submit their disputes with packers and processors to arbitration.

As a result, farmers are required to waive access completely to judicial or administrative forums, substantive contract rights, and to statutorily provided protection.

In short, this practice works and deprives dealers of their fundamental due process rights and runs directly counter to basic principles of fairness.

Arbitration is also billed as an inexpensive alternative to civil action, but this is often not actually the case. Filing fees and other expenses often can result in much higher fees than actually being in a civil action. Attorney's fees, whether hourly or contingency, can be similar regardless of the forum.

For example, in a recent Mississippi case filing, fees for a poultry grower to begin an arbitration proceeding were $11,000. This is far more than the $150 or $250 cost of filing a civil suit.

It makes no sense for a farmer to seek payment for wrongdoing when he or she has lost $1,000 when it costs $11,000 up front just to get the case into an arbitration proceeding.

The result of those mandatory arbitration clauses is that farmers often have no forum in which to bring their dispute against the company. Arbitration clauses often require farmers to waive their right to a jury trial. Since the arbitration itself is extremely costly, the farmer, who likely has a substantial debt due to low prices and a large mortgage on his farm, is basically left unable to access this costly arbitration process.

Since the litigation option is taken away by contract, and the arbitration forum can be taken away by its high cost, the grower has no forum in which to bring his dispute against the company.

If a poultry farmer suffers losses as a result of mis-weighed animals, the farmer should have the right to hold the company accountable. If farmers are hurt because they received bad feed, we must ensure that farmers have options to choose the forum through which they can resolve their concerns about this product they received.

If a farmer believes he or she has been provided a diseased animal from an agribusiness, the farmer should have at least a forum to address his or her concerns.

In short, we must give farmers a fair choice that both parties to an agricultural contract may willingly and knowingly select. This amendment, again, does not prohibit arbitration. It would ensure simply that the decision to arbitrate is truly voluntary and that the rights and remedies provided by our judicial system are not waived under coercion.

Let me add that I believe two of the lead cosponsors of this amendment are the chairman of the committee, Senator HARKIN, and the distinguished senior Senator from Iowa, Mr. GRASSLEY. I am also pleased to inform the Chair and my colleagues that both the Farm Bureau and the Farmers Union support that. I am sure the Senator from Indiana knows that does not always happen. It is a good sign we are on the right track for America's farmers with this amendment.

I urge my colleagues to support this amendment and give farmers options to resolve disputes in the agricultural marketplace.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am wondering if I could ask for the yeas and nays on my amendment, and I ask unanimous consent that the vote on it follow the vote on the Bond amendment.

The PRESIDING OFFICER. If the Senator will withhold, the Senator from South Dakota has the floor.

Mr. JOHNSON. Mr. President, I was unaware that the Senator from Wisconsin still had steps he needed to take relative to his amendment.

I withhold, at this point, my amendment and will allow the Senator from Wisconsin to proceed with his unanimous consent.

I ask unanimous consent that I then be in a position to offer my amendment upon the conclusion of the amendment by the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection?

The Chair hears none, and it is so ordered.

Mr. FEINGOLD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I will take about 10 seconds.

Mr. President, I ask unanimous consent that after the Johnson amendment I be allowed to offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, might I say to the two managers of the bill, I think we are now in a position to go to the original proposal to move to table the Bond amendment. So we would like to do that now.

Mr. LUGAR. Reserving the right to object, and I will not object, my objection immediately to the Senator from Minnesota was that perhaps, as opposed to having a stacking of amendments, all on the Democratic side—and admittedly yesterday we debated Republican amendments all day—is that there are a number of Republican amendments. Could we get perhaps some alternation?

Mr. REID. If the Senator will yield, our amendments are very quick. Yours are very long. We can complete a number of ours very quickly. During the time of the vote, we will talk about that.

Mr. LUGAR. Very well. We would like to hear the Senator from Minnesota speaking on his amendment, of course, but I, on behalf of our side, thought I ought to interject this comment at this point.

Mr. REID. We will be happy to work with the manager of the bill.

Mr. LUGAR. My reservation is managed and I will support the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. What is the matter now before the Senate?

The PRESIDING OFFICER. The amendment from the Senator from Wisconsin is pending.

Mr. REID. As soon as the debate is complete on that amendment, would we return to the Bond amendment?

The PRESIDING OFFICER. We would go to the Senator from South Dakota for an amendment under the previous order.

Mr. REID. Is there a unanimous consent agreement to that effect?

The PRESIDING OFFICER. Yes, there is.

Mr. REID. I say, we would ask, then, that that be changed because there are Senators waiting around. We believe we should get to the vote on the underlying amendment. We were back watching Osama bin Laden's tape and were not in the Chamber, as we probably should have been. So I ask unanimous consent—if those in the Chamber will allow us—to proceed to a vote on a motion to table the Bond amendment as soon as the debate is completed on the Feingold amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LUGAR. Mr. President, could I raise the question: Would, then, the leader anticipate a vote on or in relation to the Feingold amendment following the rollcall vote on the Bond amendment, if it reached a conclusion at that point?

Mr. REID. That is true.

Mr. HARKIN. Yes.

Mr. LUGAR. I thank the Senators.

Mr. JOHNSON. If I may inquire, previously it was agreed to that the Johnson amendment would follow the Feingold amendment. Is that still the case? I assure my colleague from Indiana this is not a lengthy amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. My understanding is, following the conclusion of the Feingold debate, there will be a vote on the Bond amendment, followed by a vote on the Feingold amendment, and then the Senator from South Dakota, Mr. JOHNSON, would be recognized to offer an amendment at that time.

Mr. GRASSLEY. Am I going to have an opportunity to speak on the Feingold amendment?

Mr. HARKIN. Yes.

The PRESIDING OFFICER. The understanding of the Senator from Indiana is correct, with the qualification that the votes will be with respect to the Bond amendment, not necessarily on the Bond amendment.

Mr. LUGAR. My understanding is there is still time to debate the Feingold amendment. The distinguished Senator from Iowa, Mr. GRASSLEY, wants to be heard on that amendment.

Mr. REID When we go to the Bond amendment, which we are going to do, it is going to be a vote on that first. If the motion to table, of course, is not successful, then the Bond amendment is there naturally. All right. Everyone agrees to that. That is the parliamentary place we would be. And then we could not dispose of Feingold until we dispose of Bond.

Mr. LUGAR. May I ask a question of the distinguished Senator?

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. We would continue with debate on the Feingold amendment at this point, as I understand it, so the distinguished Senator from Wisconsin can be heard but, likewise, the Senator from Iowa could be heard, and others who may wish to debate that amendment.

Mr. REID. With respect to Feingold, that is true. And it is my understanding that debate is not going to take a long period of time. That is my understanding.

Mr. FEINGOLD. That is correct.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I am delighted the Senator from Iowa, Mr. GRASSLEY, is in the Chamber and is supportive of our amendment. I hope he will offer his remarks in support of our amendment at this point.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, our Nation's farmers and independent livestock producers are becoming increasingly subjected to vertical integration in their industry. I recall years past when family farmers had complete control over their livestock, from farrowing until marketing. Today, however, more than 80 percent of the hogs are either marketed under contract or are owned by the packer.

In my home State of Iowa, vertical integration has led to a situation in which many farmers can't even get a bid on their livestock from packers. Instead, they are simply forced to accept a slot when they can deliver their livestock to packers at the packer's price. That kind of makes them a residual supplier of livestock, kind of puts them in the position of being last in line. It also puts them in a position economically, I believe, of getting a lower price.

When I was farming and raising pigs, it was as simple as calling up maybe an hour before you wanted to deliver your pigs, calling up the packing company in Waterloo, IA, and asking: What are you paying today for hogs? You might dicker a little bit, but you eventually reached agreement. When you wanted to sell a lot, you said: Well, I want to sell some. So you loaded up, backed up the pickup to the hog house, loaded a few pigs, and drove 15, 20 miles to deliver them. It was that simple. Today it is even worse for cattle in the sense that you might be able to have a half hour within a whole week of time to be able to sell something.

We have a terrible situation where the family farmer is kind of stuck in the sense of being a residual supplier. You can say that farmer has the option of contracting those sorts of things of which he can take advantage. There are some people who ought to have the same opportunity to get the same price other people get. We are in a position now where things are somewhat different.

Mr. JOHNSON. Will the Senator yield?

Mr. GRASSLEY. Of course, I will yield.

Mr. JOHNSON. The parliamentary circumstance under which we were taking up these amendments was a bit convoluted up until the moment the distinguished Senator from Iowa came onto the floor. I would observe that the amendment pending is the Feingold amendment.

Mr. GRASSLEY. That is the one I am speaking about, the Feingold amendment.

Mr. JOHNSON. The nature and the thrust of the comments, I thought, related to packer ownership of livestock.

Mr. GRASSLEY. It is applicable to your amendment. I will speak also to your amendment at another time.

Mr. JOHNSON. Very good. I look forward to the observations of my friend and colleague from Iowa.

Mr. GRASSLEY. Maybe my own personal experiences in the way of family farming compound this problem. I will just get to the issue and leave the personal experiences I have had out of this issue.

In the year 2001, there are farmers who are in the same situation of wanting to market the same way I did the years I had livestock, from 1959 to 1974, and again from 1984 to about 1987, even since I have been in the Senate. We have a situation where you can't deliver whenever you want to deliver. You become a residual supplier.

This is a problem Senator FEINGOLD is trying to correct. I hope I can help him. Many packers have arbitration clauses in their contracts with farmers. Arbitration clauses significantly reduce the small family farmer's ability to get a fair shot when a dispute with packers arises, such as misweighing of animals, bad feed cases, or wrongful termination of contracts.

When a dispute between a packer and a family farmer arises and the contract between the two includes an arbitration clause, the family farmer has no alternative but to accept arbitration to resolve the dispute.

I certainly recognize that arbitration has its benefits. I have promoted that as an alternative dispute resolution as a member of the Senate Judiciary Committee, and we have laws as a result of that. In certain cases, regardless of the advantage of arbitration, it can be less costly than other dispute settlement means. In certain other cases, it can remove some of the workload from our Nation's overburdened court system. For these reasons, arbitration must be an option, but it should be no more than an option.

In some cases, however, mandatory arbitration clauses create another level of litigation. State courts provide the ability for a party to challenge an arbitration clause on the basis of fraud, misrepresentation, or lack of knowing and voluntary waiver.

Farmers often must file civil actions seeking to invalidate the arbitration clauses after a dispute arises when they realize they would be placed at extreme disadvantage in arbitration in a particular case and because the arbitration fees are too high. We can learn from the experience of the poultry industry. Today nearly 100 percent of the Nation's poultry is captive. In recent years, poultry producers have been especially affected by mandatory arbitration clauses.

When one chooses arbitration, he then waives rights to access to the courts and the constitutional right to a jury trial. Certain standardized court rules are also waived, such as the right to discovery. This is important because a farmer must prove his case, the company has the relative information, and the farmer cannot prevail unless we can compel disclosure of relevant information.

Moreover, longstanding law states that a waiver of rights by a party must be knowing and voluntary. A farmer cannot waive such rights in a knowing and voluntary way when he is only bargaining about a processor-drafted contract about price and volume terms. He cannot make a knowing and voluntary waiver in a vacuum when a dispute does not exist and has not been contemplated.

I am pleased to join Senator FEINGOLD in support of this amendment to prohibit mandatory arbitration clauses from being included in contracts between packers and livestock producers. Our amendment will amend the Packers and Stockyards Act to provide that mandatory arbitration clauses in contracts between packers and livestock producers are not enforceable unless parties agree to binding arbitration after the dispute arises.

Our amendment will give farmers the opportunity to choose the best form of dispute settlement mechanism. Instead of binding arbitration, mediation or civil action may give family farmers a fighting chance to succeed in a dispute with a packer.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the amendment offered by the distinguished Senator from Wisconsin is a thoughtful amendment, trying to bring equity between farmers who may be fairly small, quite apart from those who have substantial herds, in dealing with packers.

It is a close call as to where the best interests of farmers may lie. Let me suggest that it occurs, at least to this Senator, that it is usually to the advantage of a farmer, particularly a small farmer, to have an arbitration clause that at least settles the framework in which some justice might occur.

I make this point because, unfortunately, litigation tends to be expensive. There are possibilities in a court of law for discovery, for the mandating of information the distinguished Senator from Iowa has mentioned, that would be very helpful perhaps and illuminate the total field, but likewise, it is mostly the case that the company involved, the packer or whoever is the corporate dispute in this situation, is likely to have more resources, just as sometimes occurs when the resources are vastly unequal. Nevertheless, it is not something, it seems to me, the Senate ought to weigh in on.

In essence, my understanding of the Feingold amendment is that it would prohibit the use of mandatory, binding arbitrary clauses in agricultural contracts. But to adopt the language of the distinguished Senator from Iowa, this ought to be the option of the farmer or the rancher as he enters the type of contract he or she may find most desirable. In other words, the individual and the smaller entity ought not to be precluded from a means—in the event of a dispute, or if there has been a history of dispute—that could be less expensive and perhaps, therefore, more certain of a day in court.

Therefore, I won't belabor the issue because the distinguished Senator from Wisconsin and the distinguished Senator from Iowa have described the fact that arbitration is a frequently used means of resolving these disputes and, in fact, the amendment would not arise if this were not the case, and the belief on the part of the two previous speakers is that arbitration should not be a possibility in the contract.

I will argue that it ought to be a possibility, ought to be an option for the farmer or rancher, and therefore, respectfully, I oppose the Feingold amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I appreciate the remarks of the Senator from Indiana. I have always admired his manner, and specifically his candor when he indicated this was a close call. I will respond quickly because the keyword we have been using is we want to provide farmers with options. The problem is, under the mandatory arbitration regime, this is basically all the farmers are offered. That is the deal. You either agree to the mandatory arbitration provision of the contract, or you are not going to be part of the system.

We are suggesting that banning the mandatory arbitration provision is a genuine option. The farmer can still agree, of course, to a valid arbitration system—that can be in the contract—and he can go to alternative dispute resolution. And many times, as you suggested, that might be preferable. But what we are trying to do is preserve the right to also have the option, if necessary, to go to the court proceeding or administrative proceeding.

I accept the premise, which is that the farmer needs options, but the reality is that under the mandatory arbitration system that has grown so tremendously and has become so much a part of contracts, they effectively don't get any choice.

That is the spirit of the amendment. Rather than interfering, I believe it returns to us where we were a few years ago, where farmers actually had choices in these matters.

I appreciate the comments of the Senator from Indiana, and I urge my colleagues to support the Feingold-Grassley amendment.

Mr. HARKIN. Mr. President, I join my colleagues. I am a cosponsor of this amendment. I join my colleagues from Wisconsin and Iowa in supporting this amendment. This was part of the competition title we had offered in committee, which was not accepted in committee in its totality. The only part that was accepted was the country of origin labeling. So this is a part of the competition title. There will be another amendment by Senator JOHNSON, also, that will fill in the picture on competition.

This is a good amendment. In a nutshell, I think the Senator from Indiana kind of put his finger on it. Right now, more and more contracts between growers and producers have an arbitration clause in them. The grower is basically forced to accept that. Well, we had a recent case—to show how onerous this is—in Mississippi where a poultry grower, in order to file for arbitration, had to plunk down $11,000; that was his cost of the arbitration side. To take that case to civil court would cost him $150 to $250. If the amount in contest or in question is $10,000, it makes no sense for the producer to pay $11,000 to recover $10,000, so you just lose it.

The amendment really gives the grower the absolute right to choose. He can go to arbitration or to civil court, notwithstanding what the contract may say, and it gives that grower the right to do that. In a way, it levels the field a little between the grower and the retailer, or the processor, for example.

With that, I urge adoption of the amendment. I hope all time has expired.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, it is my understanding that debate on the Feingold amendment has ceased.

Mr. LUGAR. Reserving the right to object, I would like to make one additional comment, if I may.

Mr. President, this may not be a definitive situation, but this Senator simply notes that all 50 States of the Union have adopted contract arbitration statutes that allow a provision to be placed in a written contract. I have no idea if the occupant of the chair would have a better idea from his experience as Governor of our State as to how legislatures have dealt with this problem. But it is interesting that all 50 have, and we are on the threshold of displacing whatever judgments might have occurred in those situations. I think this is something that many Senators do not approach without some thought as to why such contract clauses may have been made an option.

I appreciate the point of the distinguished Senator from Wisconsin that he believes, as a practical matter, farmers or ranchers dealing in these contracts have no choice; that in order to sign up at least in something that appears to be favorable, because they really would not move in that direction otherwise, they must, of necessity, accept an arbitration clause. Perhaps that is so but not necessarily.

It would be the experience of this Senator, in at least a modest management of the family farm that I often describe in these debates, that I have approached or been approached by those who have offered contractual arrangements for purchase of my corn, for example. Now, I was free to either accept or reject the contract, and in most cases I have rejected the contracts. In some cases, I have accepted. I was still a free person to do this. I am not certain I see the mandatory aspects of the company that was dealing with me as having some predatory function here or ability to coerce me into this arrangement.

I get back once again to my options. We are doing this from the standpoint of the individual farmer and rancher. I accept the fact that perhaps in some markets, in some counties, and in some States this degree of freedom of choice may not, as a practical effect, be the same as it is in our State of Indiana. I caution Senators, before moving too stoutly in this direction, to examine this and think about it.

It is for these reasons I will vote against the Feingold amendment, even as I have admitted and acknowledged that it is a close call and that the arguments are reasonable on both sides.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I want our colleagues to know that what this amendment does is exactly the same as we are doing in the case of car dealerships. We have a bill, S. 1140, which has 47 cosponsors. I am not going to read the names of the cosponsors, but it is a very bipartisan group of people, Democrats and Republicans. I hope that staff listening to this debate or Members listening to this debate will look at S. 1140 and remind their Members, or the Members themselves will be reminded, that they are cosponsoring legislation that does away with arbitration in car dealership contracts with major manufacturers. If it is OK for nonagricultural businesses, it even has to be better for the family farmer that we don't have these sorts of requirements in these contracts. I ask my colleagues to take a look at S. 1140.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I know we want to wrap it up. I want to make two quick points. I strongly agree with the comments of the Senator from Iowa. He and I worked closely together on this same problem in the area of car dealerships. An overwhelming number of this body sees this kind of relationship between the car dealer and the manufacturer as unfair.

Even more importantly, I wish to respond to the remarks of the Senator from Indiana. He raised a new argument which is 50 States have laws about these kinds of arbitration agreements. That is true, but we are not today invading this area. This area has already been preempted by the Federal Arbitration Act (FAA). It is already the case that the States cannot under Federal law prohibit these agreements or make the rules for these agreements. It is already up to us.

This amendment does not enter a new field. This is already a field that is clearly Federal in nature, and we are merely setting the rules, as we must, under Federal law. I do not want anyone to think we are suddenly invading a new area of State authority. I have strong feelings about avoiding that wherever possible.

This is already preempted by Federal law. We need to make a decision. I think the right decision is to give the individual farmers the option they need and not be forced into a mandatory arbitration.

I yield the floor.

Mr. LEVIN. Mr. President, I have been reluctant to put the Federal Government in the position of judging the appropriateness of a binding arbitration clause in a private contract. However, I will support the amendment because I believe that in the case, the relative ability of parties to negotiate contract provisions are particularly uneven. My vote should not be interpreted as an indication of my position on future legislation that may be offered on the subject of the Federal Government overriding binding arbitration clauses.

I would like to ask the sponsor of the amendment, my colleague from Wisconsin, whether, under this amendment, either party to a contract that contains a binding arbitration clause can choose alternatively to go to court to resolve the dispute.

Mr. FEINGOLD. Yes. Under my amendment, either party would have that option.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, my understanding is all debate on the Feingold amendment has been completed; is that right?

The PRESIDING OFFICER. Is there further debate on the amendment? Hearing none, the Senator is correct.

AMENDMENT NO. 2513

Mr. REID. Mr. President, it is my understanding we are now on the Bond amendment; is that right?

The PRESIDING OFFICER. Under the order, we vote in relation to the Bond amendment at this time.

The majority leader.

Mr. DASCHLE. Mr. President, will the Chair inform us, are we under a time agreement at this time?

The PRESIDING OFFICER. We are not.

Mr. DASCHLE. Mr. President, I want to take a couple of minutes to speak to the Bond amendment. As I understand it, we are going to be voting on it shortly.

I heard Senator BOND describe his amendment a little while ago. My immediate reaction was that I was very supportive. I thought it sounded like a reasonable amendment. Certainly we have to be concerned about the frustrations that many of our farmers have experienced with regard to the regulatory problems they face, the frustrations they experience in attempting to participate in agriculture today, as complicated as it is. I am very sympathetic. I hear many of these complaints when I go home as well.

I think to whatever extent we can moderate their frustration by finding ways to reduce the regulatory anxiety, reduce the tremendous amount of paperwork they have to endure, we ought to do it. There have been efforts over the years to attempt to do it, and I think we have to continue to try to do it.

Looking carefully at the Bond amendment, what I have come to realize is this amendment really makes the President not just a friend of the farmer but king. I do not know if there is any other word for it. This would provide powers we do not give the President under any circumstances today. Only a monarch has the powers that the Senator intends to provide the President in situations such as this.

Basically, the Bond amendment grants the President authority to overturn any action by any Federal agency that he simply determines may harm producers. He can wipe out virtually any law of the land without question, without challenge. This is an extraordinary delegation of power, not only to a President but to anybody. This would make a monarch of the President.

This amendment, needless to say, is a real assault on the environmental laws of this country. It would allow the President to waive the Endangered Species Act completely, the Clean Air Act completely, and the Clean Water Act completely. Frankly, it would set this country back at least 30 years in environmental protection, but it goes way beyond environmental laws.

The definition of harm written into the Bond amendment is so vague that virtually any action by any Federal agency—it could even be a foreign action, for that matter—could be overturned by the President, but certainly efforts involving the USDA civil rights procedures, efforts involving laws protecting farm workers, actions to implement free trade agreements—all of those—without any consultation with Congress, without any respect for due process, without any appreciation of the protections we have built in for an appreciation of the real sensitivity we must show in regulatory and statutory frameworks, all are thrown out the window with this amendment.

As I said a moment ago, should we be sensitive to the needs of farmers and ranchers as we consider their frustration in dealing with the regulatory headaches they must address? The answer is absolutely yes. Absolutely we have to find ways of doing that. We have to continue to work with the President and with the Department of Agriculture to make sure this happens. But do we want, really, to give the President unbelievable constitutional and statutory authority in this context? Do we want to say to the President: Look, if you do not like a law, just repeal it unilaterally, no votes in the Congress, no consideration, no public comment. You just go do it. That is what the Bond amendment says we can do.

Frankly, we do not want to go that far. I hope people will think very carefully, as well intended as the Bond amendment is, about whether we are willing to make a President a monarch in this case, to give him the authority of fiat. Not in this democracy, not in this Republic, not in this Senate, not now, not ever. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I move to table the Bond amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Massachusetts (Mr. KERRY), are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Massachusetts (Mr. KERRY), would each vote "aye."

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI), is necessarily absent.

The PRESIDING OFFICER (Mrs. CLINTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 365 Leg.]

YEAS—54

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Ensign
Feingold
Feinstein
Graham
Gregg
Harkin
Hollings
Inouye
Jeffords
Johnson
Kohl
Leahy
Levin
Lieberman
McCain
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Smith (NH)
Snowe
Specter
Stabenow
Thompson
Torricelli
Warner
Wellstone
Wyden

NAYS—43

Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Cochran
Craig
Crapo
DeWine
Enzi
Fitzgerald
Frist
Gramm
Grassley
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Landrieu
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (OR)
Stevens
Thomas
Thurmond
Voinovich

NOT VOTING—3

Domenici
Kennedy
Kerry

The motion was agreed to.

Mr. DASCHLE. Madam President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2522

The PRESIDING OFFICER (Ms. CANTWELL). Under the previous order, the question is on agreeing to the Feingold amendment.

Mr. FEINGOLD. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SMITH of Oregon (when his name was called). Present.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Massachusetts (Mr. KERRY) would each vote "aye."

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI) and the Senator from Utah (Mr. BENNETT) are necessarily absent.

The PRESIDING OFFICER (Mrs. CLINTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 31, as follows:

[Rollcall Vote No. 366 Leg.]

YEAS—64

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Brownback
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
DeWine
Dodd
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Graham
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Inouye
Jeffords
Johnson
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Roberts
Rockefeller
Sarbanes
Schumer
Shelby
Snowe
Specter
Stabenow
Thomas
Torricelli
Warner
Wellstone
Wyden

NAYS—31

Allard
Allen
Bond
Bunning
Cleland
Cochran
Craig
Crapo
Ensign
Fitzgerald
Frist
Gramm
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Santorum
Sessions
Smith (NH)
Stevens
Thompson
Thurmond
Voinovich

ANSWERED "PRESENT"—1

Smith (OR)

NOT VOTING—4

Bennett
Domenici
Kennedy
Kerry

The amendment (No. 2522) was agreed to.

Mr. DASCHLE. Madam President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, I have been in consultation this morning with the distinguished Republican leader, and we have reached an agreement with regard to how the Senate may proceed over the course of the next several days. I appreciate as always his cooperation and his interest in accommodating Senators. I would like to propound a unanimous consent request, but let me explain the request briefly to Senators and then I will specifically read the unanimous consent request.

Basically, what I am about to propose is that we have a cloture vote this afternoon at 4 o'clock. While it is not in this particular unanimous consent request, we will also attempt to take up the defense authorization conference report sometime later today. That is the subject of a separate request. We would then be in session on Friday, but we would not entertain any rollcall votes.

It would be my expectation that regardless of how the cloture vote turns out this afternoon, we would remain on agriculture.

On Monday, if we can, if our colleagues will agree, we will take up the conference report on education for the entire day and evening, whatever length of time it takes. We would have a vote on the conference report on education on Tuesday morning. There would be additional nominations to consider on Tuesday morning, and we would also have a cloture vote if it were required on the farm bill Tuesday morning as well.

That is the essence of the request I am about to read. I will do so at this time.

Mr. LOTT. Madam President, if Senator DASCHLE would yield before he propounds the request, I don't intend to object. I want to make the record clear, if he would yield.

Mr. DASCHLE. I am happy to yield to the Senator from Mississippi.

Mr. LOTT. So Senators understand what has happened here and that we have had a consultation, I have discussed this schedule with Senator LUGAR, the ranking member on Agriculture, and Senators COCHRAN and ROBERTS and others, to make sure there is agreement that we could and should go ahead and go forward with this vote on cloture at 4 o'clock. We could object and insist that it occur on Friday. We don't believe anything positive would be achieved by that. This would make it possible for us to go forward and deal with other issues, hopefully the defense authorization and intelligence authorization, and then next Monday do the education conference report. That is very important.

There is a time agreement included here about how we would get to a vote on that conference report with a vote scheduled at 11.

Mr. DASCHLE. The Senator is correct.

Mr. LOTT. We are obviously still very concerned about this bill. We want to have the opportunity to offer additional amendments and substitutes. We saw no reason not to have the cloture vote at this time. I wanted to get that in the RECORD before the UC was propounded.

Mr. NICKLES. Will the majority leader yield?

Mr. DASCHLE. I am happy to yield to the Senator from Oklahoma.

Mr. NICKLES. Under the agreement you are about to propound, we will have a cloture vote at 4 o'clock. I am assuming we will still consider agriculture-related amendments until 4 o'clock.

Mr. DASCHLE. The Senator is correct.

Mr. NICKLES. May we have an agreement that we will alternate? We only have 3 hours to do amendments. I don't know if cloture will be invoked, but if it is invoked, that will preclude a great number of amendments. May we have an understanding that we will alternate between Democrats and Republicans?

Mr. REID. Will the majority leader yield?

Mr. DASCHLE. Let me just say to the distinguished Senator from Oklahoma, I have no reservations about suggesting that we alternate Republican and Democratic amendments.

I am happy to yield to the Senator from Nevada.

Mr. REID. That was the decision made earlier—not the decision, but Senator LUGAR and Harkin and I entered into a dialog. That would be the case. The next amendment will be offered by the Senator from South Dakota. Then we would wait for someone on your side to offer an amendment, and then we would go back and forth. That was talked about earlier today.

Mr. NICKLES. Fair enough.

Mr. DASCHLE. I would also note that if cloture is invoked, this agreement also will provide that the Cochran-Roberts amendment still will be in order. It accommodates the germaneness question regarding Cochran-Roberts.

Mr. NICKLES. Before the majority leader propounds a request, would you also amend that to include the Dorgan amendment to make sure it would be available, if cloture is invoked?

Mr. DASCHLE. Senator DORGAN is not on the floor.

Mr. NICKLES. I am concerned if we get cloture, there are a lot of amendments that will fall. The Dorgan amendment happens to deal with payment limitations. I am concerned that it might fall. I have an amendment dealing with payment limitations. That is my concern. I am not a big fan of cloture, as I am sure the majority leader knows. But there may be others. I make mention of the Dorgan amendment because I am interested in that subject. If you include that, I would appreciate it.

Mr. DASCHLE. I am happy to include that.

Mr. NICKLES. I thank the majority leader.

UNANIMOUS CONSENT AGREEMENT

Mr. DASCHLE. Madam President, I ask unanimous consent that the cloture vote on the pending substitute amendment occur at 4 p.m. today; that Members have until 11 a.m. tomorrow to file second-degree amendments; that notwithstanding rule XXII, the alternate amendment by Senators COCHRAN and ROBERTS, and the amendment offered by Senator DORGAN regarding payment limits, still be in order if cloture is invoked on the substitute amendment; that following the cloture vote, regardless of the outcome, the Senate proceed to executive session to consider executive Calendar Nos. 589, 590, and 592; that upon the disposition of those nominations, the President be immediately notified of the Senate's action; that any statements thereon appear in the RECORD, and the Senate return to legislative session.

I further ask unanimous consent that on Monday, December 17, at 1 p.m. the Senate proceed to the conference report on H.R. 1 for debate only, and that on Tuesday, December 18, there be 90 minutes remaining for debate, 60 minutes equally divided between the chairman and ranking member of the Health, Education, and Labor Committee, or their designees, and 15 minutes each for Senators WELLSTONE and JEFFORDS; that the Senate vote on the conference report at 11 o'clock on that day, with no further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. SMITH of Oregon. Madam President, reserving the right to object, I don't intend to object, but I wonder if I may be included on two amendments that are very important in my State with respect to crop insurance and the Klamath Falls.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, I will accommodate the Senator from Oregon on his request and ask that they be included in the unanimous consent agreement.

Mr. SMITH of Oregon. I thank the leader.

The PRESIDING OFFICER. Would the Senator restate the subject matter of the amendments?

Mr. SMITH of Oregon. I have two amendments. One deals with a change in crop insurance to include farmers for coverage under crop insurance when the disaster is not natural, but Government-made.

The second one is just simply as to policy with respect to a long-term plan that Senator WYDEN and I are working on that includes as one of its goals the economic viability of the agricultural community of Klamath Falls.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota is recognized.

AMENDMENT NO. 2534

Mr. JOHNSON. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. JOHNSON], for himself, Mr. GRASSLEY, Mr. WELLSTONE, Mr. HARKIN, Mr. THOMAS, Mr. DORGAN, Mr. FEINGOLD, and Mr. DASCHLE, proposes an amendment numbered 2534.

Mr. JOHNSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To make it unlawful for a packer to own, feed, or control livestock intended for slaughter)

On page 886, strike line 5 and insert the following:

Subtitle C—General Provisions

SEC. 1021. PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(2) by inserting after subsection (e) the following:

"(f) Own, feed, or control livestock intended for slaughter (for more than 14 days prior to slaughter and acting through the packer or a person that directly or indirectly controls, or is controlled by or under common control with, the packer), except that this subsection shall not apply to—

"(1) a cooperative or entity owned by a cooperative, if a majority of the ownership interest in the cooperative is held by active cooperative members that—

"(A) own, feed, or control livestock; and

"(B) provide the livestock to the cooperative for slaughter; or

"(2) a packer that is owned or controlled by producers of a type of livestock, if during a calendar year the packer slaughters less than 2 percent of the head of that type of livestock slaughtered in the United States; or"; and

(3) in subsection (h) (as so redesignated), by striking "or (e)" and inserting "(e), or (f)".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) take effect on the date of enactment of this Act.

(2) TRANSITION RULES.—In the case of a packer that on the date of enactment of this Act owns, feeds, or controls livestock intended for slaughter in violation of section 202(f) of the Packers and Stockyards Act, 1921 (as amended by subsection (a)), the amendments made by subsection (a) apply to the packer—

(A) in the case of a packer of swine, beginning on the date that is 18 months after the date of enactment of this Act; and

(B) in the case of a packer of any other type of livestock, beginning as soon as practicable, but not later than 180 days, after the date of enactment of this Act, as determined by the Secretary of Agriculture.

Mr. JOHNSON. Madam President, the amendment pending aims to protect America's livestock producers from the overwhelming market domination of a few meatpackers.

My amendment is based upon bipartisan legislation I introduced earlier this year, S. 142, which strengthens the Packers and Stockyards Act of 1921, by prohibiting large meatpackers from owning livestock prior to slaughter.

This amendment is cosponsored by my friend Senator GRASSLEY, as well as Senator WELLSTONE, the Agriculture Committee chairman, Senator HARKIN, Senator THOMAS, Senator DASCHLE, and Senator DORGAN. All of these Senators have cosponsored my bill, which enjoys bipartisan support. I applaud my colleagues for their leadership on this issue, and especially thank Senator WELLSTONE for offering this amendment in the Agriculture Committee. Unfortunately, it was defeated, but with more information about what our amendment does, and doesn't do, I believe we'll gain much more support here on the floor.

Mr. President, let me address specifically what our amendment does: First, it bans large meatpackers from owning slaughter cattle, hogs, and lambs for more than 14 days prior to the time in which these livestock are slaughtered. Second, it exempts producer-owned cooperatives engaged in slaughter and meatpacking. Therefore, many of the innovative, start-up projects operating and being formed to give producers greater bargaining power in the market will not be affected by our amendment. There are a number of these cooperative projects Mr. President, that I would like to highlight as examples;

For instance, our amendment would exempt the United States Premium Beef packing plant. U.S. Premium Beef is located in Kansas and is the first value-added meatpacking plant owned by a farmer-controlled cooperative in the nation. U.S. Premium Beef works with Farmland Industries in this project. The facility processes cattle owned by ranchers. In a value-added-twist, the ranchers also own the processing facility itself, in conjunction with Farmland Industries, a cooperative. This is the kind of innovative project that our amendment does not impact.

The amendment also looks forward to many similar projects breaking ground in the future, and exempts any farmer-owned co-op aiming to process cattle in South Dakota, North Dakota, Iowa, and other portions of the country. Our amendment also exempts the "Pork America" cooperative working to finalize plans for the Nation's first major pork packing cooperative, and the amendment exempts a number of modest-sized co-op lamb slaughtering projects in the Northern Plains and West. But co-ops are not the only businesses exempt from the ownership ban. Small, producer owned packing and processing facilities handling less than 2 percent of the national, annual slaughter are also exempt under our amendment, whether or not they are a co-op.

Therefore, if a farmer rancher owned facility slaughters less than 1,960,000 hogs, 724,000 beef cattle, or 69,200 lambs, they are exempt from the ownership ban under our amendment. For instance, "Harris Ranch" in California is a producer-owned beef packing plant, not formed as a cooperative, which handles less than 724,000 head of beef cattle per year. As a partnership of cattlemen who own a packing plant, this facility will be exempt according to my amendment. We don't want to stifle or inhibit these new ventures from making a real, bottom-line difference for American livestock producers, so my amendment exempts "Harris Ranch" and all other non-cooperative, producer owned processing and packing plants that slaughter less than 2 percent of the overall domestic slaughter of beef cattle, lamb, and hogs.

That's the substance of our amendment. Here is why we need our amendment. Our amendment would take on a growing problem in livestock marketing—that of packer ownership of livestock and captive supplies of livestock that allow packers to manipulate cash prices paid to producers. This amendment would strengthen the 80 year-old Packers and Stockyards Act, to make it unlawful for a packer to own, feed, or control livestock intended for slaughter.

Our amendment also addresses a glaring deficiency in the Packers and Stockyards' Act of 1921, because it has failed to prevent packers from squeezing independent producers out of the market.

Here are a few cases in point where current law—written 80 some years ago—has failed to promote competition in livestock markets. The poultry industry has been almost entirely vertically integrated for many years, and the pork industry is becoming more so. The hog industry especially has been consolidating rapidly in recent years. At the packer level, the 4 largest firms' share of hog slaughter reached 56 percent in 1999, compared with 40 percent in 1990. In 1997, 64 percent of all hogs were marketed through some form of forward sales arrangement between producers and packers, and approximately 10 percent of all market hogs involved entire or partial packer ownership.

According to USDA's Economic Research Service, larger producers—5,000+ head—most often aligned with large integrators and meatpackers currently account for nearly three-fourths of the hog production, compared with just over one-fourth in 1994. In the cattle sector, the 4 largest beef packers accounted for 80 percent of all steers and heifers—beef cattle—slaughtered in 1999, compared with 36 percent in 1980. According to the Federal Reserve Bank of Kansas City, the number of U.S. packing houses for beef cattle and hogs has declined by two-thirds since 1980.

Smithfield Foods has made 17 acquisitions during this time, giving Smithfield 20 percent of the domestic processing market for pork. A recent column in the "Economist" stated Smithfield would like to increase that share to 30 percent, and hopes its hiring of former Clinton administration DOJ Anti-Trust Chief Joel Klein as a Smithfield attorney may help them in that process. These are the facts about consolidation land market power. These are the hard cold facts that frustrate every independent farmer and rancher in the United States. The frustration grows when one considers recent profits made by agribusinesses:

Cargill increased profits by 67 percent in the last quarter, Hormel increased profits by 57 percent, and Smithfield increased profits nearly 30 percent. Finally, Tyson, now the single largest meat processor in the world with its purchase of IBP, tripled profits in its most recent quarter. Conversely, crop prices took a nose dive so severe in September that it marked the worst one-month drop in crop prices since USDA has been keeping records over the past 90 years. We must inject some real competition, access, transparency, and fairness into the marketplace if we are to see these tragic circumstances change. Instead, agribusiness is vigorously lobbying Congress to ensure the market is noncompetitive, closed off, veiled, and unfair.

Packer ownership of livestock is a function of captive supplies. Captive supplies are livestock that are controlled by packers either through contractual arrangements with producers or outright ownership. In other words, captive supplies are all cattle and swine that are not negotiated and priced within seven days of slaughter. The trend towards captive supplies and packer ownership has dramatically increased the market power of meat packers far beyond the control they previously had in the marketplace even 10 years ago.

Banning major meatpackers from owning livestock prior to slaughter is not a radical idea, there is a basis for what we are trying to do. The Packers and Stockyards Act, and its regulations, currently prohibit sale barns or auction markets from vertically integrating. Specifically, stockyards may not own or control buying stations, packing plants, or livestock feeding operations. The rationale is that such ownership or control creates conflicts of interest, access problems for other producers, and opportunities for self-dealing which distort the market.

Because meatpackers are similarly situated to stockyards as a market creator and market forum, the same rules should apply to them, but, unfortunately, the rules do not apply to the packers. Moreover, similar marketplace protections exist in other industries. For example, film production and movie companies cannot own local movie theaters by law. Broadcasting companies are prohibited from owning local television and radio stations. Why can't similar protections apply to the family farmers and ranchers raising livestock in the United States?

Here are some of the harmful effects of the packer ownership/captive supply trend: A stark increase of packer market power by allowing packers to stay out of the cash market for extended periods of time, thus reducing farm gate demand and driving down price; a severe reduction, or even elimination, of the ability of small and medium-sized producers to even access the market. An increase of packer market power by allowing packers to go to the cash market only during narrow "bid windows" or time periods each week rather than bidding all week, thus resulting in panic selling by producers; a distortion of public markets because captive supply livestock are not priced at the time of the commitment to deliver them. Rather they are priced after delivery.

This means that transactions concerning these packer-owned livestock are not part of the publicly reported daily cash market. Narrowing the volume in the market makes it more subject to manipulation. Less cash market volume also increases the likelihood for reduced competition, fewer competitors, and a lower price.

In conclusion, not only must we strengthen the law, but we must also call on USDA and the Department of Justice to better enforce it. Enforcement of the Packers and Stockyards Act has been dismal, no matter who sits at the Secretary of Agriculture's desk. We must call upon USDA and DOJ to better enforce our laws. Yet, ensuring free and fair markets is not a one-way street. The fault is not solely with USDA. We must pass stronger laws in Congress as well. Therefore, while Congress has not been successful in trying to urge our Cabinet leaders, regardless of party, to protect the market, I believe we must enact stronger laws to prevent further erosion of competition in livestock markets.

Our amendment would essentially update and strengthen the Packers and Stockyards Act, which is supposed to prevent any preference and Stockyards Act, which is supposed to prevent any preference in packer procurements of livestock. The 80-year-old act was also supposed to guarantee a well functioning marketplace on fair terms for all farmers and all ranchers. Packer ownership of livestock is inherently preferential and anticompetitive. But with USDA either asleep or in the packers' pockets, this bill is desperately needed. Considering where the industry currently stands, with the world's largest poultry processor buying the world's largest beef packer, as well as a number of other proposed mergers in the last year, I believe this amendment is critically important to halt what is an unfair move toward vertical integration.

A ban on packer ownership of livestock would not drive packers out of business because most of their earnings are generated from branded products and companies marketing directly to consumers. Conversely, livestock ownership by packers and further concentration in the livestock industry could drive independent livestock producers out of business because they are at the mercy of these large corporations.

Our Nation's farmers and ranchers want competition in the marketplace, but when a meatpacker owns livestock, that actually reduces competition. If allowed to grow unchecked, packer ownership of livestock will put a stranglehold on the Nation's family farmers and ranchers and eventually will drive those operations out of business. This farm bill needs to combat marketplace concentration so that family-size farmers and ranchers are not squeezed out of business by multinational corporations.

I urge all of my colleagues to support this very important amendment that will preserve family farmers and ranchers by putting a stop to concentration in the livestock industry and preserve the level of competition that has made our free market economy over the years the greatest success story economically in the world.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I rise to support my colleague from South Dakota. Before I continue, it is my understanding that after this amendment, we will go to the Smith amendment on the Republican side. Senators WYDEN and BROWNBACK have an amendment they say will be accepted. I ask unanimous consent I then be allowed to offer my amendment after that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I say to my colleague from South Dakota, I so appreciate his work. What we are saying with this amendment—and it is hard for people not in farm country to understand. The truth is, this is vitally important to consumers. We are saying a packer cannot own a supply of livestock during the 14 days prior to slaughter. Why? Because what is happening is these big packers are buying when prices are low, and then they hold on to the livestock which is ready for slaughter for the purpose of dumping it on the market when prices start to go up.

The IBPs or Tysons of this world are basically controlling the market. Frankly, they are jacking the independent producers around. That is exactly what is happening, I say to Senator JOHNSON. I am very proud to join him with this amendment.

Minnesota family farmers tell me the issue they are most in agreement on—whether it is Farm Bureau or Farmers Union—is this whole problem of concentration, these conglomerates that have muscled their way to the dinner table and are shoving family farmers off the land.

There was a recent poll done by the Nebraska Institute of Agriculture: 72 percent of farm households agree that packer ownership should be prohibited.

To save time, because there are other Senators who want to offer amendments and they are worried about this cloture vote, although I certainly hope we will get cloture, I will not go through the statistics on concentration. Whether it is pork, whether it is beef packers, whether it is turkey processors, chicken broilers, over and over, Economics 101, we have at best an oligopoly—three or four firms that dominate 50 percent of the market—and at worst we have a monopoly.

Everywhere farmers work, whether they buy from or sell to, they are up against large conglomerates. It is like an auction: If you have a lot of buyers, you are going to get a decent price. If you have just two people you can bid to, you are not likely to do very well.

So what this amendment is all about is trying to give some opportunities to our independent producers. These packers practice acquiring captive supplies through contracts, and then they use their ownership to reduce the number of opportunities for the small and medium-sized farmers to sell their hogs. With fewer buyers and more captive supply, there is less competition for independent farmers' hogs, and, frankly, it is a scam. This is all about lower prices.

My colleague from South Dakota already said this, but what we are seeing is a breathtaking amount of consolidation taking place in the food industry. We learned this summer that Tyson's Foods has finalized its agreement to purchase IBP. The deal has merged the country's largest poultry producer with the country's largest processor of red meat.

We asked the Department of Justice to investigate, but I do not think the laws are strong enough, and I do not expect this Department of Justice to really take this on.

We can at least say: Look, we do not want to have these packers acting to stifle competition, and that is exactly what this amendment is all about. Some are saying we are trying to stifle competition. This amendment does precisely the opposite. We want to restore competition in the livestock markets, and we want to put some freedom back into the free market system. We want to put free enterprise back into the free enterprise system. That is what this amendment is all about.

Some say this concentration leads to cheaper prices for consumers, but, frankly, the farm retail spread grows wider and wider. That is the difference between what our producers make and what consumers actually pay at the grocery store.

This amendment has the support of a broad base of family farm organizations. This amendment sides with family farmers and ranchers over these agriculture conglomerates, and it boils down to whether or not we want to have independent livestock producers in agriculture or we are going to yield to concentration and see farmers and ranchers become low-wage employees on their own land.

That is the trend. That is where we are going. This amendment is an effort to try to fight that. If we continue to stand idle and watch control of the world's food supply fall into the hands of the few, consumers are going to be the real losers. So I say to my colleague from Indiana, I really could talk for hours on this, but I am trying to be brief because I know other Senators have amendments.

I will simply say two things: No. 1, this is all about assuring competition. This is an amendment for our independent livestock producers. It is a question of whether we side with them or whether we side with these huge conglomerates who have a tremendous amount of power. This whole manipulation of the market is, from my point of view, outrageous. These conglomerates buy when prices are low and then they dump—basically they keep the prices low by going back to the slaughterhouse and dumping it on the market. It is absolutely outrageous, and I think that is why there is so much support for this amendment in the countryside.

Let me say one final thing. Since so many Senators are trying to bring amendments before cloture, I certainly hope we will vote cloture. I do not think this farm bill ought to be stopped. We are talking about a $3 billion increase of net income for our producers in this country. Time is not neutral. I think the Freedom to Farm bill became the "freedom to fail" bill. It is time to change this farm policy, and I hope Senators will vote for cloture and we will not see a filibuster and a blocking of this bill.

People in the countryside are pretty impatient about this. Time is not on their side. They would like to see a change in agriculture policy.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, may I inquire of the distinguished Senator from Minnesota, I understand the Senator asked unanimous consent that his amendment might be debated immediately following the Johnson amendment.

Mr. WELLSTONE. No, not at all. I heard the Senator from Indiana earlier. I said my understanding was that following the Johnson amendment, we would move to the Republican side and that Senator SMITH would then submit an amendment. I was trying to accommodate the Senator from Oregon. My understanding is Senator WYDEN and Senator BROWNBACK had an amendment that was going to be taken up and they needed just a few minutes, and then I asked to follow that. That is all.

Mr. LUGAR. I thank the Senator, and I apologize for my misunderstanding because I recall we had a colloquy in which the Senator was involved earlier on.

Mr. WELLSTONE. I say to my colleague from Indiana, would I ever do that?

Mr. LUGAR. No, and the Senator has not. I appreciate it.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there any objection to setting aside the pending amendment?

Mr. SMITH of New Hampshire. I ask unanimous consent that the Johnson amendment be set aside for the purpose of offering an additional amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON. Reserving the right to object, if there is no further debate on the Johnson amendment, I ask for the yeas and nays on the amendment and that we proceed to the Smith amendment.

Mr. SMITH of New Hampshire. Mr. President, I did not realize there were Members who wished to speak in opposition to the Johnson amendment, so I will withdraw my request at this time.

The PRESIDING OFFICER. The Senator has the right to do that.

Mr. LUGAR. Reserving the right to object, what was the request from the distinguished Senator from South Dakota?

The PRESIDING OFFICER. The Senator from South Dakota called for the yeas and nays to be in order prior to setting aside the amendment.

Mr. JOHNSON. I withdraw that request if there is additional debate pro or con on the amendment.

Mr. LUGAR. Mr. President, there is a request for further debate.

Mr. JOHNSON. I was simply suggesting we take care of the Johnson amendment before we moved on to the Smith amendment. That was my only goal.

Mr. LUGAR. In response to the distinguished Senator, we have additional debaters.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry. Are we on the Johnson amendment now?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Is there a time limit on the Johnson amendment?

The PRESIDING OFFICER. There is not.

Mr. HARKIN. Mr. President, how long have we debated the Johnson amendment to this point? I ask that there be one half-hour remaining on the Johnson amendment divided evenly.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. HARKIN. Is there any time limit the Senator will agree on?

Mr. LUGAR. Not until Senator BURNS, who wishes to be heard, comes to the Chamber to speak.

Mr. HARKIN. I think it is becoming clear what is going on.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. Mr. President, I rise in opposition to the Johnson amendment. There may be some understandable sympathy with respect to the amendment of Senator JOHNSON and Senator GRASSLEY. We all claim concern for the small farm and for reducing consumer prices. We are in the process of voting on numerous amendments to protect the viability of the family farm and the farmer's ability to provide for his or her family.

Personally, Virginians have been working on a peanut provision to protect small Virginia peanut farmers from the untenable, devastating, and radical changes proposed in this farm bill. I have heard the statistics that have been quoted by the Agriculture Committee ranking member, Senator LUGAR, in which Senator LUGAR pointed out that a large percentage of Federal farm subsidies go to a relatively small percentage of our farms. These are oftentimes larger farms, and I certainly understand his concern.

The situation being addressed by this amendment is not the same type of issue. The Johnson amendment will actually harm the small farm it intends to protect.

This amendment will prevent entrepreneurial' and creative companies from achieving operational quality, efficiency, and economies of scale. This amendment will drive up consumer prices. This amendment will make the U.S. products less competitive in world markets. This amendment will drive small farmers out of the market. Here is how.

If packers are prohibited from growing their own livestock, they will see an immediate decline in futures prices. Packers who currently run both operations will have to sell their livestock, thereby, of course, driving down market prices. When prices for hogs or cattle go down, we know what the return will be. It will shrink, making it—especially for the farmer—much tougher or difficult for especially the smaller farmers with less profitmaking room to continue in business.

Now, this is obviously not the way to protect the small family farm. When prices go down, it will be too late in the longer run—say, the season or two after. The small farms will not have been able to withstand an immediate and drastic fall in prices, and they will already have been shut down and will hardly be in a position to buy more livestock.

Excessive Federal Government regulations already threaten our farming community's declining profit margins due to more Federal interference in the marketplace, and that will hurt our hard-working farmers.

Now, the long-term effect of this amendment would be to drive up costs for the processors and packers and ultimately drive up the costs for consumers. Our American farmers and packers would lose market share to international competition that isn't restricted by their foreign governments. Indeed, many foreign governments greatly subsidize and protect their agricultural interests.

In the economic wealth of Virginia, we hold an inventory in the private sector of about 500,000 heads of hogs and pigs, making it a significant producer. We are also a large producer of cattle and calves. We enjoy a great mix of traditional farms that sell their livestock to processors and packers who also grow their own livestock. The predictability of supply experienced by these multifaceted packers results in an efficiency that is achieved by larger operations. These well-managed pork processing companies are able to offer high-quality, specialized items, quality, low-priced products to consumers as a result of this efficiency, as well as quality assurance of the methods of raising the hogs and cattle. We understand that in some of the specialized parts of the marketplace, in the way cattle are fed, they will then be able to label that as kosher or some other method of product that some consumers may desire.

We are eager to finish the business of the Senate and go home to visit our families for the holiday season. Many will get a Virginia ham. They may get pork loin. They may get some beef roast or who knows what. But this amendment, unfortunately, will limit the ability of the efficient companies to offer these high-quality, competitively priced products.

While I applaud the intent of this amendment to protect both the family farm and the consumer, I disagree with the methods of achieving this goal. Efficient companies that offer high-quality and low-priced products to consumers ought to be applauded and encouraged in their efforts. Congress should be saying yes to high-quality, U.S.-produced consumer goods. We ought to be saying yes to enabling long-term viability of family farms, and we ought to be saying yes to allowing strong and efficient businesses to succeed in the United States as well as internationally.

I will conclude by saying I cannot see the logic of the Federal Government telling a legitimate company in this country or even a hometown butcher shop that you can't own a pig or you can't own a hog or you can't own a cow. I don't think it is the business of the Federal Government to tell someone who can own a pig, a cow, or a calf. Therefore, I oppose this amendment and hope my colleagues will as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, simply stated, this amendment would curtail the ability of packers to ensure a continuous supply of meat products. Without a certain supply, packers cannot operate, as the Senator from Virginia has pointed out, in a most efficient way. Margins for packers are already tight. They would be forced to run fewer shifts and close processing lines. This would force meat prices for consumers to rise, adversely affecting the poorest Americans who spend a higher percentage of income on food.

We could amplify each of these points, but they are, I believe, essential to the debate. The reason that packers attempt to make certain they have a certain supply through control of that supply is to make certain that a continuous flow of production occurs.

I appreciate the point being made by the sponsor of this amendment because, clearly, in years gone by competition in the stockyards of America made for a very lively market.

My family was involved in that business. My dad was a livestock commission man at the Indianapolis stockyards, handling the hogs while my grandfather handled the cattle. At 4:30 in the morning he went to the yards and did the best he could for the farmers he represented. Those stockyards long since have left our city, as they have left almost all cities of my State. It is in large part because those who are hog farmers and cattle farmers arrive at contractual arrangements that are favorable to them.

The intent of this amendment, well meaning as it may be, is to roll back two decades of history in the business. The rollback will not necessarily be helpful to most Americans. It certainly will not be helpful for the price of meat or jobs of those employed by the meatpackers. These considerations have to be weighed as we evaluate the Johnson amendment.

It is for these reasons, recognizing the point my colleague is making, that I oppose his amendment. I am hopeful Senators will carefully consider each of these factors as they come to a vote on this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, what is the parliamentary procedure at this time?

The PRESIDING OFFICER. The pending business is the Johnson amendment No. 2534.

Mr. McCAIN. Are there amendments made in order following the disposition of the Johnson amendment?

The PRESIDING OFFICER. Yes. In order are the Smith amendment, a Wyden-Brownback amendment, and a Wellstone amendment —in that order at the present time.

Mr. McCAIN. I ask unanimous consent that the McCain amendment be made in order after the last amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I join my colleagues today in offering this amendment to help increase smart competition in the livestock sector. I think for a number of years we have observed changes that have taken place in agriculture.

In my State, agriculture is largely livestock, beef, and we feel strongly about that. We have more producers and fewer processing. This can cause problems. Increasingly apparent is the difference between the cost the producers receive and the retail costs. There is a great differential. One wonders if some of the prices that go to producers from processors are where they ought to be.

Additional regulation becomes necessary because of a loophole that has been there for some time. My colleagues and I have been concerned about that. The Packers and Stockyards Act of 1921 does not clearly define or address packers owning livestock for slaughter.

This amendment would prohibit packers, meatpacking companies, from owning and feeding livestock—with the exception of producer-owned cooperatives and small meatpacking companies. An exemption for cooperatives is included as recognition and reward to producers who have invested their resources to enhance their own market niche. I think we will see more of this—I hope that, indeed, we do—where producers are more involved in processing and moving their products on to the retail area.

By placing a prohibition on meatpacking companies, our efforts today will be branded as anticompetitive, in support of big Government versus free market. The intentions are obviously just the opposite. Our goal is to restore competition in livestock markets. Reform, I believe, is long overdue.

Livestock markets have become increasingly concentrated. Producers have fewer options for selling their products. Four top meatpacking firms control roughly 80 percent of today's slaughter market. Less than 20 years ago, four top firms controlled only 36 percent of the market. So times have changed. Some of the rules need to change. This is an opportunity to look at that.

We saw examples where the on-farm price of commodities goes down at the same time retail prices go up or remain constant. The problem of price disparity, I believe, is somewhat, at least, attributable to market concentration and that is what this amendment addresses. This amendment should be our first step toward making fair markets for our producers.

I certainly urge support for this amendment and I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank my ranking member on the Agriculture Committee for protecting me for just a little time here. I will not take too much time on this particular issue. I do have a couple of questions, though, for the Senator from South Dakota.

How does this deal with contracts? In other words, there are some people who forward-contract, under a pricing system, on a grid or whatever. How does this affect that?

Mr. JOHNSON. I appreciate the inquiry from my friend from Montana. This legislation does not prohibit forward contracts at all. There are some who suggest maybe we should, but we chose not to go down that road. So forward-contracting remains an option for both the producers and the livestock packers.

Mr. BURNS. Do you deal with futures and options?

Mr. JOHNSON. This legislation does not deal with futures and options.

Mr. BURNS. Mr. President, I am supportive of what the Senator from South Dakota is trying to do. I associate myself with the remarks made by my good friend from Wyoming. Unless we deal with contracts, this matters not because, in other words, they will just contract the cattle. They will contract the cattle right from the cow/calf producer before they even go into the feedlot.

I don't want to get caught in the same quagmire we have had with market reporting. That has turned out to be a beast. I do not know if it has helped out in any way. But what our intent was on market reporting was that the infrastructure of the USDA Market Reporting Service was already there and sales had to be reported. But OMB got in the middle of it and said, if only one guy was bidding on the livestock, then they can't report that because that is a violation of privacy in business or—I don't know, lawyers have some fancy word for it. I am not a lawyer. I have never been hinged with that title. So the OMB got in the middle of it, and they had a working sheet on why we could not have true transparency in the livestock marketing business. It was that thick. It was just—it would just blind you.

I have nothing against cooperatives either, but I have yet to see one that is managed all that well. What they are trying to do with prime beef is a venture—and we have producers in Montana who have cattle on feed in that program. But we must not take away a producer's right to do business with whomever he wants to do business, if he wants to do it on a private party basis. So I have some reservations about this amendment.

I appreciate the work that has been done. I don't know of any other way. We have not been able to attract any kind of sympathy or notice from the Justice Department when it comes to antitrust in the agricultural markets, other than ADM. That is about the only one, over in soybeans.

So if we do not do anything about contracts nor the use of futures to hedge your cattle or hogs—the same is not true in sheep. I have been looking at the sheep industry. I am still very much interested in it because we have a situation there that is completely intolerable to the lamb industry in this country. The excuses they give for a market that dips so fast—I mean it went down something like $20, $30 per hundredweight on lambs in less than 2 weeks, and there was no reason for it other than the principal processor and slaughterer and importer in this country has that big lever and they can do it.

So I haven't made up my mind on this, but I did want to say if there is no treatment of contracts or futures or options, then I don't know how we close all the loopholes of packer-owned cattle. Right now packers can't own stockyards, and there was a good reason for that. That law is being enforced. But one of these days I think those of us who have a interest in the livestock industry—and there are a lot of us in this body who do and some probably know more about it than I do—we are going to have to take a look at packers and stockyards and maybe do some reforms in that respect. I think the total law will probably need redoing.

I just wanted to bring that to the attention of the Senator from South Dakota and to the attention of others in this body. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, just so Members understand, we are going to arrange a vote on this at about 1:50, so everyone should be advised. When the Senator completes his statement, I will be back and propound a unanimous consent request.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. I think we have had a good debate on this legislation. I think Senator BURNS, my colleague from Montana, is correct on our issues about foreign contracting and markets that need examination. You can only do so much at one time, however. This addresses the most egregious of the concentration issues. That is the outright ownership of livestock on the part of the packers. That is our attempt here.

There are some who say this bill goes too far. There are some who say the bill doesn't go far enough. I appreciate that. But I think it is a very solid piece of legislation. I hope it will go forward.

The only other observation I have is it was noted we should not be in the business of telling someone whether or not they can own a pig. This legislation doesn't tell anybody whether or not they can own a pig. It does place some limitations on some kinds of packing companies that wish to own 2 million pigs. But it does not tell anybody whether or not they can own a pig. I think it is solid, bipartisan legislation, and I urge my colleagues to support it.

I will ask, consistent with the request made by the Senator from Nevada, the ayes and nays at the appropriate time. I believe he indicated at about 10 minutes until 2. I will ask at that time for the yeas and nays.

Mr. LUGAR. Mr. President, I rise to raise a question with the distinguished Senator from Nevada. As I understand it, the debate is concluded. My question to the Senator is, as we do not have a vote ordered, what can we do between now and 10 minutes until 2?

Mr. REID. We have 10 minutes. I am sure you and Senator HARKIN can talk about the bill. I am sure we can do a little more talking.

We are going to vote on the Johnson amendment at 10 until 2.

Mr. HARKIN. Mr. President, I believe Senator SMITH has an amendment. Maybe we could take up his amendment.

Mr. REID. That is fine. We now have less than 10 minutes.

Mr. President, have the yeas and nays been requested by the Senator?

The PRESIDING OFFICER. No. They have not.

Mr. HARKIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, will that vote begin at 10 until 2 o'clock today?

The PRESIDING OFFICER. That is correct.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JOHNSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON. Mr. President, we have before the Senate today the Senate farm bill. It is certainly my hope that a cloture vote will be reached at 4 o'clock so that we may wind down the debate and go to final passage. I think this is an incredible urgency that the Senate pass the farm bill during these closing days of the first session of the 107th Congress for a number of reasons.

One is the abject failure of the existing underlying farm bill. It needs replacement.

Second, our farmers, our lenders, and our rural communities all want to know what the underlying rules are going to be in this coming crop-year.

Third, there is concern about whether there will be an erosion of the budget baseline currently afforded for agriculture.

I applaud my colleague, Senator HARKIN, for his extraordinary leadership on this farm bill. It was taken up during the tumultuous times of the 107th Congress when we had a change of power midyear from one party to the other—a change of all the chairmen and a change of leadership. Under those circumstances, Senator HARKIN took up this issue. I think he has put together an excellent bill. I think there is a need to go forward.

The bill contains several provisions that are of particular importance to me. One is that unlike the bill in the House of Representatives, and the bill on the other side, this legislation contains a bioenergy title. I think that is essential.

As a member of the Energy Committee, I want to do all that I can in the coming year to move energy legislation which would incorporate incentives for greater utilization of agriculturally based renewable fuels. But it is also important that the farm bill, as well, contain efforts in that direction.

I am pleased that Senator HARKIN's farm bill, unlike the House bill, contains incentives for ethanol, for soybean-based biodiesel, and places agriculture at the center of our energy debate that this Nation needs to have.

Second, the bill contains my legislation on country of origin labeling of meat, as well as fruit and vegetables.

I think for too long the American consumers have been denied the ability to know the origins of the products they feed their families. I believe it is an outrage at a time when consumers have the opportunity to know the origins of most items they buy that for some reason they have been denied the ability to know the origin of the meat, fruit, and vegetables they serve their families.

This is not a trade limitation. If people choose to buy foreign meat products or food products, it is certainly their prerogative. But this would make those decisions a knowing decision.

I think this is helpful to a lot of American agricultural producers because I happen to believe a lot of Americans, if they have the choice, will choose an American product. It is more of a consumer issue than a producer issue because the consumers ultimately are the greatest in need of this additional information.

I applaud Senator HARKIN for including the competition title in the farm bill. Although that title was stricken in committee, it is my hope that at least components of it will find its way back into the farm bill as we engage in these debates today and this week.

This bill provides significant benefits for producers. It is not perfect legislation. No legislation we ever consider on this floor is perfect. There are amendments that I would add. There is going to be one coming up not long from now having to do with the targeting of farm program payments—one that I will support, with Senator DORGAN and others—that I think is bipartisan; that I think will allow us to better utilize and more carefully target the benefits that flow from the farm legislation.

But I think the biggest error of all would be for us to be allowed to be bogged down to the point where we cannot reach a final conclusion of this farm bill. I know there are those who want to delay this debate into next year. It would be well into the springtime before we would be able to get back and finish this, no doubt. I think that would be a mistake. I think there is a real urgency.

I applaud Senator HARKIN for his extraordinary leadership and for bringing this along as quickly as he has.

But it is certainly my hope that later on today we will be able to reach cloture so that an adequate number of amendments are allowed to be considered, but that the bill is not, frankly, talked to death to the point where we are unable to give our producers, our rural communities, our lenders, or anyone else reliable knowledge about the shape of next year's agricultural economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, in behalf of the distinguished Senator from Arizona, Mr. MCCAIN, I request unanimous consent that in the event cloture is invoked and Senator MCCAIN has not been able to offer his amendment before that time, he be allowed to go ahead and offer his amendment, and that it be considered germane.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, Senator MCCAIN wants an exemption from the cloture in case cloture is invoked?

Mr. LUGAR. Yes. Senator MCCAIN has requested essentially the same privilege that was accorded to Senators ROBERTS and COCHRAN and to Senator GORDON SMITH by the majority leader when he made his original unanimous consent request.

Mr. HARKIN. Reserving the right to object, I am going to object for right now. I may OK it later. But for right now, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LUGAR. Mr. President, in the moments before our rollcall vote, let me respond briefly to the distinguished Senator from South Dakota.

I observed during the past 48 hours that Senators have had an opportunity to offer amendments to the farm bill. I believe all witnesses to the debate would understand it has been spirited and vigorous. As a matter of fact, all of the amendments offered have been very relevant to agriculture. There were obviously many more amendments that Senators wished to offer that would be relevant to agriculture. We have compiled a list of 44 such amendments.

In relation to the colloquy I just enjoyed with the distinguished chairman, two of those amendments—one to be offered by Senators COCHRAN and ROBERTS, and one to be offered by Senator GORDON SMITH—have been deemed germane by the majority leader's unanimous consent request, even if cloture is invoked. Those Senators have asked for this privilege simply because cloture would mean the possibility that very relevant amendments would be deemed nongermane.

The problem for many Senators is that the agriculture bill has gone through several rewritings, including the bill offered by the distinguished chairman, Senator HARKIN, but then supplanted by a complete substitute offered by the distinguished majority leader, Senator DASCHLE, with over 1,000 pages. Many Senators have found this situation difficult, although they are researching precisely where their amendments are, in a parliamentary situation, in order. In any event, they would like to have the opportunity to offer them.

Very clearly, the invoking of cloture today would limit those Senators' ability to offer the pertinent amendments and, in some cases, completely eliminate it. Therefore, knowing there are many Senators on both sides of the aisle who have those amendments that we believe would perfect this bill, I am very hopeful that cloture will not be invoked when that time of vote comes at about 4 o'clock this afternoon.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The hour of 1:50 having arrived, the question now is on agreeing to the Johnson amendment No. 2534. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Massachusetts (Mr. KERRY), are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Massachusetts (Mr. KERRY), would each vote "aye."

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI), is necessarily absent.

The PRESIDING OFFICER (Mr. CARPER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 46, as follows:

[Rollcall Vote No. 367 Leg.]

YEAS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dorgan
Enzi
Feingold
Feinstein
Graham
Grassley
Hagel
Harkin
Hollings
Inouye
Jeffords
Johnson
Kohl
Landrieu
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Thomas
Wellstone
Wyden

NAYS—46

Allard
Allen
Bayh
Bennett
Bond
Brownback
Bunning
Cochran
Corzine
Durbin
Edwards
Ensign
Fitzgerald
Frist
Gramm
Gregg
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thompson
Thurmond
Torricelli
Voinovich
Warner

NOT VOTING—3

Domenici
Kennedy
Kerry

The amendment (No. 2534) was agreed to.

Mr. HARKIN. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I understand now under a previous unanimous consent agreement we will proceed to a Smith of New Hampshire amendment, then a Wyden-Brownback amendment, a Wellstone amendment, and a McCain amendment that have all been agreed to in that order; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. I inquire if we can get time agreements so we can move this along. I ask the Senator from New Hampshire and whoever else is interested in the amendment if he would be interested in entering into a time agreement.

Mr. SMITH of New Hampshire. Mr. President, I say to my colleague, there are at least four Senators who wish to speak in favor of the amendment. I can list them if the Senator would like. That is my only concern with a time agreement. I am only going to need 3, 4 minutes maximum, but I cannot speak for other Senators as to how long they would want to speak. Maybe we will know in a few minutes.

Mr. WYDEN. Will the Senator from Iowa yield?

Mr. SMITH of New Hampshire. Forty-five minutes may be reasonable.

Mr. HARKIN. I hope we can enter into some time agreement.

Mr. WYDEN. Will the Senator yield?

Mr. HARKIN. I yield for a question without losing my right to the floor.

Mr. WYDEN. I and Senator BROWNBACK will be next with an amendment on carbon sequestration. I want the chairman to know I will be very brief and I will yield my time to Senator BROWNBACK.

Mr. DORGAN. Will the Senator yield?

Mr. HARKIN. I yield to Senator BROWNBACK for a question without losing my right to the floor.

Mr. BROWNBACK. I would be happy to enter into a time agreement on the carbon sequestration amendment. It can be a short time period. I do not think it is a particularly controversial amendment. We will be happy to enter into a time agreement.

Mr. HARKIN. Does the Senator have any idea about how long?

Mr. BROWNBACK. The comments I want to make will take about 10 minutes.

Mr. WYDEN. If the chairman will yield, I will take 5 minutes and yield my time to Senator BROWNBACK.

Mr. BROWNBACK. We can probably do it in 15 minutes.

Mr. HARKIN. If we can get agreement on 15 minutes on the amendment of the Senator from Kansas.

Mr. McCAIN. Will the Senator from Iowa yield for a request?

Mr. HARKIN. Yes, I yield for a question or a request without losing my right to the floor.

Mr. McCAIN. The Senator from Iowa probably knows, in the last 2 days I have been in the queue for an amendment. Unfortunately, for a variety of reasons which are not worth going through now, I am still in the queue. I am afraid it might not be completed by 4.

I know the Senator from Iowa allowed under unanimous consent other amendments whether they were germane or not. I am not sure if my amendment is germane or not. I believe it is, but I still ask he include that amendment in case it is not able to be considered until after 4 o'clock.

Mr. HARKIN. If my friend from Arizona will give us a copy of the amendment, I will be glad to take a look at it and see if it is in the genre of things agreed. I will be glad to take a look.

Mr. McCAIN. I thank the Senator from Iowa.

Mr. HARKIN. I yield to the Senator from North Dakota for a question.

Mr. DORGAN. I think it makes sense to reach a time agreement on the Smith amendment. I intend to speak against the Smith amendment and want to do so for a minute or so. It seems to me we have debated this over the years as a general subject. If we can reach a time agreement and then let the Senate vote makes sense to me.

Mr. SMITH of New Hampshire. I am amenable to that. I know Senator ALLEN, Senator TORRICELLI, Senator DORGAN—I do not know of anyone else here right now who wishes to speak on either side of the amendment.

Mr. HARKIN. May I ask the Senator from New Hampshire, how about 40 minutes?

Mr. TORRICELLI. Is there a unanimous consent request now before the Senate?

Mr. HARKIN. I have the floor and ask if we can get a time agreement on this amendment. The Senator from New Hampshire has been willing to work this out. I am trying to see if we can get a time agreement. I asked if we can have a 40-minute time agreement. I do not know if that is acceptable or not.

Mr. TORRICELLI. In my estimation, there are too many Senators to be commenting in 45 minutes. There are four on our side and three or four on the other side. We may be able to accommodate that in an hour, but 40 minutes is unlikely. I say to the Senator from Iowa, if he does offer a unanimous consent request, I have to ask him to include a secondary amendment that Senator SMITH wants to offer, as long as that is in order in the time period as well.

Mr. HARKIN. If we can reach a time agreement. How about 50 minutes?

Mr. SMITH of New Hampshire. That is acceptable to this Senator.

Mr. HARKIN. Is that acceptable to this side?

Mr. TORRICELLI. It is acceptable to me, but that Senator SMITH before the close be recognized to offer a second-degree amendment.

Mr. REID. Will the Senator yield?

Mr. HARKIN. I yield.

Mr. REID. The Senator from New Hampshire said he wants to speak for 5 minutes. That will give us a time to call some Senators. We may have one Senator who may want to speak 20 minutes himself. Give us time to work on that. We cannot agree to a time right now until we talk to some Senators.

Mr. HARKIN. I do not know why we cannot agree to a time limit. We have people in the Chamber who are interested in the amendment. We can reach a time agreement, and everybody will have their time. The Senator from New Hampshire said he wants to take 5 minutes. He is honest and forthright.

Mr. TORRICELLI. The problem is, we have a number of Senators who all want to be heard.

Mr. DORGAN. If the Senator will yield, I do not think the question is whether people want to be heard. The question is how long they want to be heard on the amendment. I will oppose it, but I am perfectly willing to accept 45 minutes. Are there people who want to comment 20, 30 minutes in opposition? If so, we will have difficulty getting a time agreement. My hope is, given the hour and difficulty of moving this bill along, that we can get a time agreement on this amendment on both sides.

Mr. HARKIN. I hope we can get a time agreement now. I do not want to cut off anybody speaking on this, but the proponent of the amendment himself told me he only wanted to take 5 minutes. I assume the others in 5, 7 minutes can have their say.

Mr. TORRICELLI. My suggestion is, if there are four or five Democrats and four or five Republicans who are for it, there are people in opposition, at 5 minutes we have to have an hour at a minimum to accommodate them.

Mr. HARKIN. How about 1 hour on the Smith amendment?

Mr. TORRICELLI. One hour, at which point there will be secondary amendments.

Mr. REID. Reserving the right to object, we are not going to agree to a time limitation. There are Senators I have to contact. People may not like it, but that is the way it is.

Mr. TORRICELLI. I suggest we begin the debate and, during the course, see if we can work it out.

Mr. HARKIN. There is no time agreement.

The PRESIDING OFFICER. Under a previous order, the Senator from New Hampshire is recognized.

AMENDMENT NO. 2596 TO AMENDMENT NO. 2471

Mr. SMITH of New Hampshire. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from New Hampshire [Mr. SMITH], for himself, Mr. TORRICELLI, Mr. GRAHAM, Mr. ALLEN, Mr. ENSIGN, and Mr. HELMS, proposes an amendment numbered 2596 to amendment No. 2471.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> (Purpose: To provide for Presidential certification that the government of Cuba is not involved in the support for acts of international terrorism as a condition precedent to agricultural trade with Cuba)
>
> At the end of section 335, insert the following:
>
> "(c) EFFECTIVE DATE.—The amendments made by this section shall not take effect until the President certifies to Congress that Cuba is not a state sponsor of international terrorism."

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that Senators TORRICELLI, GRAHAM, ALLEN, ENSIGN, and HELMS be added as original cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Hampshire. Mr. President, I don't believe I will use the 5 minutes I have asked for.

As some have said, this issue has been debated in the past. Everyone is familiar with it. It is not necessary to take a lot of the Senate's time. Given the fact we are trying to finish the Senate's business, I will be considerate of that.

I simply say in a few words what the gist of this amendment is. The underlying farm bill contains language that strikes the current statutory restriction against private financing of food and medicine sales to Cuba. The administration opposes that language, I think with good reason.

My amendment conditions—it does not substitute the language—the financing of food and medicine sales to Cuba on the President certifying to Congress that Cuba is not a state sponsor of international terrorism. That is all. It conditions it; it does not substitute it. I would have liked to have substituted it. However, I came in with a milder version to try to gain support in what I think would be the fairer thing to do. We would condition the financing of food and medicine sales to Cuba on the President certifying to Congress that Cuba is not a state sponsor of international terrorism.

I don't know if my colleagues have been following very closely what is happening in Central America, but there is a lot of terrorist activity in Central and South America with Cuba and other nations. Our President has declared war on terrorism. I remind my colleagues of the exact language that President Bush used:

> Every nation in every region now has a decision to make. Either you are with us or you are with the terrorists. And from this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime.

Now, surely if Cuba—and I emphasize the word "if"—if Cuba is in any way harboring terrorists, supporting terrorism, participating in any way, helping the international terrorist community, why should we be providing anything to them to help do that? If Cuba is a state sponsor of terrorism, the question should be: Should we allow for private financing of agricultural sales to Cuba? I don't think we should be making a profit while we are supporting international terrorism. I don't think that is what my colleagues would want to see happen.

We shouldn't even be trading with Cuba, in my view, if they harbor terrorists. That hardly goes back and supports what the President said when he said: Either you are with us or you are with the terrorists, and any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime.

If a country is harboring terrorists, the President said we will go after them one way or the other. It is hardly going after them if we trade with them and make a profit while doing so.

I think the answer is no, no we should not allow private financing of agricultural sales to Cuba. And no, if Cuba is a state sponsor of terrorism, we should not be trading with them. It is that simple. That is the amendment before the Senate. I don't consider this amendment to be a referendum on U.S. policy toward Cuba. I don't even consider this to be an amendment on a referendum on trade policy. I simply say this amendment is a referendum on nations that support and sponsor international terrorism.

I remind my colleagues that the State Department lists the following seven States, as of 1999, as state sponsors of terrorism: Iran, Iraq, Syria, Libya, North Korea, Cuba, and the Sudan. Cuba is with pretty heavy company. Let me repeat the countries in their company out of all the nations in the world: Iran, Iraq, Syria, Libya, North Korea, and Sudan join with Cuba as seven states listed as state sponsors of terrorism.

My amendment does not say they cannot trade; it doesn't say you can. It says let the President certify it, and we will be fine.

I rest my case and I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, the most extraordinary thing about this debate is we are having it at all. The President of the United States has declared war on terrorism. American soldiers are fighting terrorist organizations, and the Senate is about to approve legislation, but for this amendment, which would allow the financing of American products in some instances from American institutions—insured by the American taxpayer—to governments that we have established are harboring terrorists. If I didn't hear it myself, I would not believe it. And the American people are not going to believe it.

Countries on this terrorist list are not broad. They are well defined. It is specific: Libya, Iran, Iraq, and in this instance, in this legislation for our purposes, Cuba.

Is it a fair designation? It is from the State Department. It was designated in the Clinton administration, and it is designated in the Bush administration with the following language from the State Department:

> A number of Basque terrorists gained sanctuary in Cuba some years ago. They continue to live on the island, as do several American terrorist fugitives.

I continue:

> Havana has maintained ties to other state sponsors of terrorism and Latin American insurgents. Colombia's two largest terrorist organizations, the FARQ and the ELN, maintain a permanent presence on the island.

In addition to our national policy against terrorism, we have a national policy against states that are involved in bioterrorism. Cuba has the greatest bioterrorist capability in the Western Hemisphere. Cuba prohibits international inspection of its biological facilities. In 1998, Secretary of Defense

Cohen, a former member of this institution, wrote to the Armed Services Committee:

> I remain concerned about Cuba's potential to develop and produce biological agents, given its biotechnology infrastructure.

The Defense Department, in 1998, in a report entitled "Cuba's Threat to American National Securities," said:

> Cuba's current scientific facilities and expertise could support an offensive bioweapons program. In at least the research and development stage, Cuba's biotechnology industry is among the most advanced in all developing countries.

There needs to be one message from this Government. We are fighting terrorism, but now we are going to finance exports to countries that harbor terrorists. We are attempting to undermine the capability of nations that develop bioterrorism, but now we are going to finance products by our institutions to those very countries. It doesn't make sense. No one could defend this vote to their constituents. I don't care if every person who lives in your State is a farmer. I don't believe there is a farmer in America who wants to make a buck by having this country finance exports to Governments such as that.

President Bush has stated it very plainly. In this war against terrorism, you are for us or you are against us. Where is this Government now that we want to subsidize by financing exports to them? In May 2001 in Tehran, Fidel Castro proclaimed:

> Iran and Cuba, in cooperation with each other, can bring America to its knees.

Mr. Castro has decided whether he is with us or he is against us.

The Canadian security intelligence service, which investigates terrorist threats, said in a 1996 report:

> Cuba has been a supply source [to terrorist groups] for toxin and chemical weapons.

In a 1999 book "Biohazard," a former KGB colonel, Ken Alibek, second in command of the Soviet offensive biological warfare program until 1992, wrote that he was convinced the Castro government was deeply involved in biological warfare research programs.

In each of these ways, if you do not want to take the testimony of the U.S. State Department, if you do not want to follow President Bush's command about which governments chose sides, recognize that the conclusions I bring to the Senate are not American alone. On Castro's involvement in terrorism, his involvement in bioterrorism, we have the testimony not simply of Americans but of our Canadian allies, and even our former Soviet adversaries.

I do not rest my case on the support of terrorism by Castro alone or his biochemical warfare. There is another aspect to the amendment that Senator SMITH and I offer with Senator NELSON and Senator GRAHAM, Senator ALLEN, and others of our colleagues, and that is the question of harboring fugitives from justice in the United States. Under our amendment, if Fidel Castro wants to get the advantage of the financing of American agricultural exports, he can get that financing. He has to get himself off the terrorism list by stopping harboring terrorists. He has to allow the inspection of his biochemical warfare facilities. If he does those things, he can get our exports financed by institutions supported by this Government.

But he has to do one more thing under the secondary amendment we are going to offer: Stop harboring fugitives from American justice. Cuba currently is giving safe haven to 77 American citizens who have been indicted or convicted of committing felonies against the United States. These include fugitives who have been convicted of murder, kidnapping, and possession of explosives. They have escaped American justice because Fidel Castro allows them to live safely and freely, in most instances, in Cuba.

Most on this list—60 of the 77—were convicted of what is a terrorist act now in the minds of most Americans: Hijacking an airplane.

Is there a Member of this Senate who will explain to citizens of their State that we are about to change a bipartisan American foreign policy restricting the financing of exports to Cuba and will not accept a condition that first the people who have engaged in the terrorist act of hijacking an airplane—that those fugitives not be returned to the United States? If ever I have heard an explanation difficult to give to the American people, particularly since the events of September 11, this would rank as the most difficult. This may be hard for people in most States, but in my State it would be impossible.

In 1973, Joanne Chesimard was riding on the New Jersey turnpike, the "thruway" to most, along with some accomplices. She was stopped and opened fire on the officers involved. A New Jersey State trooper, Werner Foerster, was murdered. She was convicted. She was sent to jail for having taken his own weapon and shooting him twice in the head, killing him instantly.

In spite of the fact she was given life in jail, she escaped, in 1979, from the Reformatory for Women in Clinton, NJ. She fled to Cuba where, since 1984, she has been granted asylum and has lived for 17 years.

Castro gives asylum to the murderer of a State trooper, a woman who committed terrorist acts against the United States. This is the Government whose exports we would now finance from institutions supported by the American taxpayer. Fidel Castro knows how to end the prohibition on the financing of exports.

Members of the Senate will hear we are using food and medicine as a weapon against the poor people of Cuba. It is not so. It has not been so for nearly 10 years. I know. Legislation that I sponsored in the House of Representatives, the Cuban Democracy Act, lifted prohibition on the sale of American agricultural products and medicine 10 years ago. Fidel Castro can buy anything he wants to buy, any food, any medicine. But he has to pay for it. That is the law. And that is the issue because under the provisions of this bill, now we are not allowing him just to buy, but we are going to finance the sale.

Fidel Castro knows how to end that prohibition: Get terrorists out of your country, open up for biological weapons inspection, and send these 77 fugitives from justice back to the United States.

Yet I know because I have been through this debate before, we will be told we are using food as a weapon. No, we are using the leverage of finance as a weapon for justice—for justice. Yet in moments you will hear, in a false argument to the American farmer, that if only we could end this embargo, if only we could finance these exports, the problems of American agriculture would be ended.

Let's address that part of the argument. Let's assume we did not care about using this leverage to stop terrorism. Let's assume we did not want to use it for biological warfare leverage. Let's assume we didn't care about the 77 fugitives. Let's just take the argument on its merits with all that aside. Is it a fair argument to make to the American farmer that somehow, 90 miles off our shores, there is a market? We should compromise our principles because there is a market that will ease the financial burden of the American farmer?

As this chart indicates, looking at markets around the world, there is a reason, in these 10 years, Fidel Castro has not bought American agricultural products in spite of the fact we changed the law to allow him to do so. It is the oldest reason in the world: He doesn't have any money. The purchasing power, by comparison, of a Cuban consumer is $1,700—below Honduras and Egypt. The per capita income of a Cuban is $500. There is no money. It provides no opportunity to the American farmer. That is why Castro has not taken advantage of our lifting of the prohibition of the sale of American products.

Then they will argue maybe the consumer doesn't have any money in Cuba but we will sell to the Cuban Government. Oh, if it were so. Fidel Castro currently owes $11 billion to international financial institutions, among the highest per capita debt ever recorded by any nation in history. He owes another $20 billion to the former Soviet Union and other socialist countries. They all stand in line before any

American financial institution would ever receive the first dollar.

He owes more money for recent purchases. South Africa extended him $13 million in credit for diesel engines in 1997. It has never been paid. There was $20 million loaned for fish imports from Chile. It has never been paid.

This gives you an indication of Cuba's outstanding foreign debt: $6 billion to governments; $2.7 billion to banks; and, $1.7 billion to private companies—all in arrears.

I ask the authors of the farm bill exactly which American financial institution would like to ask their depositors—no less the regulatory institutions of the U.S. Government that insure—would you like a piece of this debt? Who would like to get in this line behind all of these other people?

The simple truth is Fidel Castro cannot borrow from international institutions. He cannot borrow from other governments. He is certainly not in a position to borrow from American financial institutions. Since we insure those institutions, even putting aside the policy reasons I have argued, we shouldn't allow it.

Finally, what will at this point be a crumbling argument, some of my colleagues may argue: Well, maybe he doesn't have money, maybe he doesn't have credit, but he can certainly bargain with our banks with Cuba's cane sugar.

What sugar? Cuba is now producing less sugar than it produced in 1959. Every year's crop is less. He has already tried to barter for oil and manufactured products. He has been unable to deliver the sugar to meet the contracted price. There is no sugar.

I end on this note: I think the case is compelling as far as the war on terrorism. I think the President has challenged this Congress as he has challenged every other government: You are with us or against us. Castro chose sides. He chose sides. It would be indefensible in the midst of this policy and this war on terrorism while he remains on that terrorist list to now finance these exports. But yet I know because we are a good and a generous people that some of my colleagues will be inclined to say maybe his government did these things. Maybe he can't finance the exports. Maybe it is a hollow promise to American farmers. Maybe it isn't responsible as part of the war on terrorism. But let us just show who we are. Let us do it anyway. Let us go the extra mile.

We have gone the extra mile. Since 1992, the United States has approved $3 billion worth of food and medicine and humanitarian aid to Cuba. Today, we send more food and medicine to Cuba free—free—despite our relationship with their government which is more adversarial than any relationship between any other two countries on Earth. We are a generous people. We are helping the Cuban people. We have kept them alive with massive aid efforts.

I rest my case. This makes no sense, and it is wrong. Senator SMITH has offered an amendment that will remove provisions from this bill of allowing agricultural finance unless and until Fidel Castro gets himself removed from the terrorist list.

I have an amendment at the desk that will expand this to provide that unless and until he returns fugitives from justice to the United States, he also will not be allowed to get the advantage of financing of American exports.

AMENDMENT NO. 2597 TO AMENDMENT NO. 2596

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. TORRICELLI] proposes an amendment numbered 2597 to amendment No. 2596.

The amendment is as follows:

(Purpose: To provide for Presidential certification that all convicted felons who are living as fugitives in Cuba have been returned to the United States prior to the amendments relating to agricultural trade with Cuba becoming effective)

At the end, strike "." and insert "and until the President certifies to Congress that all convicted felons wanted by the Federal Bureau of Investigation who are currently living as fugitives in Cuba have been returned to the United States for incarceration.".

Mr. TORRICELLI. Mr. President, I offer the amendment as a secondary amendment to Senator SMITH's amendment. I ask unanimous consent that it be agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

The amendment is pending.

Mr. TORRICELLI. Mr. President, I will continue to hold the amendment. I assure Members of the Senate that unless and until I am assured that fugitives who have killed people in my State are returned as a condition of this bill that this bill will not proceed. I will continue to hold the floor.

At this point, since I am not allowed to offer this amendment and it is not agreed to, I will continue on this floor if I have to read a phone book on this floor.

Mr. NELSON of Florida. Mr. President, will the Senator yield?

Mr. TORRICELLI. I would be happy to yield.

Mr. NELSON of Florida. Mr. President, I want to substantiate the seriousness of the 77 people who are fugitives from justice now living in Cuba and the crimes they have committed.

The Senator from New Jersey told us about a crime that was committed in his State. A highway patrol trooper was shot in the face twice by someone who was subsequently convicted, imprisoned, and escaped from prison, and is now a fugitive from justice being harbored by the Government of Cuba.

If you look at the crimes that have been committed by these 77 fugitives, they include air piracy, hijacking an aircraft, crime aboard an aircraft, crime of escape, aiding and abetting, crime of kidnapping, and the crime of solicitation to commit murder.

I thank the Senator from New Jersey for yielding for me to underscore the gravity and the seriousness of these fugitives.

I also think it is quite symbolic that on this day so many of us in this Nation have been riveted to our television sets to see a tape of Osama bin Laden mocking the United States, laughing and enjoying it as he is telling the stories of the World Trade Center being hit by aircraft and the Pentagon in Washington hit by aircraft.

I think it is somewhat ironic that then we bring to the floor, on the very same day that we have once again focused on terrorism and terrorist acts and our war against terrorism, an example of the U.S. State Department having on a list published in 1999 seven states that sponsor terrorism. One of those seven states is Cuba. We have a bill before us that would allow the export of our bounty and the amber waves of grain and other products that come from the beneficent bounty of this Nation's agricultural produce internationally financed and financed by banks without Cuba being removed from the official U.S. State Department list as state sponsors of terrorism.

It is just another reminder to us that if we are going to be serious about the war against terrorists—I think America is as a result of what happened on September 11—then we had better get serious that once we mop up in Afghanistan, we have to start mopping up these cells in other places.

What does the U.S. State Department say is one of those states that sponsors terrorism?

I thank the Senator from New Jersey and the Senator from New Hampshire for bringing this to the attention of the Senate. This Senate could easily adopt, in this time of a war against terrorism, these amendments by a voice vote, and we could proceed with what is otherwise a very fine farm bill, a bill that is for the benefit of this Nation.

I want to lend my voice to the Senator from New Jersey and the Senator from New Hampshire to tell them that I believe that these amendments ought to be adopted.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. EDWARDS). The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I believe I still have the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, it is my understanding now that the second-degree amendment that I have offered to Senator Smith's amendment is now incorporated?

The PRESIDING OFFICER. The second-degree amendment is pending. It is not incorporated.

Mr. ALLEN. Will the Senator from New Jersey yield?

Mr. GRAHAM. Will the Senator from New Jersey yield?

Mr. TORRICELLI. I am happy to yield.

Mr. GRAHAM. I thank the Senator.

Mr. President, I would like to, if I could, continue to amplify the issue that my good friend and colleague from Florida has just discussed; and that is to attempt to put a human face on this issue which we are dealing with at the present time.

The question is, under Senator Smith's amendment, should there be a requirement that Cuba reform itself so that it is no longer one of the seven nations in the world to be listed as a sponsor of state terrorism in order to get the benefit of U.S. financing of agricultural sales to Cuba, and now the amendment that is pending from the Senator from New Jersey, which would also require that there be a return to the United States of those fugitives from justice who have found sanctuary in Cuba?

Who are some of these fugitives from justice? Let me just talk about three of them.

First, Victor Manuel Gerena. Mr. Gerena is on the FBI's Ten Most Wanted list. He belongs to a Puerto Rican independence group, the FLAN. This group is responsible for numerous acts of terrorism, terrorism in the United States of America, including a 1975 bombing in New York City that killed 4 and injured 63. He is also sought in connection with the armed robbery of $7 million from a security company.

How was he able to get himself in a position to rob a security company of $7 million? He got there because the Cuban Government aided Gerena and his group in preparing the robbery and allegedly funneled them $55,000 to pay for the operation.

Does that sound a little eerily reminiscent of what was happening before September 11?

Gerena and a part of the stolen $7 million were smuggled into Cuba by diplomats stationed at Cuba's Embassy in Mexico City. That is one of the fugitives from justice that we believe should be returned to face justice as a precondition of the United States providing financing for agricultural sales to Cuba.

Let's talk about Charles Hill and Michael Finney.

Mr. ALLEN. Mr. President, I call for regular order under rule XIX. The Senator has yielded for more than a question.

Mr. GRAHAM. Mr. President, I asked the Senator from New Jersey if he would yield. He yielded. And I am speaking on his time.

The PRESIDING OFFICER. The Chair informs the Senator that it is the custom of the Senate, with reference to Senators yielding in debate, to construe the rules liberally unless prior notice has been given that they shall not be so construed.

Mr. GRAHAM. Thank you, Mr. President. I wonder if the Senator from New Jersey——

The PRESIDING OFFICER. Let me add to the Senator from Virginia, that given the notice we have now received from you, the rules will be strictly construed from this point forward.

Mr. GRAHAM. I wonder if the Senator from New Jersey is familiar with Charles Hill and Michael Finney?

Mr. TORRICELLI. I say to the Senator from Florida, I am indeed familiar with them.

Mr. GRAHAM. Maybe you might be further illuminated, and our colleagues informed, about these two people who are also part of that large pool of those who are fleeing American justice in Cuba.

Mr. Hill and Mr. Finney are accused of murder and airplane hijacking. In 1971, the two were driving a car filled with guns and explosives from California to Louisiana in an operation for the militant Republic of New Afrika, a small organization that seeks a black separatist nation within the United States.

As Hill and Finney crossed into New Mexico, they were stopped by a 28-year-old State trooper, Robert Rosenbloom. There was a standoff. Mr. Rosenbloom was tragically shot dead.

Nineteen days later, the fugitives scrambled aboard a TWA plane in Albuquerque and hijacked a flight which was bound for Chicago.

Interviewed in Havana last year by a U.S. journalist, Hill said when he arrived in Cuba he "was accepted by Fidel Castro's government as a soldier of the people's revolution."

Senator TORRICELLI, were you aware this is the kind of person but for the amendment you are proposing would continue to be harbored in Cuba and would be sheltered from U.S. justice, and for which the family of Robert Rosenbloom, shot dead, would receive no sense of finality in terms of the loss of their loved one?

Mr. TORRICELLI. I say to the Senator from Florida, it would leave American law enforcement with no leverage to get the return of these fugitives to the United States. You can imagine the pain of an American family whose loved one was murdered by one of these fugitives now knowing that our country's institutions are lending money to this government, and those very institutions being, in some cases, insured by the U.S. Government. I think it would be extremely painful and difficult to explain.

Mr. GRAHAM. I thank the Senator.

We have been talking about individual terrorists who are being sheltered in Cuba. But beyond individual terrorists, there are organizations of terrorists. There are cartels of terrorists which are being sheltered in Cuba.

I wonder if the Senator from New Jersey is aware of the fact that after a long history of Cuba providing direct support, including direct military support for terrorists and other revolutionaries in the Western Hemisphere, now Cuba is becoming the center of the hemispheric organizations for terrorists.

Was the Senator from New Jersey aware of that latest contribution of Fidel Castro to the terrorization of the world?

Mr. TORRICELLI. Indeed, I was not, I say to Senator GRAHAM, but I am appreciative of the fact that the Senator is bringing it to the attention of our colleagues, if they are, indeed, serious about their intentions of now financing exports to this government.

Mr. GRAHAM. I say to the Senator, I am sorry to have to report that not at some distant point in the past, and not under the administration of a member of our party, but under the current administration, as recently as April of this year, 2001, the State Department, in its report "Patterns of Global Terrorism" has this to say about Cuba and terrorism: That Cuba maintains ties with other state sponsors of terrorism. As an example, the two most notorious Colombian insurgent groups, the Revolutionary Armed Forces of Colombia, typically referred to as the FARC, and the National Liberation Army, the ELN, maintain a permanent presence in Cuba.

However, Havana is not limited to just providing a shelter for Colombian groups. We found, within the last 18 months, that the Irish Republican Army has its western hemispheric branch located in Havana. We found that from branch relationships that were being developed, particularly with the FARC in Colombia, through which it was alleged that the IRA would receive funding for its terrorist activities through the large drug resources of the FARC, and the FARC would get the IRA's expertise in urban guerrilla terrorism tactics so that they could move from the hinterlands of Colombia into the major cities of Colombia with their acts of terrorism and civil disorder.

Was the Senator from New Jersey aware that this is one of the current phases of Fidel Castro's support for terrorism?

Mr. TORRICELLI. I am. Indeed, it is because of not only allowing them to operate but a permanent presence for these terrorist organizations in Havana that the State Department, under both the Clinton administration and now the Bush administration, has cited Fidel Castro's government as being complicit with terrorism on what remains a very small list of rogue nations. This is not conduct where terrorists simply pass through the country. It requires a continuous, outrageous national policy of actually harboring these organizations that the Senator cited.

Mr. GRAHAM. To go even further, that Cuba, under this same report of the State Department in April of 2001, regularly conducts political, social, and economic interactions with other countries listed on the State Department list of terrorists, such as Libya, Iran, Iraq, and through these relationships, Cuba has access to those countries' illegal supplies of weapons and biotech products, what is the reaction of the Senator from New Jersey to this current grip of terrorism that Fidel Castro has placed on his country and is exporting around the world?

Mr. TORRICELLI. As I have noted previously, it is important for our colleagues to know that the fact that Fidel Castro is involved in bioterrorism and has these facilities that he refuses to allow international inspectors to visit is cited not only by the U.S. Government but cited by the Canadian Government as a source of concern. We have information from former Soviet officials that, indeed, they were aware of it and concerned of it themselves.

Mr. GRAHAM. And well they should be. The U.S. Office of Technical Assessment has included Cuba among the 17 countries in the world which are believed to possess biological weapons.

As I believe the Senator said a few moments ago in his statement, the former deputy director of the Soviet Union's biological weapons program, Mr. Ken Alibek, revealed that the Soviet Union had been providing assistance to Castro and that Cuba now has one of the most sophisticated genetic engineering labs in the entire world. Was the Senator from New Jersey aware of that history of preparation for violence through terrorism?

Mr. TORRICELLI. I am. I hope our colleagues understand this. When we talk about Fidel Castro's dictatorship today, this isn't some old, unsettled grudge. This is a continuing security problem. Ninety miles off our shore we have now established there are fugitives from American justice, including people who have hijacked airplanes and committed murder. There are now established bases for terrorist organizations on an ongoing basis, and an international concern for bioterrorism—not 40 years ago, not 30 years ago, right now, while the United States is engaged in a war against terrorism.

Mr. GRAHAM. Sad to say, we have out of the mouth of Fidel Castro and his minions the most current statement of his attitude toward terrorism and his attitude toward the United States, the Nation which now is being asked to provide U.S. financing for agricultural sales to Cuba.

Would the Senator be surprised that when the tragedy of September 11 was made known to Fidel Castro, while he initially offered some words of support to the United States, he also urged United States policymakers to be calm and stated that the attacks against the World Trade Center and the Pentagon and the failed attack that ended up in the fields of western Pennsylvania were a consequence of the United States having applied "terrorist methods" for years? He is essentially saying that the United States and Osama bin Laden are mirror images of one another. Those were the statements on the day of the attack.

Subsequent statements relative to the attack of September 11 have become even more hostile. A recent press report quoted Cuba's mission to the United Nations as describing the United States' response to the attacks as "fascist and terrorist," so we not only are Osama bin Laden, we have now become Adolf Hitler, and that the United States was using the attack as an excuse to establish "unrestricted tyranny over all people on Earth." Castro himself has said that the U.S. Government is run by extremists and hawks whose response to the attack could result in "the killing of innocent people." Would the Senator believe that?

Mr. TORRICELLI. Let me respond to Senator GRAHAM, if I could. I hope every Senator thinks about the incongruity of this situation. Fidel Castro is blaming the attacks of September 11 on the policies of the United States.

He is now stating his opposition to our military campaign abroad, and we are about to engage in finance of our products to his country and his government. Imagine explaining that to the parents of an American soldier now in Afghanistan or coming to New York, New Jersey, or Virginia or explaining that to the widow of a victim of the September 11 attacks. Talk about choosing whether you are for us or against us, and then trying to explain away what happened to our country.

I am happy to yield for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, it wasn't clear to me who had the floor. I believe the Senator from New Jersey has the floor, and the Senator from Florida is sort of asking questions. In terms of time here, I am wondering if we could get some notion. Is the Senator from Florida intending to seek recognition on his own when he finishes these series of questions so we might have some sense of whether others might be recognized in this debate?

Mr. GRAHAM. The Senator from New Jersey has certainly clarified some questions of uncertainty in my mind. I still have some policy comments I think bear on the question of whether, in the face of the actions of Fidel Castro relative to those who have used his country as a safe haven for murderers, airplane hijackers, and others, and as a continuing caldron for the support of terrorism in the western hemisphere throughout the world, it is in the United States' national interest to be providing financing for the food that he will control and distribute as he wishes to his people.

Mr. DORGAN. Mr. President, if the Senator from New Jersey will yield further, I respect that, and I understand the rules of the floor. The Senator is making a long statement and then asking, "are you aware of that." He has the right to do that in the form of a question. The Senator from Virginia would like to speak. I would like to speak. Could we get some sense of time here, how long this inquiry will go on? Does the Senator intend to seek recognition on his own behalf, or the Senator from Virginia expect to seek recognition next so we could have some sense of whether or when we could actually have a debate about this policy?

Mr. GRAHAM. First, the Senator from New Jersey has been so lucid and candid and expansive in his knowledge of these issues that he has responded to most of the questions that I have, I am certain, to the great benefit, certainly, of this Senator and all of our colleagues. My further questioning will be very brief. Yes, I do have some policy statements that would be inappropriate to attempt to deliver in the context of asking questions of the Senator from New Jersey.

Mr. TORRICELLI. Perhaps if I can answer what I suspect the question is going to be, it was my intention that when Senator GRAHAM finished, we would yield the floor. We had settled the matter of the secondary amendment. I assumed Senator ALLEN would be recognized next and, at that point, I will have yielded the floor. Senator GRAHAM will be recognized again to make a statement.

Mr. DORGAN. It is actually interesting that the Senator from New Jersey seems to be well aware of that about which you are inquiring. The Senator indicated he is well informed and, observing that, I would concur. All I am interested in doing is to see if we can have a debate spring out and when that might occur.

Mr. TORRICELLI. I can't tell you how helpful it is to be reminded of these things by the Senator.

Mr. DORGAN. It also appears you are intimately familiar with all of that which is being delivered to you by my colleague from Florida.

Mr. GRAHAM. This is a testimonial to the wisdom and range of knowledge of our colleague from New Jersey. He has certainly earned all of those accolades, and the Senator from North Dakota has reinforced that. I appreciate the Senator yielding and for his response to the questions.

As I indicated, it is my intention, at an appropriate time, to seek recognition to make a statement of policy relative to the ill wisdom of the United States under these circumstances providing financing for the sale of agricultural products to Fidel Castro that he can then use for whatever sources of intimidation and control he would put them to, as he has to so many other aspects of the life of the Cuban people over the last 40-plus years. So I thank the Senator from New Jersey for yielding and for the thoughtfulness of his responses and the solid policy of his amendment.

Mr. TORRICELLI. I thank the Senator from Florida for being an ally through the years on this issue and for so much leadership as all of us have tried to regain the freedom of the Cuban people. I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ALLEN. Mr. President, I rise in support of the amendments of my colleagues, Senators TORRICELLI and SMITH of New Hampshire. These amendments, of which I am a cosponsor, are very good amendments. I have not had the opportunity in years past to hear the argument and debates on these issues. I consider these amendments to be very well founded. What they do is they have conditions for lifting restrictions on the financing of agricultural sales to Cuba, and two findings have to be made. The first condition is that the President must certify to Congress that convicted felons wanted by the FBI who are currently living as fugitives in Cuba have been returned to the United States for incarceration. I will not repeat all of the evidence in this regard that was previously cited by Senator TORRICELLI, Senator NELSON of Florida, and Senator GRAHAM of Florida, concerning the return of criminals to the United States.

The second condition is that the President must certify to Congress that Cuba is not a state sponsor of international terrorism. That is the amendment of Senator BOB SMITH.

Mr. President, I support fair and free trade and increased opportunities for U.S. workers and businesses, including our agricultural sector, to trade with other countries. However, prudence would lead us to seek to finance trade with countries that are not terrorist states. The Secretary of State maintains a list of countries that have repeatedly provided support for acts of international terrorism. Currently, there are seven countries on that State Department terrorism list. They are, in alphabetical order: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. It is appropriate that Cuba is on that list.

Fidel Castro's regime has a long history of providing arms and training to terrorist organizations, many of which were articulated previously by Senator GRAHAM. Our State Department notes that Havana remains a safe haven to several international terrorists and U.S. fugitives as well.

As we have seen since September 11, terrorists operate in an environment largely dominated by legally and geographically defined nation states. Terrorists sometimes rely on state-provided funding, bases, equipment, technical advice, logistical and support services.

In the wake of the September 11 terrorist attacks on the World Trade Center and Pentagon, President Bush, in addressing our Nation, stressed that the United States, in responding to these attacks, will make no distinction between the terrorists who committed these acts and those who harbor them. As we heard, the President characterized these terrorist acts as "acts of war."

An ongoing issue for our Congress and administration is how do we respond to state-sponsored or state-sanctioned terrorists and terrorism? There is no question that we need to respond. In my view, this country has dawdled along too many years not being worried about international terrorism, thinking that it would never affect us here at home. We have come to recognize that we must wage warfare against terrorists and those who aid, support, and comfort them.

An important part of that warfare is to oppose the terrorist states with every reasonable weapon at hand. That may be financial intercepts, surveillance, enhanced scrutiny of entrants into our country, infiltrating some of these terrorist organizations, greater intelligence here as well as abroad, military action when necessary, law enforcement abroad as well as here at home. All are components of our multifaceted war on terrorism.

Now, trade is also an important component of our current struggle against countries that are on the terrorism list.

Let's get into another aspect of Cuba. In February of this year, the State Department reported several salient facts about Cuba and life in Cuba for the people of Cuba, who we are purportedly trying to help. I do want to help the people of Cuba, but here is how we help them: First, let's recognize what they are facing.

Cuba's human rights record remains poor. It continues to violate systematically the fundamental civil and political rights of its citizens. The State Department pointed out that the citizens of Cuba—as if we didn't know it already—do not have the right to change their government peacefully.

The Government of Cuba does not allow criticism of the revolution four decades ago or its repressive, tyrannical leaders.

Cuba's laws against antigovernment statements and expressions of disrespect of Government officials carry penalties of between 3 months and 1 year in prison.

If Fidel Castro or members of the National Assembly or the Council of States are the objects of this criticism, the sentence for such expressions can be extended to 3 years in prison.

Recently, Fidel Castro was asked by Robert McNeill:

> Do you have political prisoners still in jail in Cuba?

Castro responded:

> Yes, we have them. We have a few hundred political prisoners. Is that a violation of human rights?

Well, I will answer Castro's rhetorical question. Yes, it is; darn right it is a violation of human rights. Castro's human rights practices are arbitrary and repressive. Hundreds of peaceful opponents of the Government remain imprisoned. Many thousands more are subject to short-term detentions, house arrest, surveillance, arbitrary searches, evictions, travel restrictions, politically motivated dismissals from employment, threats to them or their families, and other forms of harassment by the Cuban Government authorities.

Mr. President, let me repeat what our State Department said. Citizens of Cuba do not have the right to change their Government peacefully. Let us recall the words written 225 years ago by Thomas Jefferson in our Declaration of Independence:

> When a long train of abuses and usurpations . . . evinces a design to reduce (people) under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.

Just as it was important for our ancestors to have the right to throw off the chains of the tyrannical monarchy 225 years ago, it must be the right of the Cuban people to free themselves of the chains of the tyrannical Castro regime.

Let us support the opportunities of the Cuban people to enjoy their unalienable rights to life, liberty, property, and the pursuit of happiness. Let us not retreat in our opposition to terrorism nor flinch from the advocacy of liberty.

Mr. President, I ask my colleagues in the Senate to support these amendments by Senator SMITH and Senator TORRICELLI. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for me to make my remarks seated at my desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, will the Senator yield for me to make a unanimous consent request?

The PRESIDING OFFICER. Will the Senator yield for a unanimous consent request?

Mr. HELMS. Certainly.

Mr. DORGAN. The Senator is very courteous. I have been waiting some while to speak. I ask unanimous consent that I be recognized to speak following the remarks of the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I think I may be the only Senator now a Member of this body, or maybe one or two or three, who remembers when Edward R. Murrow and Herbert Matthews portrayed a young man out in the boondocks of Cuba as being a humanitarian who was ready to come into Cuba and save the Cuban people. That young man's name was Fidel Castro. Night after night, CBS repeated that fiction. Morning after morning, the New York Times repeated that fiction. And finally, Fidel Castro came in after Batista left.

The first thing he did was to take up all the guns of the people who were politically opposed to him.

The second thing he did was jail most of them.

The third thing he did was to back the rest of them up against a wall and end their lives before a firing squad.

I say all this because so much fiction has been circulated about Fidel Castro, and so much cruelty is being heaped upon the farmers of North Carolina, giving them hope that they can get financial gain from making their crops available to the people of Cuba.

I wish it were so, but it is not so. The Cuban Government, as has already been discussed this afternoon, is not prepared to pay for anything. It is bankrupt.

As has been said here this afternoon by two or three of the distinguished speakers, Cuba has been identified on the State Department's so-called State Sponsors of Terrorism List for very good reason. Not only has the State Department documented evidence that Fidel Castro provides aid and comfort to the terrorists, but there is also clear evidence that Castro has close ties to insurgent groups and other government sponsors of terrorism all around the world.

Fidel Castro maintains connections with guerrillas in Colombia, Spain's Basque separatists, the Irish Republican Army, and so on.

Today nearly 100 terrorists and fugitives from United States justice enjoy safe haven in Cuba. Most of these fugitives are airline pirates and airline hijackers. Among the terrorists being shielded by Castro are members of Puerto Rican terrorists, which includes terrorists on the FBI's most wanted list. One of the fugitives was the lead bombmaker responsible for several terrorist attacks, including a New York bombing that killed 1 and maimed 60 others.

I am sure Senators recall that in 1996 it was Fidel Castro who ordered that two unarmed civilian U.S. aircraft be shot down, and they were. They were shot down over international waters. I know Senators have not forgotten that it was this savage act of terrorism that united the Congress of the United States and the White House in opposition to the terrorist state of Havana.

The Cuban regime trades in information it collects on United States activities through a deeply entrenched spy network in the United States. Just after the September 11 attacks, for example, the Federal Bureau of Investigation arrested a high ranking U.S. Defense Intelligence Agency official who was passing sensitive national security information to Castro's government. There should be no doubt that this traitor would have continued to funnel information to Cuba and, therefore, our enemies in the war against terrorism around the world. The FBI acted quickly to shut down this dangerous leak, even as U.S. troops headed into battle as a result of the episodes on September 11.

Despite all of this evidence, there are still some Senators who are attempting to help the terrorist state of Havana to fill its coffers with U.S. dollars. If financing restrictions are lifted, it is an absolute certainty that a great many additional American dollars will give Castro's regime the means to enhance cooperation with our terrorist enemies and fuel its cruel repression of the Cuban people.

If we had the time, I would outline facts that are known and are part of the Foreign Relations Committee books. Women, doctors, and lawyers are having most of their income taken from them by Castro's government, and a lot of these women have no choice that they can see in order to feed their families but to subject themselves to prostitution. This is the kind of man Fidel Castro is.

Senators who seek United States financing for United States businesses which hope to do business with Havana do not seem to want to discuss the fact that Cuba could not be more hostile to private business interests or more unreliable in paying its bills.

The Cuban Government has without compensation expropriated more United States property from United States citizens than any other government in the world. No other government is even close to Cuba.

The Cuban economy is one of the most repressed economies in the world and features an appalling lack of workers' rights, no protection for private property rights, no provision for international arbitration of disputes, and no enforcement of contracts.

This point needs to be underscored. The Cuban Government does not pay its bills. The Cuban Government has more than $12 billion in hard currency debt. Earlier this summer, France froze $175 million in short-term trade cover for Cuba after the Castro government defaulted on a similar agreement in the year 2000. When the record is reviewed regarding this year alone, it will be clear that governments and companies from South Africa to Panama to Chile and Spain are complaining that the Cuban Government is not paying its bills. Now, how would any Senator be eager for their home State businesses, including especially their farmers, to assume the risk of doing business with the Castro regime?

I don't need to remind this Senate that our country is at war with terrorism. This is not the time for the Senate to make unilateral discussions and concessions to a faltering dictatorship and a known identifiable terrorist state. That is the most foolish kind of appeasement.

President Bush's administration has stated its strong opposition to repealing the financing restrictions on sales to Cuba: "Because of Cuba's continued denial of basic civil rights to its citizens as well as its egregious rejection of the global coalition's efforts against terrorism . . ."

I urge my colleagues to stand with President Bush in the fight against terrorism. Support the Torricelli amendment.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized.

Mr. DORGAN. I am happy to yield to the Senator from Arizona for an inquiry, without losing the right to the floor.

The PRESIDING OFFICER. Without objection, the Senator yields for an inquiry.

Mr. McCAIN. I ask unanimous consent I be recognized following the Senator from North Dakota.

The PRESIDING OFFICER. Is there an objection?

Mr. ALLARD. I object.

The PRESIDING OFFICER. The objection is heard.

The Senator from North Dakota.

Mr. DORGAN. Mr. President, there has been a generous amount of debate about this subject, and an interesting debate it is. However, let me put in a word on behalf of family farmers in our country who would say to you "don't use food to punish people; don't use food as a weapon."

That is what this issue is about. Let me stipulate to all what has been said about Cuba or Castro or terrorism. Let me stipulate to all of it, and then ask you the question: When you use food and medicine as a weapon against a country, any country, what on Earth have you accomplished when the day is done? What have you accomplished?

We have had a vote in the Senate on this subject before. Over 70 Members of the Senate said we ought not use food and medicine as a weapon. We ought not, in the conduct of foreign policy, trying to punish some other country, use food and medicine. It is unseemly. It is wrong. It is not the moral thing to do. Over 70 Members of the Senate have already voted on that.

Did we get it done? No, because it got hijacked in a conference with the House of Representatives on two occasions. So we opened up a small crevice, that some food can go to Cuba under certain conditions provided there is no public financing and no US private financing. So you have no public financing, no capability of getting private financing, and some food can go to Cuba if someone goes to Europe and gets financing, gets a license and has to wait on a ship for 2 weeks, and in the event of a hurricane, we send some corn to Cuba, as we finally did yesterday.

Because 70 Members of the Senate have already expressed themselves on this issue, someone listening to this debate earlier would believe because four or five people have spoken about it in passionate terms, this issue is about stopping terrorism in its tracks, about punishing the Castro government, punishing the government of Cuba. I have no truck for Fidel Castro and his government. What I do care about is the ability of our family farmers to be able to move food around the world to hungry people. That is what this is about.

How often do we continue to use food as a weapon? It is one thing to shoot yourself in the foot. It is quite another thing to take aim before you shoot. That is exactly what has happened here, time and time and time again. Maybe we ought to have a little clear thinking about what we are doing.

Restrictions on food sales to Cuba are not going to punish Fidel Castro. What they do is punish poor people, sick people, hungry people, and kids. Everyone knows it. That is why 70 percent of the Senate has already voted to say this is a policy that doesn't work.

I was in Cuba. Many Members have been to Cuba. I was in a hospital in Cuba, in an intensive care ward where a little boy was in a coma. He had been in a bicycle accident. He was severely injured and was in a coma, lying in the intensive care unit, without one piece of equipment, without one machine attached to him. Why? Because they didn't have any. In that particular hospital, they told me they were out of 240 different kinds of medicine.

Yet the policy advocated by those that push this amendment is we should continue to use medicine as an instrument of punishment against Fidel Castro or the Cuban Government. This is not about Fidel Castro or the Cuban Government. It is about kids in hospitals. It is about kids who are hungry. It is about family farmers in North Dakota who are told time and time again: "By the way, we intend to use your wheat fields as an instrument of foreign policy, and we are not going to pay for it."

It is easy to put on a blue suit in the morning and come to the Senate and decide you want to use a field of wheat in Nebraska as an instrument of your foreign policy and say you can't sell that wheat to this country or that country. We are familiar with embargoes. We have had too many. We ought never have an embargo on food. Hubert Humphrey, many years ago, said: "Sell them anything they can't shoot back."

So they are going to shoot corn back at us, are they? All these restrictions do is hurt kids and hungry people. Does anybody in this Chamber want to stand up and tell me because we had a 40-year embargo and we have decided we will cut Cuba off from being able to purchase or achieve a food shipment from the United States, that Fidel Castro has ever missed a meal? Does anybody believe he has missed a meal? If so, which one? Breakfast? What day? Dinner? Lunch? I don't think so. We know better than that. Those who govern in Cuba have never missed a meal because we decided to use food as a weapon. It is the hungry, the sick, and poor people that get hurt with embargoes. And America's family farmers get hurt with embargoes.

We get all the agents of change that come to the Senate on virtually every issue except this: 40 years of a policy that doesn't work. We know it doesn't work. The biggest excuse Castro has for the total collapse of the Cuban economy is that he says the American Government has its fist around the Cuban economy's neck. That is what causes these problems. That, of course, is pure nonsense. But that is what he uses.

The quickest way to get Castro out of power is to open that country up, eliminate this embargo, see the investments go into Cuba. They are going in now from Europe. If we stop this embargo, Castro would have an awful tough time holding on to power.

Aside from that, there is a narrower question. Should part of the embargo be food shipments and medicine shipments to Cuba? The answer is, no.

Let me ask a question: Are we able to ship food to Communist China? I say Communist China because China is a wonderful, big country, a big trading partner of ours. I say "wonderful" because we have spent a lot of time negotiating with them. We have treaties with them. But it is a Communist country, isn't it? Has anybody come to the floor of the Senate talking about cutting off food to China, a Communist country?

Let me ask the question, when China was selling missile technology to Iran, did anybody rush down to the floor of the Senate talking about cutting off food to China? No. No, you won't hear about that. Nobody will do that.

How about North Korea? Is there anybody rushing to the floor to talk about cutting off food to North Korea, a Communist country? Is anybody rushing around with their Vietnam amendment to cut off food to Communist Vietnam, a country that is a wonderful country, coming out from behind the curtain with a market system, but still a Communist government? Is anybody rushing to see if we can cut off food to a country that is run by a Communist government?

No, the only country in the world in which we prohibit by law private financing—not public, private financing—to ship food, the only country in which we prohibit private financing to ship food is Cuba. We can do private financing and ship food to China. We can do it to North Korea and Vietnam. I can go down a long list of countries that are depicted as terrorist countries, but nobody is on the floor saying we have to stop this. We have to start using food and medicine as a weapon to stop this. No one is saying anything about that.

Why? This is about Cuba only. Let me stipulate again to all that which has been said before me. I don't know how much of it is true. I suspect a fair amount of it is true. It is a repressive government. It is not a government chosen by the people of Cuba. It jails dissidents. But it is interesting, if you go to Cuba and talk to the dissidents in Cuba, they will tell you the embargo is counterproductive. A good many dissidents believe a good way to get rid of Fidel Castro is to get rid of the embargo.

Those who believe we ought not be able to ship food to Cuba, even financed privately, ought to explain to us why we ought to be able to ship food to China, North Korea, Libya, and the rest of the world, through private financing. Why? Is it all right to ship food through private financing to the country of Iran? Yes, with a license. But not Cuba. Why?

It is interesting to me. It seems to me we are so blinded we cannot think our way out of this fog. I have spoken on the floor a number of times about the restrictions on travel to Cuba. We are not debating that today, but those restrictions are absurd also, just absurd. You can travel anywhere else in the world, but you can't travel to Cuba.

Let me tell you about a little old lady in the State of Illinois, retired, responding to an advertisement in a Canadian travel magazine, a biking magazine. She decided she wanted to bike. The Canadian bicycle club was sponsoring a bicycle tour of Cuba for 8 days. She signed up. She is retired, living in Illinois, loves to bike, and wanted see Cuba. She went to Cuba, had a wonderful bicycle trip, and came back.

Eighteen months later, from the U.S. Treasury Department, she got a $9,600 fine for traveling in Cuba. So we have the Office of Financial Assets Control in Treasury tracking little old ladies in Illinois riding bicycles in Cuba while we have terrorists plotting to fly airplanes into the World Trade Center. Obsessive? I think so.

Maybe we can find our way out of this public policy mess if we just think through it clearly. It seems to me we ought to decide, every one of us, that we should not use food or medicine as a weapon.

I understand the Senator from Arizona wishes consent to be recognized. I ask unanimous consent he be recognized following my presentation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Let me make one final point. We have been stuck in reverse with respect to policy for decades. The Senate has spoken on this issue; 70 Senators said using food and medicine as a weapon is absurd. Let's change the policy. So we are going to have a vote today. I hope the vote today will reflect what the Senate has previously reflected on this issue. This is not about Fidel Castro. It is not about the Cuban Government. It is about being able to ship food as we do to every other country in the world with private financing: Iran, Libya, North Korea, China, and on and on and on. Except this absurd proposition that with private financing we cannot ship food to the country of Cuba. It makes no sense. Everyone in this room understands it and knows it and it is time to change it.

Mr. SMITH of Oregon. Mr. President, I rise today as a cosponsor of both Senator BOB SMITH's and Senator TORRICELLI's amendments regarding the Cuban Government. These amendments are simple and straight-forward Senator SMITH's amendment provides for Presidential certification that Cuba is not involved in acts of international terrorism as a condition precedent to agricultural trade with Cuba. Senator TORRICELLI's amendment would provide similar certification that all convicted felons living as fugitives in Cuba be returned to the United States prior to the amendments relating to agricultural trade with Cuba.

The pattern of refuge and support that Cuba provides for fugitives wanted in other countries is quite troubling—many of these fugitives are members of outlawed terrorist groups. History is quite clear regarding Castro's links to international terrorist groups—these include Colombian and Salvadoran guerilla groups, the Chilean MIR and even the PLO. Our own State Department has presented irrefutable evidence that Castro has been involved in drug trafficking to provide arms and cash to support guerilla movements.

Due to the closed and repressive nature of Castro's Cuba, the transit of international criminals and terrorists is difficult to track. I strongly believe that this Nation needs to have some certification regarding terrorists in Cuba and the harboring of fugitives in Cuba.

As we advance our Nation's war on terrorism, it is interesting to note Fidel Castro's speech in Tehran, Iran, recently. Castro told Iranian students that the United States was an imperialist king that would fall just as the U.S.-backed Shah of Iran fell in the 1979 revolution. He said:

> you destroyed the strongest gendarme of the region . . . and the people of the region should thank you for that . . . However this Imperialist King will finally fall, just as your King was overthrown.

I urge all my colleagues to support these amendments and look forward to a day when democratic values reign in a free and democratic Cuba.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 2598

Mr. MCCAIN. Mr. President, I send an amendment to the underlying bill to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. GRAMM, and Mr. KERRY, proposes an amendment numbered 2598.

Mr. MCCAIN. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for the market name for catfish)

At the end of the underlying bill, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. . LABELING OF FISH AS CATFISH.

Section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, as repealed.

Mr. MCCAIN. Mr. President, we will have additional time, I am sure, after the cloture vote and perhaps I may even make a tabling motion, depending upon the parliamentary situation on this issue. But it is very simple. The amendment was an amendment slipped into the 2002 Agriculture appropriations bill as part of a managers' amendment.

I still remember very clearly, it was in the evening. We were about to vote final passage. I said: Wait a minute; has anybody seen the managers' amendment? There was dead silence. There were maybe 50 or 60 Members here. So I said: We really should look at the managers' package. Everybody grumbled, so I relented.

It turned out there were 35 amendments, 15 of them specific to members of the Appropriations Committee. One bans catfish, basically bans catfish from being imported into the United States of America, without debate, without discussion, without knowledge until the next day after the bill was passed.

Again, the remarkable degeneration of the parliamentary system that is taking place as we address appropriations bills is remarkable. Think of it: 35 amendments, no one knowing what they are. We all voted aye. One of them fundamentally affected a trade agreement that had just been completed between the United States of America and Vietnam.

This is happening all the time. We find amendments slipped in which affect national policy, which affect, in the case of the North American Free Trade Agreement, commerce as far as Mexican trucks are concerned. There was legitimate debate on both sides but—what? It was put into an appropriations bill. Time after time. This is another dramatic example of it.

It is entertaining. We will get to talk about it a lot. But this is a provision, as I say, which was added without debate, discussion, or knowledge of the Members that basically calls catfish from this country catfish and catfish from any other part of the world not catfish. Remarkable.

According to the Food and Drug Administration and the American Fisheries Society, the Pangasius species of catfish is imported from Vietnam and other countries as "freshwater catfishes of Africa and southern Asia." Existing regulations required imported catfish to be labeled differently from catfish grown domestically so consumers can make informed choice about what they are eating. Yet the Agriculture appropriations language overturns these regulations by allowing only North American catfish growers to call their catfish "catfish" and prohibits catfish from any other country being labeled as such. Remarkable.

This was commented on by several newspapers and magazines. Also, by the way, there was an advertising campaign mounted against catfish. According to the Far Eastern Economic Review, in its feature article on this issue:

> For a bunch of profit-starved fisherfolk, the U.S. Catfish lobby had deep enough pockets to wage a highly xenophobic advertising campaign against their Vietnamese competitors.

This protectionist campaign against catfish imports has global repercussions. Peru has brought a case against the European Union and World Trade

Organization because the Europeans have claimed exclusive rights to the use of the word "sardine" for trade purposes.

As a direct consequence of the passage of this restrictive catfish labeling language in the Agriculture appropriations bill, USTR has withdrawn its brief supporting the Peruvian position in the sardine case against the European Union because the catfish provision written into United States law makes the United States guilty of the same type of protectionist labeling scheme for which we have brought suit against the Europeans in the WTO.

Sooner or later, we are going to have to stop legislating on appropriations bills. Sooner or later, we are going to have to stop giving away to special interests, and we are going to have to have campaign finance reform.

I would be very interested in hearing the campaign contributions made by this catfish lobby in past and present political campaigns.

We have to stop the kind of protectionism which will destroy free trade on which America's economy is built and maintained. We are seeing example after example and case after case of protectionism creeping in but not through open and honest debate. If the supporters of this amendment thought it was a good amendment, why couldn't we have brought it up and had open and honest debate and amendments? No. It was snuck in a managers' package, the most disgraceful practice—the most disgraceful is putting it in the conference report. That is the worst. The second worst is putting it in the so-called managers' package. Usually, it is late at night.

I stray from the subject a bit, but if you think we have had fun, wait until you see the DOD appropriations bill. Wait until next Friday when everybody is going to want to get out of town because Christmas is coming and the last train is leaving. It is going to have more Christmas trees on it than the North Pole. It will be a remarkable document. But I intend to be here and make sure that at least the American people know what is in it.

Putting an amendment that affects trade relations, trade agreements, and fundamental issues of free trade into a managers' package is the kind of conduct that causes the American people to lose confidence in their elected representatives.

I don't mind open and honest debate. I wouldn't mind losing an open and honest debate. I do mind on the part of my constituents and the American people that this kind of amendment gets the attention it has received.

I know it is almost time, according to the unanimous consent agreement, for the cloture vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, let me explain very briefly to our colleagues what we hope to do.

The Senator from Kansas and the Senator from Oregon have an amendment that has been agreed to. They would like 2 minutes on a side to present it. Immediately following that, I will make a unanimous consent request that would allow us the opportunity to consider and debate the defense authorization conference report between now and 5:30. At that time, we will have the cloture vote, then the Department of Defense authorization conference report vote, and then a vote on a judge, all stacked, from 5:30 to whatever time following that.

Following those votes, if Senators wish to offer additional amendments on the farm bill, they are certainly entitled to do so.

Mr. LOTT. Is the majority leader propounding that unanimous consent request at this time or are you going to wait until after this?

Mr. DASCHLE. Actually, I now have the text.

Mr. LOTT. If you would be willing to do it now, we would get on to this issue quicker.

UNANIMOUS CONSENT REQUEST

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate, immediately following the disposition of the amendment to be offered, turn to the consideration of the conference report to accompany S. 1438, the Department of Defense authorization bill; that when the report is considered, it be considered under the following limitations: that there be 75 minutes for debate, with time controlled as follows: 45 minutes for the chair and ranking member or their designees; and 30 minutes under the control of Senator BYRD, that upon the use or yielding back of time, without further intervening action, the Senate proceed to vote on adoption of the conference report following a vote on the motion to invoke cloture on the Harkin substitute amendment to S. 1731; that upon adoption of the conference report, the Senate then turn to the conference report to accompany H.R. 2883, the intelligence authorization; that the conference report be considered agreed to, and the motion to reconsider be laid upon the table, with no intervening action or debate; provided further that H. Con. Res. 288, a concurrent resolution providing for a technical correction in the enrollment of S. 1438, be considered and agreed to, and the motion to reconsider be laid upon the table, without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Reserving the right to object.

Mr. LEVIN. Reserving the right to object.

The PRESIDING OFFICER. The Republican leader.

Mr. LOTT. Mr. President, let me just say that I will not object. I think this is a reasonable arrangement. I want to explain, though, why we are doing this. We were scheduled to have a vote at 4 o'clock on the cloture motion. We had at least a couple Senators who were unavoidably delayed, and we would want to accommodate that under these conditions. This allows us to move forward on the Defense authorization bill, which we need to do, and that we would have the vote on the cloture motion that was scheduled for 4 o'clock at 5:30, as I understand it, followed by the vote on the defense authorization conference report, followed by a vote on a judge—stacked votes.

For those of you who are worried about agriculture, as I understand it, don't worry, because everything will be at this point when we, if and when, come back to it. But this is to accommodate as many Senators as possible while getting a vote on the very important defense authorization bill and a vote on the cloture motion on the agriculture bill.

Mr. McCAIN. Reserving the right to object.

Mr. LOTT. I withdraw my reservation.

The PRESIDING OFFICER. Is there objection?

Mr. McCAIN. Reserving the right to object.

Mr. HARKIN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. It is a good thing this is the Defense authorization conference report or I would object. I do not intend to permit anything else to interrupt this farm bill until we finish it. It is defense. It is important for our country, so I will not object. I just want to put everyone on notice, that is it. Once we get back on the farm bill, we will be on it. I will object to going off this farm bill for anything else other than the defense of this country. I just want to make it clear.

Secondly, I want to ask my leader about tonight. We are going to have these three votes. We have had some amendments. We have some amendments ready to go tonight. I want to know if it is the intention to have the Senate stay in session tonight and to have votes, to debate amendments and have votes tonight to move this farm bill forward. I would just like to know if that is what we are going to do.

Mr. DASCHLE. I would be happy to respond to the Senator from Iowa.

This does not preclude additional consideration of amendments or votes tonight.

Mr. HARKIN. So there will be votes tonight, if, again, Senators offer amendments and we debate them? We can have votes tonight on further amendments to the farm bill?

Mr. DASCHLE. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Reserving the right to object.

Mr. LOTT. Reserving the right to object.

The PRESIDING OFFICER. The Republican leader.

Mr. LOTT. Just to clarify what was said, Senator HARKIN said that there will be more votes tonight. That is not what Senator DASCHLE said. He said this does not preclude that. We have our normal rights for full debate, and we have to work out agreements to when we would vote, ordinarily. So I am not saying there will not be votes, but I just do not want to leave the wrong impression.

Mr. HARKIN. So I guess what I read into that, if the Senator will yield, is that it is the Senator's intention not to have any votes tonight?

Mr. LOTT. I don't want to make any more profound statement on this subject than Senator DASCHLE did. I would want to consult with him. No final decision or announcement has been made on that.

Mr. McCAIN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I reserve the right to object. Because of intentional and unintentional parliamentary procedures, I have not been allowed to propose my amendment before the vote on cloture. If cloture is invoked, then I may not be able to have this amendment be germane.

So I ask unanimous consent that that unanimous consent agreement be amended that my amendment be made in order to the Daschle substitute, as several other amendments have been made in order, in the event of the invocation of cloture.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Reserving the right to object.

Mr. McCAIN. Then I object to the unanimous consent request. I think I should be allowed to propose and have debate on an amendment to the bill.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Harkin substitute amendment No. 2471 for Calendar No. 237, S. 1731, the farm bill:

Tim Johnson, Harry Reid, Barbara Boxer, Tom Carper, Zell Miller, Max Baucus, Byron Dorgan, Ben Nelson, Daniel Inouye, Tom Harkin, Kent Conrad, Mark Dayton, Debbie Stabenow, Richard Durbin, Jim Jeffords, Tom Daschle, and Blanche Lincoln.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the substitute amendment No. 2471 to S. 1731, a bill to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Washington (Mrs. MURRAY) is necessarily absent.

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 53, nays 45, as follows:

[Rollcall Vote No. 368 Leg.]

YEAS—53

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Hutchinson
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Miller
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Snowe
Stabenow
Torricelli
Wellstone
Wyden

NAYS—45

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Cochran
Craig
Crapo
Daschle
DeWine
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Helms
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—2

Domenici
Murray

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. DASCHLE. I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

Mr. President, I withdraw my motion.

The PRESIDING OFFICER. The motion is entered.

ORDER OF PROCEDURE

Mr. DASCHLE. There has been a good deal of discussion during the vote on how to proceed. I think we may have reached an agreement, a consensus on how to complete the agreement that would be in most people's interests and accommodating most schedules; that is, if we voted on the defense authorization conference report right now.

As I understand it, the chair of the committee, the chair of the Appropriations Committee, as well as the chair of the defense authorizing committee and ranking member are prepared to speak about the conference report for the record and share with Members its many component parts immediately following the vote.

I ask unanimous consent that the defense authorization conference report be brought before the Senate and the Senate vote on its final adoption.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object—I do not intend to object—I want Senators to know I intend to vote against this conference report, and I will explain why because I understand the problems that confront the leader and I am very willing to wait until after the vote to make that statement.

Mr. McCAIN. Reserving the right to object, is it the intention of the majority leader to return to consideration of the agriculture bill?

Mr. DASCHLE. The Senator from Arizona is correct.

Mr. McCAIN. I ask that, following the Wyden-Brownback amendment, the McCain-Gramm amendment be considered.

Mr. DASCHLE. For clarification, we will have the discussion about the defense authorization conference report. Immediately following that, it will be my intention to go back to the farm bill. I think there was some understanding that we recognize the Senator from Kansas and the Senator from Oregon for a brief period of time for an amendment that I think has been agreed to, and then it would be our intention to move to the amendment offered by the Senator from Arizona.

Mr. LOTT. Reserving the right to object, if I could, just for one clarification, if Senator DASCHLE would clarify, will we have the vote on the judge that had been scheduled in this back-to-back vote?

Mr. DASCHLE. That would be my intention, that we would.

Mr. LOTT. I withdraw.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. I ask, in addition to the current unanimous consent request, that immediately after debate on the amendment of the Senator from Arizona, we then turn to the debate on the amendment as offered by Senator SMITH of New Hampshire and Senator TORRICELLI of New Jersey.

Mr. DASCHLE. That will be made part of the request.

Mr. WYDEN. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object.

The PRESIDING OFFICER (Mr. DAYTON). The Senator from Oregon.

Mr. WYDEN. Mr. President, I want to be clear as to what the Senator from Florida is asking. Senator BROWNBACK and I intend to be very brief. Is it the understanding of the Senator from Florida that we can dispose of that very quickly and then go back?

Mr. GRAHAM. As I understand it, if this unanimous consent agreement is accepted relative to the farm bill, the Senator from Oregon would be first, the Senator from Arizona would be second, and then consideration of the Smith-Torricelli amendment would be third.

Mr. WYDEN. I withdraw my reservation.

Mr. WARNER. Have the yeas and nays been ordered on the defense authorization conference report?

The PRESIDING OFFICER. The conference report has not yet been put before the Senate. The yeas and nays are not in order at this point.

Is there objection? Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, prior to the time we move to the conference report, there is one other housekeeping matter. It is always in keeping with our practice that the intelligence authorization and the defense authorization are considered jointly. I am told that I need to make the following request: That the conference report to accompany H.R. 2883, the intelligence authorization, be considered agreed to, the motion to reconsider be laid upon the table, with no intervening action or debate, provided that H. Con. Res. 288, the concurrent resolution providing for a technical correction in the enrollment of S. 1438, be considered agreed to, and the motion to reconsider be laid upon the table without intervening action or debate.

I would just say, for the information of all my colleagues, this is done as we take up the Defense authorization bill. I made this request earlier, and I am simply repeating it now for the colloquy.

Mr. President, I ask unanimous consent when the Senate considers the Executive Calendar nominations, the first vote occur on Calendar No. 590, to be followed by Calendar No. 589 and Calendar No. 592, and that their consideration occur following this next vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

* * *

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002—CONFERENCE REPORT

The PRESIDING OFFICER under the previous order, the clerk will report the conference report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1438) "to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes," having met, have agreed that the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

(The report is printed in the House proceedings of the RECORD of December 12, 2001.)

Mr. LEVIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The question is on agreeing to the Conference report. The clerk will call the roll.

Mr. REID. I announce that the Senator from Washington (Mrs. MURRAY) is necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mrs. MURRAY) would vote "aye."

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 369 Leg.]

YEAS—96

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Mikulski
Miller
Murkowski
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—2

Byrd
McCain

NOT VOTING—2

Domenici
Murray

The conference report was agreed to.

Mr. WARNER. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

* * *

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the clerk will report the conference report.

The legislative clerk read as follows:

The committee of conference on disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2883) "authorizing appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, signed by a majority of the conferees on the part of both Houses.

(The report was printed in the House proceedings of the RECORD of December 6, 2001.)

The PRESIDING OFFICER. Under the previous order, the conference report on H.R. 2883, the intelligence authorization bill, is adopted, the motion to reconsider is laid on the table; and H. Con. Res. 288, correcting the enrollment of S. 1438, is adopted and a motion to reconsider that action is laid upon the table.

EXECUTIVE SESSION

NOMINATION OF FREDERICK J. MARTONE, OF ARIZONA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF ARIZONA

The PRESIDING OFFICER. The Senate will now go into executive session and proceed to the nomination of Frederick J. Martone, of Arizona, which the clerk will report.

The legislative clerk read the nomination of Frederick J. Martone, of Arizona, to be United States District Judge for the District of Arizona.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, this nominee has the support of both Senators from his home State. Blue slips have been returned by both of them. We have had the hearing. He did very well.

The Senator from Arizona, Mr. KYL, is a valued member of the Judiciary Committee, and I would like to yield to him, as he is one of those who has proposed and supported this nominee.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from Vermont, the chairman of the committee, and thank him for having Justice Fred Martone as one of the judicial nominees we will be voting on this evening. I understand the only rollcall vote will be on Justice Fred Martone.

Why do I call him Justice Fred Martone, when we are going to be voting on his confirmation to become a Federal district judge? The answer is, because he currently is one of the five justices on the Arizona Supreme Court, the highest court in the State of Arizona. He is a graduate of Holy Cross, Notre Dame Law School, and has an advanced degree from Harvard, and is an exceptionally fine jurist.

I thank the chairman and members of the committee who unanimously approved him for consideration by the full Senate. I would appreciate the support of the full Senate for his confirmation.

Mr. HATCH. Mr. President, I am pleased that the Senate is considering this afternoon three extremely well-qualified nominees for important positions in the Federal judiciary. I have no doubt that they will do great service for the citizens of this country upon confirmation.

The Honorable William Johnson has been nominated to be a Federal judge in the District of New Mexico. Born and raised in Roanoke, VA, Judge Johnson attended Virginia Military Institute and law school at Washington and Lee University. He began his career practicing law in Houston, TX, and then moved to Roswell, NM, where his practice included commercial litigation, bankruptcy cases, and oil and gas litigation. Since 1995, he has served as a State district judge hearing domestic relations, child support enforcement, civil, criminal, and administrative agency cases. With such wide-ranging judicial experience under his belt, Judge Johnson comes to the Federal bench ready to hit the ground running.

Like Judge Johnson, the Honorable Frederick J. Martone is no stranger to the bench. Justice Martone currently serves on the Supreme Court of Arizona. Before then, he served as a judge on the Superior Court in Maricopa County. Although he has spent his professional life in Arizona, Justice Martone was educated further east: He graduated from Holy Cross College, from Notre Dame Law School, and earned an LL.M. from Harvard Law School. His demonstrated experience and judgment will make him a fine addition to the Federal district court for the District of Arizona.

Clay D. Land, our nominee for the Middle District of Georgia, has had an impressive career blending private practice and public service. Upon graduating *cum laude* from the University of Georgia law school, Mr. Land returned to his home town of Columbus, GA, where he has maintained a successful general civil practice ever since. His legal practice has not dampened his commitment to public service, however. In 1993, he served as chairman of the Georgia Indigent Defense Council, which is responsible for oversight of the funding and implementation of the State's indigent criminal defense programs. From 1993 to 1994, he served on the Columbus City Council. And from 1995 to 2000, he served as a Georgia State senator.

I want to commend President Bush on his selection of such outstanding candidates for the Federal judiciary. Each of these nominees was unanimously approved by the Judiciary Committee, and I expect that they will receive similar treatment from the full Senate. I urge my colleagues to join me in supporting their nominations.

Mr. LEAHY. Mr. President, the nominee is supported by both the Senator from Utah and myself; and we had a unanimous rollcall vote in support of the nominee in the committee. And I strongly urge a unanimous rollcall vote in support of the nominee here.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Frederick J. Martone, of Arizona, to be United States District Judge for the District of Arizona.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Washington (Mrs. MURRAY) and the Senator from Illinois (Mr. DURBIN) are necessarily absent.

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 370 Ex.]

YEAS—97

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dorgan
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—3

Domenici
Durbin
Murray

The nomination was confirmed.

Mr. LEAHY. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, what is next on the agenda?

NOMINATION OF WILLIAM P. JOHNSON, OF NEW MEXICO, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF NEW MEXICO

The PRESIDING OFFICER. The clerk will report Calendar No. 599.

The legislative clerk read the nomination of William P. Johnson, of New Mexico, to be United States District Judge for the District of New Mexico.

Mr. LEAHY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not.

Mr. LEAHY. I thank the Chair.

Mr. President, I thank the distinguished majority leader, Mr. DASCHLE, and the distinguished deputy majority leader, Mr. REID, who have worked so hard to get these nominations on the calendar so we can vote on them.

William Johnson is the third Federal judge confirmed from New Mexico in just the past few weeks. We expedited the consideration of Christina Armijo in October, who was confirmed last month; likewise, Harris Hartz, President Bush's nominee to the Tenth Circuit from New Mexico. I had a hearing at the end of October, and he was confirmed last week. All three of these nominees came to us with the strong support of both Senator DOMENICI and Senator BINGAMAN.

I mention this because it is so helpful to our committee when the White House takes time to consult with both Senators from the home State and get their support. We got this kind of consensus: When we confirm Mr. Johnson, we are going to fill another judicial emergency vacancy. After that, we are going to another nominee, Clay Land, who has been supported by Senators CLELAND and MILLER. I mention this because if we confirm both these next 2, we will have confirmed 27 Federal judges since July, when I took over the chairmanship, and 6 court of appeals judges.

To put that in perspective, since July, in those 5 months, we have confirmed as many as we confirmed all of the first year of the last President's administration—actually, a lot more judges in the courts of appeals.

Everybody has been working very hard. I also mention to my colleagues, this morning we were finally able to get a quorum in the Judiciary Committee. We had 10 nominations go through, 5 of them judges, 5 other nominations from the Department of Justice, all of which will go now on the calendar.

Mr. REID. Will the Senator yield for a question?

Mr. LEAHY. Of course.

Mr. REID. When did the Senator take over as chairman of the Judiciary Committee?

Mr. LEAHY. I had a fully constituted committee I think it was in late July.

Mr. REID. It is my understanding that following September 11, the Senator and his staff literally worked night and day for how long before the committee came up with an antiterrorism bill?

Mr. LEAHY. We worked several weeks. It really was night and day. We had people going home at 2 o'clock in the morning and coming back at 5 o'clock in the morning to do that. I was getting e-mails at home at 3:30 in the morning from members of my staff and continued to do that until we got that bill out.

Mr. REID. Will the Senator also answer this question: It is my understanding the committee's work was hampered as a result of the anthrax problem that occurred in Senator DASCHLE's office and in the Senator's office; is that true?

Mr. LEAHY. The Senator from Nevada is right. We actually had to move much of the Judiciary staff out of the Dirksen Building. Some had been in the Hart Building in the proximity of the distinguished leader's office when the anthrax letter was opened. We were hampered by that because of medical treatment and still came to work.

In fact, we went so far, as the Senator probably knows, as to hold hearings during the recesses to keep this going.

Mr. REID. I was going to ask the Senator if he remembers another time when hearings were held regarding judges and other judicial matters during recess periods?

Mr. LEAHY. I have only been on the committee 25 years, but I cannot remember a time during those 25 years—in fact, the Senator from Nevada may be interested in this. Maybe he was involved in this. Does the Senator recall the day that part of the Capitol Building was evacuated because of the anthrax scare and all the other buildings were evacuated? The distinguished Senator from West Virginia made available his conference room in the Appropriations Committee. We held hearings in that conference room on more judges as the building was being evacuated and held a markup in executive session with 150 of us crowded into one room in the back, the President's Room, to get even more judges out which then the distinguished majority leader put on the calendar within, I think, 24 hours of that time and we were voting on them a couple days after that.

Mr. REID. The majority leader is in the Chamber, and I will not engage the Senator in any more dialog. Speaking for the people of Nevada and I think this country, when books are written over what transpired in this critical period of history, there is going to be a chapter on PAT LEAHY and the tremendous job he did. It is precedent setting, and he has set a mark to which others will have to try to adhere.

Mr. LEAHY. That means a great deal to me, and I appreciate that. I appreciate the help of Senators on both sides of the aisle in helping to move this forward.

Mr. DASCHLE. Will the Senator yield?

Mr. LEAHY. Yes.

Mr. DASCHLE. I also commend the distinguished chair of the Judiciary Committee along the lines the assistant Democratic leader has noted. It is important at a time such as this that we recall for the record just what has transpired. The distinguished chairperson has been chairperson now for about 5 months, almost 6 months, and in one-half year's time, he has compiled a record that may at the end of this period actually exceed the number of judiciary appointments confirmed during the Clinton administration in an entire 12-month period of time in 1993. That is quite a remarkable accomplishment to exceed perhaps the number of judicial nominations in 6 months over and above what was confirmed in 1993 under a Democratic administration with, I might add, a Democratic Senate.

Also, as the Senator from Nevada has noted, this has been an extraordinarily difficult time, filled with adversity. September 11, the anthrax attack, not only on the Senate and my office, but on the Senator's office itself—all of the disruption, the need for accelerated efforts on appropriations, and yet through all of that, with all of the work he had to do with counterterrorism, this Senator has very diligently, persistently, and with remarkable leadership brought us to this point.

I publicly commend him, thank him, and tell him how proud I am for his effort and the work he has done to get us to this point.

I yield the floor.

Mr. NICKLES. Will the Senator from Vermont yield?

Mr. LEAHY. Of course, I will.

Mr. NICKLES. Mr. President, to add to some of the statements that were made, I compliment my friend. He has assisted this Senator, and he has assisted other Senators, particularly on district court judges.

If my numbers are correct, I believe we are now at 27 judges confirmed, which equals the number of judges that were confirmed in President Clinton's first year. President Clinton, nominated 47 individuals for judicial positions, and the Senate confirmed 27 of those in his first year.

President Bush has made 64 judicial nominations at a time when there are a great number of vacancies. We have now confirmed 27, and I hope we will confirm some more.

I say to my friend and colleague from Vermont, we have done pretty well on district court judges. However, we are way behind on circuit judges. President Bush nominated eleven circuit court judges in May. Of those eleven, eight have not even had a hearing. One of these nominees is Miguel Estrada, who is a Honduras immigrant who graduated with honors from Columbia and graduated at the top of his law school class from Harvard.

Another is John Roberts, again a Harvard Law School grad. Among his many accomplishments, Mr. ROBERTS has argued 34 cases before the Supreme Court. I might also mention that Mr. Estrada has argued 14 cases before the Supreme Court. Both nominees are eminently qualified.

I wonder if my friend and colleague from Vermont can tell us when we will begin considering or having hearings on some of these exceptionally qualified individuals, both rated unanimously well qualified by the ABA and who have bipartisan support, who were nominated in May of this year?

Mr. LEAHY. Mr. President, the Senator from Oklahoma, my friend, has talked to me about this on several occasions. We are trying to get through these calendars as quickly as we can. As I say, I have only been here as chairman for 5 months. Actually, there were a number of nominees prior to my becoming chairman who never got a hearing at the beginning of this year.

We will have had far more courts of appeals judges than I think have ever been, or I can remember going through in a President's first year in office. We are going way beyond what the Senate usually does. It is certainly a much faster pace than the Senate has had in the last 4, 5, 6 years.

If we can slow down a little bit the things that are happening around here—anthrax, September 11, all the things we wish we did not have—if the chairman of the committee could deal with just a few less death threats—not from my friend from Oklahoma. The anthrax letter did not have an Oklahoma return address, nor would I expect it to.

Mr. NICKLES. I appreciate it.

Mr. LEAHY. We are moving through them. We have done Fifth Circuit Judge Clement, Second Circuit Judge Parker, Fourth Circuit Judge Gregory. I mentioned from New Mexico a circuit judge.

Mr. NICKLES. If the Senator will yield, we have confirmed six circuit court judges, but in this particular instance, the President has made many more circuit court nominees during his first year in office than any recent time in history. In fact, 28 have been nominated. I urge my colleague—and I will stop here—to have more hearings, especially for some of these individuals nominated in May. They are outstanding individuals.

I am more than certain that once they have their hearings, they will be confirmed by an overwhelming majority, both in the committee and on the floor of the Senate. I urge the chairman to have hearings on those individuals as soon as possible.

Mr. LEAHY. The Senator from Oklahoma asks an appropriate question. I can assure him we are trying to move through as many as we can. I hope, for example, the President will nominate more district judges, too. There are about 77 percent district court vacancies; about 77 percent do not even have a nominee. There is a real problem and we will work with the administration.

Some of the slowdowns have been taken care of, as the Senator from Oklahoma knows. We had a number of judges who were held up because the White House did not directly answer the question whether they had been arrested or convicted in the last 10 years. We thought that was at least a worthwhile thing to know for someone getting a lifetime appointment. I think the White House might have realized it made sense and allowed them to answer the question, and it broke a logjam. We had 10 nominations, 5 judges, that went through this morning. My intention is to keep moving as rapidly as we can.

I ask the distinguished acting Republican leader, we could have rollcalls on the next two judges, or if he has no objection, I would ask we do them by voice vote. If he would like rollcalls, that is his right.

Mr. NICKLES. Senators want to get to the Defense authorization bill. There is no reason we cannot. I am sure it is not necessary to have a recorded vote. A voice vote is more than acceptable for the other two judges. I thank my friend and colleague and look forward to having a hearing on Mr. Estrada. Forty-nine Senators have requested a hearing on Mr. Estrada and on Mr. Roberts and other nominees for the circuit court. As soon as we get hearings, it would be much appreciated.

Mr. HATCH. Mr. President, since the topic of the Judiciary Committee's record on judicial confirmations was raised, I would like to take just a minute to make an observation.

As everyone here knows, I do not like to engage in the typical statistics judo that seems to be intrinsic to this issue. But I do want everyone to understand that, despite the progress that was just mentioned, we really have a lot more work to do.

Look at the percentages: The Senate has exercised its advice and consent duty on only 21 percent of President Bush's circuit nominees this year. The other 79 percent of our work remains unfinished. And our overall record is not much better: the Senate has confirmed only 37.5 percent of all judicial nominations we received from President Bush. We will conclude our work by leaving nearly 100 vacancies in the judicial branch.

Now, these facts are not escaping wider attention outside the Judiciary Committee. Last week, Vice President CHENEY sent a letter noting that "vacancies on the Federal bench are occurring at a faster pace than the confirmations of new judges, and barely one in four of President Bush's nominees has received a hearing and a vote." The Washington Post editorialized on November 30 that the committee should hold more judicial nominations hearings, concluding that, "[f]ailing to hold them in a timely fashion damages the judiciary, disrespects the President's power to name judges and is grossly unfair to often well-qualified nominees." And the Wall Street Journal observed on November 27 that there is a "pattern of judicial obstruction that has left 108 current vacancies on the Federal bench. . . . With only days to go before the Senate adjourns for the year, only 28 percent of George W. Bush's nominees have been confirmed."

Of course, the reason why people are taking notice is that the process of advice and consent on the President's judicial nominations is not a game. This is not football or baseball, and the goal here is not a particular set of numbers. These are nominations for very important positions in the Federal Government, and it is the Senate's constitutional obligation to review them. Despite the work that we have done, there is simply no escaping the fact that we are about to stop work for the year with a judicial vacancy rate of 11.3 percent, which I believe is unacceptable by any measure. And, by the way, there is absolutely no point in accusing the administration of not sending more nominations to us, when we have made it clear that we will not devote any effort at all to reviewing 30 of the nominations the President did send.

All this being said, however, I have reason to look forward to hitting the ground running next year. The Judiciary Committee's obvious focus on confirming nearly the same number of judges as we did President Clinton's first year, reassures me. After all, during President Clinton's second year in office, the Senate confirmed 100 of his judicial nominees. I fully expect that we will do the same for President George W. Bush, in fact, I take it as a pledge that we will confirm 100 Bush nominees in 2002.

Mr. LEAHY. I did not request a rollcall vote. I ask for a voice vote.

The PRESIDING OFFICER (Ms. STABENOW). The question is, Will the Senate advise and consent to the nomination of William P. Johnson to be United States District Judge for the District of New Mexico?

The nomination was confirmed.

NOMINATION OF CLAY D. LAND, OF GEORGIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF GEORGIA

The legislative clerk read the nomination of Clay D. Land, of Georgia, to be United States District Judge for the Middle District of Georgia.

Mr. LEAHY. I ask for a voice vote.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Clay D. Land, of Georgia, to be United States District Judge for the Middle District of Georgia?

The nomination was confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I ask unanimous consent under the previous order we allow the

Senator from Michigan and the Senator from Virginia, Messrs. LEVIN and WARNER, an hour and a half to talk on defense authorization, and Senator BYRD be recognized for half an hour, with Senator BYRD getting the first half hour.

Mr. WYDEN. Reserving the right to object.

Mr. WARNER. Could we clarify that half hour for Senator BYRD?

Mr. REID. It is in addition to the hour and a half.

Mr. WARNER. I defer to the chairman.

Mr. LEVIN. We can do that within the hour and a half, and Senator BYRD, if he wishes, can go first.

Mr. WYDEN. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object, I ask the distinguished leader from Nevada, I was under the impression that as to the amendment that has been worked out with Senator HARKIN and Senator LUGAR, I could speak on that for 4 minutes.

Mr. REID. I was going to get this entered, and then when everyone has agreed, prior to going to this matter Senator WYDEN would be recognized for up to 4 minutes on an amendment that has been agreed to on the Agriculture bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

Mr. WYDEN. I ask unanimous consent that the amendment I filed with Senator BROWNBACK of Kansas be called up at this time.

THE PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, reserving the right to object, I want to make sure that Senator REID knows precisely what is going on. That is the only reluctance I have. I don't know whether it is even in order without first getting the bill before the Senate and then having the amendment and then setting the bill aside. I want Senator REID to hear your request.

Mr. WYDEN. To restate my request, I ask unanimous consent the amendment I have filed with Senator BROWNBACK of Kansas, that I believe can be disposed of very quickly, be considered at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2546 TO AMENDMENT NO. 2471

(Purpose: To provide for forest carbon sequestration and carbon trading by farmer-owned cooperatives)

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. WYDEN], for himself and Mr. BROWNBACK, proposes an amendment numbered 2546 to amendment No. 2471.

Mr. WYDEN. I ask unanimous consent reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. WYDEN. I will be very brief. I express my appreciation to the Senator from Michigan and the Senator from Virginia.

One of the most serious environmental problems in our country and in the world is the excessive emissions of carbons into the atmosphere. Senator BROWNBACK and I have worked for a number of years together on a bipartisan basis because we believe it is time for the U.S. Congress to begin moving together on a bipartisan basis to deal with this serious environmental problem. Therefore, the amendment we worked out with Senator HARKIN and Senator LUGAR sets up what is known as a carbon sequestration program, a program that allows us to store these carbons in trees, in agricultural products, and in the land.

Our legislation specifically does two things: It allows the research dollars in the legislation to be used by State forestry programs for carbon sequestration. This allows mobilization of various State forestry programs such as we have in Oregon and other States in this country to seriously attack this carbon problem.

Second, our legislation sets up a carbon sequestration demonstration effort which allows private parties to pay farmers and foresters a market-based fee to store carbon and to otherwise reduce net emissions of greenhouse gasses. It would be the first effort to set up a marketplace-oriented system of reducing these carbons.

We are not saying tonight, Senator BROWNBACK and I, that carbon sequestration is the be-all and end-all of dealing with the climate change problem. But it can be a significant tool in our toolbox to reduce global warming. I happen to think that carbon sequestration can be a very significant jackhammer for those who are fighting the climate change issue.

I conclude by thanking Senator HARKIN and Senator LUGAR. This is a chance to bring Americans together—businesses, environmental leaders. It will not cost jobs, it will save money. Look at the costs. It takes between $2 and $20 per ton to store carbon in trees and soil. Emissions reductions can cost as much as $100 per ton. That is why Senator BROWNBACK and I have worked for several years. I believe this legislation can reduce a third of the problems we are having with excessive emissions in our country.

With that, and with thanks to Senator HARKIN and Senator LUGAR, I ask that the amendment be agreed to on a voice vote at this time.

I yield the floor.

Mr. BROWNBACK. Mr. President, today, I join with Senator WYDEN to bring an amendment to the floor on the farm bill which will establish a pilot program for farmer owned cooperatives to measure, verify and trade sequestered soil carbon through agriculture conservation practices. This amendment will authorize $5 million over 5 years to establish a program that will allow our nation's farmers to implement the promise offered by carbon sequestration—a process where crops and trees convert carbon dioxide into stored carbon in the soil. At the same time, this project will provide the Congress with important information about how effective soil carbon sequestration will be in addressing the issue of climate change.

As we set farm policy for the next five years, there are several important areas we have an opportunity to expand. One promising example is in a potential environmental market for farmers—where producers are paid by utilities and other greenhouse gas producers to offset carbon dioxide emissions to ease into CO_2 reductions more cost effectively. Such a market is already being looked at in many sectors, but more information and applied research is needed to answer policy questions surrounding the effectiveness and permanence of carbon sequestration as part of the global climate change solution.

I have introduced 3 bills involving carbon sequestration in this last year. I am pleased that many of these ideas have been embraced by the new farm bill currently on the Senate floor. Many farm conservation practices have been sequestering carbon for years—but we have not adequately been able to measure and capitalize on this promising process.

The new farm bill will contain $225 million over 5 years for carbon sequestration grants to producers and research uninversities to do pilot projects to measure and verify carbon gains. In addition, USDA will become more engaged in measuring and verifying which farm conservation practices store carbon. There will also be continued funding for research through land grant universities—being led prominently by Kansas State University.

In addition, the farm bill contains a grant program of $500 million over 5 years for private enterprise conservation—which includes carbon sequestration activities.

Despite my concerns about many provisions in this farm bill—I am very pleased to see these provisions included. This will build a new market for farmers—one that pays for how they produce, not just what they produce.

The Wyden-Brownback amendment builds on this promise and expands it to help us explore how carbon trading might work by using one of the most trusted friends of the farmer—cooperatives.

Carbon sequestration is a largely untapped resource that can buy us the one thing we need most in the climate debate time. The Department of Energy estimates that over the next 50 to 100 years, agricultural lands alone could have the potential to remove anywhere from 40 to 80 billion metric tons of carbon from the atmosphere. If we expand this to include forests, the number will be far greater—indicating there is a real difference that could be made by encouraging a carbon sink approach.

Carbon sequestration alone can not solve the climate change dilemma, but as we search for technological advancement that allow us to create energy with less pollution, and as we continue to research the cause and potential effects of climate change, it only makes sense that we enhance a natural process we already know has the benefit of reducing existing concentrations of greenhouse gases—particularly when this process also improves water quality, soil fertility and wildlife habitat. This is a no-regrets policy—much like taking out insurance on your house or car. We should do no less for the protection of the Planet.

Carbon sequestration can only be one tool in the fight to reduce greenhouse gases in a cost effective way, but it is something we can be doing right now for the benefit of our atmosphere, our water, our soil and our farmers and foresters. There is no downside to supporting this amendment. We advance important conservation goals and begin taking concrete action on one of our toughest environmental challenges.

Not only does this amendment help the environment, it also helps to flesh out the details behind a very promising and potentially lucrative market for farmers and foresters—a market where they would be paid for how they produce, in addition to what they produce.

Early estimates from the Consortium for Agricultural Soils Mitigation of Greenhouse Gases indicate that the potential for a carbon market for U.S. agriculture could reach $5 billion per year for the next 30–40 years.

Mr. President—this is a common sense amendment—which is good for our farmers, good for the environment and could provide a bridge to begin dealing with one of our most challenging environmental problems by applying the market principles to reduce climate change. This is an important first step—which opens the door to a new bi-partisan alliance that will help make real progress on the issue. I urge my colleagues to support the Wyden-Brownback amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon, amendment No. 2546.

The amendment (No. 2546) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. WYDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONFERENCE REPORT ACCOMPANYING THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002—Continued

Mr. LEVIN. I believe under the unanimous consent agreement that has been entered into, we will have a period of, I believe, 2 hours for debate which I hope perhaps will be reduced. In any event, the first half hour was to be under the control of Senator BYRD.

The PRESIDING OFFICER. The Senator is correct.

The distinguished Senator from West Virginia.

Mr. BYRD. Madam President, I thank the Chair and I thank my distinguished colleague, the chairman of the Armed Services Committee.

Madam President, I was troubled by President Bush's announcement this morning to withdraw the United States from the Anti-Ballistic Missile Treaty of 1972. This development has earth-shaking implications for our national security, especially in considering the potential range of reactions from Russia and other nuclear powers, including China. Arms control is bound to become more difficult as these countries work to make sure that their nuclear deterrent can still work when—or if—we successfully deploy an anti-missile system. While bringing us no closer to realizing a workable national missile defense system, withdrawal from the ABM Treaty signals to the world that the United States seeks a dominant, not a stable, strategic nuclear position.

I am not an expert on the technology used in nuclear weapons or ballistic missiles. But I do know that China has twenty missiles capable of delivering nuclear weapons to our shores. China has been satisfied that these twenty missiles provided it a nuclear deterrence against other nuclear powers, including the United States. As a result of this move by the President against the ABM Treaty, I have no doubt that China will seek a larger, more sophisticated nuclear arsenal. Does that make the United States more or less secure? What about our allies and friends overseas?

Does a larger Chinese nuclear arsenal help the President of South Korea sleep at night? What about the Prime Minister of Japan, or even the Prime Minister of Britain? Clearly, our friends have good cause to be concerned about U.S. withdrawal from the ABM Treaty. I do not believe it is an overstatement to say that withdrawing from the ABM Treaty will have serious consequences for our allies, and by extension, on our national security interests.

I also know that many experts on missile technology have grave concerns about how easy it would be to build missiles that can fool a national missile defense system, rendering it useless. Russia has already developed a missile that could pierce our planned missile defense system, even if it worked. And I think that one can bet that China is working on similar technology. If China and Russia, two countries with past records of sending missile technology to the likes of Iran and North Korea, have the technology to fool our missile defense radars, how long do you think it will take for that technology to end up in the hands of rogue states? I understand the President's desire to develop a national missile defense system for the United States. I support that goal, as long as it produces a system that is feasible, affordable, and effective. However, we have no assurances at this point that an effective missile shield can be developed. We are operating on little more than conjecture and speculation. Can a reliable, workable missile shield be developed? We're not sure. How many missiles can a missile shield deflect? Good question. What will it ultimately cost? No idea.

To jettison the ABM Treaty with no replacement agreement in hand and no better understanding of how or whether a missile defense system will work—and that is where we are right now—to bring additional turmoil to a world that is already reeling from the terrorist attacks on America is, in my opinion, a rash and ill-considered course of action.

The United States has been engaged in intensive arms control talks with Russia over the past several months. These talks have focused on two key issues: first, altering the ABM Treaty to allow the United States to increase its missile defense testing, and second, negotiating reductions in the nuclear arsenals of both the United States and Russia. Russia has repeatedly expressed its belief that the ABM Treaty is the "cornerstone of strategic stability." By limiting the development of missiles that could shoot down an opponent's nuclear missiles, the argument goes, both the United States and Russia understood the strategic capabilities of the other—of each other. Indeed, progress in first limiting the nuclear arms of the United States and the Soviet Union was concurrent to progress in limiting the development of anti-ballistic missiles. In the three decades since the ABM Treaty and the Strategic Arms Limitation Treaty were ratified, the United States has been able to reach consensus with the

Soviet Union—and later Russia—on the principles of the Strategic Arms Reduction Treaties, commonly known as START, to steadily reduce the nuclear arsenals of both countries.

These arms reduction treaties have slashed the nuclear arsenals of our two countries by over half over the last decade. All the while, the ABM Treaty provided the strategic stability to allow these cuts to occur without threatening the strategic balance between the two nuclear giants.

Senator BIDEN, the chairman of the Foreign Relations Committee, spoke very clearly yesterday on his concerns over a precipitous withdrawal from the ABM Treaty. I thank the Senator for his remarks, and for his valuable insight into this very troubling subject. The Constitution of this Nation deliberately established a clear separation of powers among the executive, legislative, and judicial branches of the Government. Article II, Section 2, gives the President the power to make treaties "by and with the consent of the Senate." There is a reason for that caveat, and the reason is that treaties among nations are enormously important instruments of power. The framers of the Constitution recognized the importance of treaties, and saw the potential danger of allowing any individual to enter into a treaty with another nation. The required acquiescence to any treaty by two-thirds of the Senate is a fundamental part of the checks and balances of our Government.

This is what disturbs me so greatly about the President's announcement of withdrawal from the ABM Treaty without seeking the advice or consent of Congress. And this announcement comes on the heels of the President's declaration a few weeks ago that he is willing to further reduce America's nuclear arsenal on the strength of a handshake from his Russian counterpart, Vladimir Putin, instead of pursuing the START process. Again, the decision was made without seeking the advice or consent of Congress. To me, shutting Congress out of the decision-making process involving agreements among nations is a dangerous—a dangerous and corrosive course of action. It effectively undermines, I think, the intent of the framers of our Constitution. Monarchs make treaties. American Presidents propose treaties. They make treaties by and with the consent of the Senate. There is a tremendous difference between the two, and defining such differences is the essence of our Constitution.

I recognize that under the terms of the treaty, the President has the legal right to withdraw from the ABM Treaty with six months notice. I recognize that, upon adoption of the Defense authorization conference report, which strikes an existing prohibition, he will have the legal authority to reduce the U.S. nuclear arsenal without the consent of Congress. But I also believe that it would be a violation of the spirit of our Constitution to take either course of action without seeking the endorsement of the Senate. I think that the President's contention that the ABM Treaty is a cold war relic merits some consideration. His belief that it is time to move onto a new framework for missile defense reflecting the new realities of a world with multiple nuclear powers and would-be nuclear powers, makes a great deal of sense.

The President's ABM and weapons reductions proposals merit debate and consideration in the Senate. I know there are some in this body who agree with him wholeheartedly and others who disagree just as passionately. I would like to hear their views on both sides. The American people should have the opportunity to hear the views of each side. But by the President deciding unilaterally to withdraw from the ABM Treaty and to reduce America's nuclear stockpile on the strength of a wink and a nod, the American people are denied a voice in the decision—a voice by the Senate—a decision, by the way, that will affect the security of the American people and the stability of the world for years to come.

Our hands are effectively tied at this point. The Defense authorization bill, in which we could have dealt with both of these issues, is for all intents and purposes signed, sealed and ready for delivery to the Senate for a vote in the Senate. A statutory prohibition preventing the President from reducing the U.S. nuclear arsenal below the levels established in START I is eliminated in that bill. A well-reasoned provision that would have conditioned the expenditure of FY 2002 missile defense funds on U.S. compliance with the ABM Treaty was thrown overboard before the Senate even took up debate on the Defense authorization bill.

We are advancing headlong into committing our nation and our treasure to an untried and unproven missile defense system, which we may or may not need and which may or may not protect us, while at the same time we are in full retreat from arms control treaties and policies that have helped stabilize the world for decades. We are looking to expand our military might from the land, seas, and skies into the heavens. The Department of Defense is investigating ways to use space as the "ultimate high ground" in military operations, expanding upon the peaceful use of satellites for intelligence and surveillance. No one is sure exactly where this research is leading, but we ought to have a full debate on the weaponization of space before these types of technologies are realized. We are taking these major, major steps without the nearest scrap of debate, discussion, or decision in the United States Senate.

You can be assured that I am as eager as anyone to reduce the number of unnecessary weapons in our country. But I am decidedly less than eager to pursue such a course of action without ensuring that Russia is on the same glidepath. Without a written agreement, without a treaty, such assurances cannot be made. We cannot verify intentions without a verification regime. We cannot measure progress without a formal system of monitoring. We cannot be assured of compliance without written guidelines spelling out what compliance means. A handshake, no matter how sincere or well-intentioned, is no substitute for a signature.

A President may be here today and may be gone tomorrow. A President of Russia may be here today and may be gone tomorrow.

A handshake was all right back in the old days when the Senator from Virginia and I decided that we would like to trade cows, or a couple of horses we would like to trade, or I would like to buy his crop of cane molasses. But when dealing between nations, we can't be content with a handshake or just looking into the other person's eyes and reading his soul. Things have to be put in writing. A handshake, no matter how sincere or well intentioned, is no substitute for a signature.

As Ronald Reagan so famously exhorted, "Trust, but verify."

It may have been W.C. Fields who said something to the effect: Trust, but always cut the deck. It was something like that. Always cut the deck.

Similarly, there is no vehicle before us for debate or a vote on the merits of withdrawing from the ABM Treaty. We gave away the opportunity to discuss this matter in the context of the Defense authorization bill in the interests of comity. We relinquished our right to even debate whether to condition missile defene funding on compliance with the ABM Treaty. Now, we are at the mercy of the President. He has to be aware that this is a contentious issue. He has to be aware that many members of this body have grave concerns over his decision. He has to be aware that a decision to withdraw from the ABM Treaty will have global ramifications.

As of this morning, it appears that withdrawal of the United States from the ABM Treaty is a done deal. I would have strongly preferred to have the President give more consideration to the role of Congress in foreign and defense affairs. He could have chosen to consult with Congress, and submitted to the Senate a formal resolution of withdrawal on which we could debate and have a vote. It appears that we are now past that point. But I would urge the President to put any agreement to reduce our nuclear arsenal in writing, as President Putin has requested, and to submit that agreement to the Senate so that the legislative branch, as intended by the framers, will have voice in the execution of such an important agreement between nations.

The issue of missile defense, the future of the ABM Treaty, and the future of the U.S. nuclear weapons arsenal are matters of the gravest importance. These are matters that deserve the full and undivided attention of the President, the Congress, and the Nation. These are not decisions that should be sprung on the nation in a speech or at press conference. I hope that the President will make the effort to include the legislative branch—the people's branch—in making any future, final decisions relating to these matters.

Mr. WARNER. Mr. President, will our distinguished colleague yield for a question on the speech he has just given?

Mr. BYRD. Yes.

Mr. WARNER. Mr. President, it was very interesting. I followed it very closely. The Senator from West Virginia is a valued member of our committee. I fully admit that I advanced in the course of our hearings in markup, and likewise the various provisions, which give rise to the Senator's concern.

I strongly support the President's action of exercising article 15 and giving notice. But I must say I am intrigued by the comments of the Senator from West Virginia. He obviously has done a good deal of research.

What are the precedents by which a President feels that a treaty is no longer of value to our Nation? Have they heretofore formally consulted and notified particularly the Senate which has to give the advice and consent? I will research that. But I was interested to the extent that the Senator might have some knowledge of it. We have had, I guess, minimal consultation.

The distinguished Senator from West Virginia, my colleague—I have been here 23 years; my colleague has been here many more years than I. I recall that many times we would sit down with Presidents and discuss momentous decisions regarding foreign policy informally. Then we had extensive hearings on the ABM Treaty. In each one, I advocated that we basically take the action our President was taking. But I am trying to think of the consultative process.

At this particular time, the best that I know is there were telephone calls with the Secretary of Defense and discussions with me about it. I presume that occurred with my chairman and perhaps the Senator from West Virginia. But what are the precedents for Presidents in a more formal way advising the Senate about the fact that he has reached a decision that a treaty is no longer of value to this country, and, therefore, he is going to exercise such a provision as the treaty may provide for the withdrawal?

Mr. BYRD. Madam President, as I have stated, I don't question the President's legal right to do that. That is not the question.

I think the question is, as I have tried to pose it, that the Senate, a body which, under the Constitution, approves or disapproves the ratification of treaties, should have an opportunity, in the case of the ABM Treaty—a treaty of such significance as this one has been and is—the Senate should have an opportunity to debate this. As I have indicated, I think the President should have asked for some advice from the Senate. He does not have to take the advice, but I have seen no evidence of the President seeking advice on this matter. He simply made up his mind to do it and did it.

Mr. WARNER. But he did forewarn the Nation.

Mr. BYRD. Yes.

Mr. WARNER. Our Nation.

Mr. BYRD. Yes.

Mr. WARNER. The Congress, President Putin, and others that that was his intention. He did have a series of consultations with President Putin, his key aides, his Secretary of State, his Secretary of Defense, and, likewise, the National Security Adviser. But I guess we come back to the problem that you feel it was a matter of comity, not of law, that he——

Mr. BYRD. I say that he had the legal right.

Mr. WARNER. To do what he did.

Mr. BYRD. But if the Senator will recall, let's go back to the time when we were considering the INF Treaty. Mr. Dole was the leader on that side of the aisle. I was the leader on this side. And the Reagan administration sought to reinterpret the ABM Treaty to its own way of thinking at that time. There was a big dispute about this. There was a lot of pressure on me, as the majority leader at that time—the Senator probably didn't realize that, but I have not forgotten—to bring up the INF Treaty.

I said: Well, let's see what Mr. Nunn, the chairman of the Armed Services Committee, has to say about that. And let's see what Mr. Boren, the chairman of the Intelligence Committee, has to say. And let's see what Mr. Pell has to say. Now, when they all come back to me and give a report to me that they are satisfied with this, then we will call it up.

There was great pressure on me to bring up that treaty because President Reagan wanted to go to Moscow and sit down with Mr. Gorbachev and have an exchange of ratification papers on the INF. Mr. Baker, at the White House, was going to be there also. But I waited until those three chairmen of the Armed Services, Intelligence, and Foreign Relations Committees, respectively, were satisfied about the treaty.

As the Senator will recall, out of that delay Mr. Shultz went to Paris, I guess it was, and met with Mr. Schevardnadze and brought back something in writing, and we all reached an agreement that any reinterpretation of the treaty had to be agreed upon and approved by the Senate. And we are talking about the ABM Treaty.

I believe it was agreed that the interpretation of the treaty would be based on the testimony of witnesses, the actual language within the four corners of the treaty, and the interpretation by the then administration expressed through its witnesses in Senate hearings, and that any subsequent administration could not change that reinterpretation without going through this process and having the approval of the Senate.

Now, I say all of that, and my memory may not be exactly accurate on every point. That was back in 1987 or 1988, somewhere along that line, a long time ago.

Mr. WARNER. Madam President, I remember. I was here.

Mr. BYRD. At that time we were very concerned about a subsequent reinterpretation of the ABM Treaty, the ratification of which the Senate had approved, by a subsequent administration. Otherwise, a treaty would be without any value if a subsequent administration could come along and reinterpret a given treaty based on the way it saw things at that later time.

I say all that to my good friend from Virginia because I have been involved in the ABM Treaty for a long time. At that time we saw it as a matter of grave importance that an administration be allowed to reinterpret that ABM Treaty without subsequent hearings and without subsequent approval by the Senate as to the interpretation.

But here we are today, and we are walking away from that same treaty, and the administration—the President did announce this in the newspaper, but I saw nothing that was ever sent up. I do not remember ever seeing any letter from the President to the chairman of the Armed Services Committee or the Appropriations Committee or the Foreign Relations Committee or the Intelligence Committee.

Now, there may have been such, but I was not aware of it. The President said, some time ago, he was thinking about doing this. He did not feel that anything needed to be put in writing. That, to me, is enough to keep me awake at night. When a President says he does not think something of this nature has to be put in writing, that a mere handshake is good enough, that is a rather scary way of looking at it as far as I am concerned.

So this is why I say, I am sorry—I am not sorry we are reducing our arsenal. We ought to do that. It is costing too much, and we do not need it. But for the President just to walk away from the treaty, and the Senate not to have had any expression from the President in writing, or any formal expression at all—the Senate, as far as I am concerned, was ignored in this matter.

This is what puzzles me. I am sorry that the Senate apparently is willing to just lie down, be quiet, and not ask any questions.

Mr. WARNER. Mr. President. I thank my distinguished colleague. I do not feel that he just walked away.

In deference to your observations, he did, through a series of hearings with his key advisers, through public statements, clearly indicate his strong dissatisfaction with a treaty which has served its purpose, in my judgment, and now, given the turn of events—particularly those on September 11, when our Nation was shocked at the devastation brought on by terrorists—he feels it imperative, that it is his duty to now begin to proceed to explore technology and options which could lead to an effective system that hopefully will be deployed.

But I just wanted to see——

Mr. BYRD. See, I do not see that nexus. I do not see that connection.

Mr. WARNER. I just wanted to see if there were precedents. Perhaps henceforth the Senate, in the advice and consent process, should put a—what do we call it?

Mr. LEVIN. Condition.

Mr. WARNER. Yes, into a treaty requiring the President, before any amendment or reinterpretation, to come back and seek the advice and consent of the Senate on his proposal. There we state very clearly. But so far as I know, I do not know of a requirement or a precedent which our President has broken, nor did he do anything that was not in accordance with the law and/or the terms of the treaty.

Mr. BYRD. I have already said the President did not do anything that is not in accordance with the law. He has not done anything that is illegal.

But let's see if your imagination and mine might be stretched to the farthest limit. Let's imagine I became President. And that taxes the imagination.

Mr. WARNER. No. I think you would do quite well.

Mr. BYRD. In the farthest stretches of the imagination, if I were President, I would not think of walking away from a treaty—the ABM Treaty—one that has served the Nation well, without at least having the Senate in on the action. I would find some way to get some expression and view from the Senate.

As it is, no Senator here has pointed out to me, tonight at least, that that effort was made. I think the administration would be much wiser if it took the Senate into consideration and had some expression of support; let the American people hear some debate in the Senate. I think the administration would be much wiser if it let the Senate in on the matter and sought its advice.

Mr. WARNER. I thank my colleague. I remember the many debates we have had in the past on the War Powers Act. Although that act is observed in spirit by Presidents, Republican and Democrat, they certainly have never accepted it really as the letter of the law. It does explicitly set out the need for consultation with the Congress.

Mr. BYRD. It does.

Mr. WARNER. And we have had various forms of consultation heretofore.

Mr. BYRD. It also requires reports from the President.

I thank the distinguished Senator.

Madam President, the conference report to the fiscal year 2002 Defense authorization bill before the Senate today contains many provisions that will help the men and women who serve our country in uniform. The bill provides for pay raises, increased educational benefits, and better housing for our military personnel. It authorizes important funds for the military services' counter-terrorism programs, and enhances efforts to improve the serious accounting problems of the Department of Defense.

Unfortunately, as developments unfolded in our strategic relationship with Russia on nuclear weapons and the Anti-Ballistic Missile Treaty, it became clear to me that the conference report before us does not move us in the right direction on those two critical issues. It is the importance of our strategic relationship with Russia, and the rest of the world, that compelled me to oppose this conference report. The conference report eliminates a provision of law that forbids the President from reducing our nuclear stockpile below the levels laid out in the Strategic Arms Reduction Treaty of 1991, which total about 6,000 warheads. Assuming that this conference report is enacted into law—and I assume it will be on its way to the President—the President will then be accountable to no one on how much he would like to reduce our nuclear arsenal. The President could call for these cuts without so much as one minute of debate in Congress.

Let me be perfectly clear for the third time: I do not oppose reductions in our nuclear arsenal. The cold war has passed into history, and to a great degree, so has the logic of maintaining thousands of nuclear weapons pointed at a country that no longer advocates the destruction of our way of life.

In the next fiscal year, the Department of Energy will spend $5.4 billion on our nuclear stockpile. That is serious money. I do not know exactly how many nuclear warheads we need to maintain, but I cannot think of one good reason to continue spending that much to maintain far more nuclear warheads than what almost all experts believe to be appropriate to meet our national security requirements. However, we must consider the role of Congress in our national defense, as spelled out in the Constitution. To me that is the bedrock of the Republic, Congress, the people's plans, the control over the purse. Article I, Section 8, Clause 12 reads: "The Congress shall have the power to raise and support armies, but no appropriation of money to that use shall be for a longer term than two years." The Constitution does not give the executive branch the power to raise armies. That is congressional power. The Constitution gives that power to the legislative branch, the Congress. The document that establishes our republic says that Congress, not the President, shall have the power to support armies, to maintain navies.

Clearly, the Founding Fathers did not want the chief executive to have the sole power to determine the size and shape of our military. By eliminating the one statutory restriction on the President's action with regard to the size of our nuclear forces, we in Congress have turned our back on that responsibility. I have already spoken today on the President's announcement to withdraw from the ABM Treaty. I believe that it is an ill-timed move that should have been subject to consideration and debate in the Senate. I supported a provision that was included in the original version of the Defense authorization bill as passed by the Armed Services Committee to limit our missile defense testing for the next 9 months to those tests that are allowable under the ABM Treaty. Those restrictions could have been waived under two circumstances: first, if the United States and Russia reached a new agreement on missile defense testing, or if there was an affirmative vote in both houses of Congress to authorize the tests. This was a reasonable provision. It protected the constitutional duty of Congress in national defense and foreign affairs.

I regret that, following the tragic events of September 11, this provision was dropped from the bill without so much as a vote. I can understand the great desire on the part of all of us to support the President in a moment like this. Considering the President's announcement this morning on withdrawal of the United States from the treaty, we should have had a fuller debate on the ABM Treaty provisions. What is history going to read? Where is history going to go? Where are the Senators of tomorrow going to look in the record for a debate on this very important matter? While I voted against this conference report, I appreciate the work that the chairman and ranking member of the Armed Services Committee, Senator LEVIN and Senator WARNER, have put in on this bill. They have few peers in their knowledge of the challenges facing the armed services. For the 7 weeks that this bill was in conference, they have had an exhausting schedule of meetings with their House counterparts, often meeting several times each day. They have continued the tradition of bipartisanship on the Armed Services Committee, and their staffs likewise have labored day and night, hour after hour to bring forth this legislation.

The issues of nuclear arms reductions and national missile defense should not disappear from our consciousness because of the President's announcement on the ABM Treaty. I hope that it will focus the attention of other Members of the Senate to the need to safeguard the role of Congress in defense and foreign affairs. While I look forward to future debates on these vital issues, I deeply regret that this Defense authorization bill did not tackle them head-on, have a debate, votes thereon, and for that reason I voted against its adoption.

I yield the floor.

Mr. WARNER. Madam President, this morning, President Bush announced that he had given Russian President Putin formal notice that the United States—pursuant to article 15 of the 1972 Anti-Ballistic Missile Treaty—was exercising its right to withdraw from that Treaty. That article provides that "each Party shall . . . have the right to withdraw from this Treaty" with six months notice. I support the President's action.

The ABM Treaty has served the cause of peace well for many years, but the Treaty has completed its mission. It was negotiated and signed in an era when the United States and the Soviet Union were implacable enemies. I, as Secretary of the Navy, was in Moscow in May 1972, where President Nixon signed the ABM Treaty for the United States. Each nation sustained large nuclear forces aimed at the other. The Treaty was seen as a means of controlling the arms competition between our two nations and as a building block to other arms control agreements. It has served its purpose. But the cold war, as President Bush noted in his remarks today, is long over. The Soviet Union has fallen, and Russia is, in the words of President Bush, no longer an enemy. Our President is pursuing with Russia a new strategic relationship. As President Bush has said, "We're moving to replace mutually assured destruction with mutual cooperation." President Putin has accepted this new challenge and we can expect the two Presidents to make further progress. Now our President must explore new technologies and provide a system to protect our people from attacks by a limited number of missiles.

The events of September 11 dramatically illustrate that this nation has enemies willing to go to extraordinary lengths to attack our homeland and indiscriminately kill thousands of innocent civilians. Where some doubted such devastation to our nation could ever occur, all doubts are now gone. We know that terrorists are seeking to acquire weapons of mass destruction, and we know that many of the nations that support the terrorists either have, or are seeking to acquire, both weapons of mass destruction and the means to deliver them.

It is the first obligation of any U.S. President to provide for the defense of our citizens and our vital national interests. President Bush is committed to protecting our nation—from all known threats. His commitment to provide defenses against attack from a limited number of ballistic missiles, and his determination to move beyond the ABM Treaty are motivated by this solem obligation.

From the inception of the new administration, President Bush and his key advisors have persistently pursued with Russia, through a series of consultations, a framework of understandings that would enable the United States to perform testing of new options and other steps leading to the eventual deployment of a ballistic missile defense system. These discussions will continue, but it is timely for the United States to give notice under article 15. Some have claimed that exercising this option to withdraw is a "violation" of the Treaty. It is not. It is not a "violation" to exercise our rights under article 15.

The Russian Government certainly recognizes and accepts this. Indeed, the statements coming from Russian leaders indicate that President Bush, and his key aids:, have carefully laid the groundwork for U.S. withdrawal from the treaty. The U.S. action was preceded by U.S. and Russian commitments to accomplish the most dramatic reductions in offensive nuclear forces in the history of arms control. This was a high priority for Russia. There is no sense that U.S. withdrawal will result in a new arms race. There is, instead, a sense of acceptance and a recognition that our close relationship will continue to grow.

The President has an obligation to defend this nation—from all known threats. Deliberately leaving our nation vulnerable to missile threats in a world so unpredictable and dangerous is not the wise course of action. We cannot, and must not, allow another nation to have a veto over our right to defend our homeland and our people. The President has acted courageously. He has my full support.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Madam President, first let me thank our good friend from West Virginia for his kind remarks about myself and my ranking member.

I yield myself 10 minutes. I would like to comment on a few things which the good Senator from West Virginia said.

Mr. WARNER. Would the Senator yield so that I could join him simply in thanking the Senator for his reference to the two of us and our staffs. We very much value his work as a member of the Armed Services Committee.

Mr. BYRD. I thank both Senators. Concerning the work, the diligence, the dedication, and the loyalty to our country that is constantly being demonstrated and exhibited by these two leaders of the Armed Services Committee, my words fall pitifully short in expressing my true respect for these two Senators.

They leave nothing undone when it comes to the expenditure of hours, labor, toil, and sweat. I also say the same with regard to the staffs of both Senators. As a Member, I have been treated very fairly on both sides. I thank the Senators.

Mr. LEVIN. I thank our dear friend. Madam President, I totally agree with the Senator relative to the unilateral decision made by the President today to withdraw from the ABM Treaty. I think it is a serious mistake.

I made a statement earlier today going into great detail as to why I think it was a mistake. I don't think any subject has taken more time of our committee than the national missile defense program and its relationship to the Anti-Ballistic Missile Treaty. I will read from the long statement that I made today relative to this subject:

> Ensuring the security and safety of the American people, especially from weapons of mass destruction, must remain our first defense priority. If I believed that withdrawing unilaterally from the Anti-Ballistic Missile Treaty would enhance our national security, I would support doing so. However, the President's announcement that the United States will unilaterally withdraw from the ABM Treaty is a serious mistake for our national security. It is not necessary and it is not wise.
>
> Unilateral withdrawal is not necessary because the ABM Treaty is not a significant constraint on testing at this time. Indeed, until a few months ago, the Ballistic Missile Defense Organization, BMDO, was proceeding with research, development and testing that was entirely consistent with the treaty. This approach recognized that the United States can develop and test national missile defenses *and* stay in the treaty. However, the administration then added new tests that would conflict with the treaty—even though these tests are of marginal value.
>
> Unilateral withdrawal is not wise because it focuses on the least likely threats to our security rather than the most likely threats. The Joint Chiefs of Staff believe that ballistic missiles are the least likely means of delivering a weapon of mass destruction to the United States. The more likely threat comes from a nuclear, biological or chemical weapon being delivered to the United States in a plane, truck, ship or a suitcase, which would be more reliable, less costly, harder to detect and have no "return address" against which to easily retaliate. We need to focus on the most likely threats to our security before accelerating the spending of billions of dollars for defenses against the least likely threats.
>
> Unilateral withdrawal is not wise because it needlessly strains our growing relationship with Russia, a partner in the new war on terrorism. The President's decision also seems to be a violation of his campaign

pledge at the Citadel in September 1999, that, if elected, he would "offer Russia the necessary amendments to the Anti-Ballistic Missile Treaty." From newspaper accounts it appears that the administration did not offer amendments to the Russians that would allow us to proceed with the new tests that the administration added. Instead, something much broader was proposed by the administration and not necessarily in the form of amendments. In other words, rather than proceeding with tests permissible under the ABM Treaty or reaching agreement with Russia on amendments to allow for further testing and maintaining the right to withdraw at a later time, the administration has decided at this time to unilaterally withdraw. This is not the way to treat an important nation with which we seek a new relationship based on mutual cooperation. It is fair to ask: What specific amendments to the ABM Treaty were proposed to the Russians by the President as he promised?

Unilateral withdrawal is not wise because it risks upsetting strategic stability. It risks a dangerous action-reaction cycle in offensive and defensive technologies that would leave America less secure. Even though the missile defense system being pursued by the administration is limited, the technologies that would be created as part of this limited system could quickly lead to a much larger program that could—in Russian eyes—undermine their nuclear deterrent. This could prompt Russia to take the destabilizing step of putting multiple warheads on missiles, so-called MIRVed missiles. this could lead China to rapidly increase their nuclear program. It could also lead China or other countries to devise countermeasures and decoys that they could then sell.

Finally, the President's decision to withdraw unilaterally from the ABM Treaty is not wise because it risks undermining our relationships with allies, partners and other nations just when the world is united in a common fight against terrorism. As this multilateral effort clearly demonstrates, our security is enhanced when we make common cause with other nations in pursuit of common goals. In both the short-term and the long-term, our security is diminished when we forge ahead unilaterally regardless of the impact on the security of other nations.

The Armed Services Committee will hold hearings on the administration's decision in the weeks and months ahead.

Madam President, I start with a very strong "Amen" to the Senator from West Virginia on his comments relative to the decision of the President to unilaterally withdraw from an arms control treaty, with no new structure in its place. He has decided to tear down the old structure, which has produced significant stability when the cold war was on and after it was over. Unilateral withdrawal could unleash some very negative forces in this world. It could unleash an arms race in offensive measures, countermeasures, ways to defeat limited defenses, decoys, and ways to overcome those countermeasures. The marginal gain that will be achieved in terms of the proposed additional testing is so marginal it doesn't come close to outweighing the negative forces that now are likely to be unleashed.

The likelihood that we would be attacked by a state with a ballistic missile—we have been told by our top military people —is very slim. The greater likelihood is that a weapon of mass destruction would be delivered by a truck, a ship, a suitcase, or by an airplane, which have no return address the way a missile does. You don't know from where that suitcase or truck comes. They make it harder to find the source. But with a missile, you know the source. Whoever launched a missile, if they could get their hands on one, would be immediately destroyed. The idea that a North Korean regime would attack us with a missile, which would lead to their immediate destruction, runs counter to what the intelligence community has told us: Their first goal in life is their own survival.

So in tearing down this security structure, this source of stability, without having anything in its place, to address the least likely means of delivery, means that we will be spending a huge amount of resources against the least likely threat, instead of putting those resources on the most likely threat, which are the terrorist threats, delivering a weapon of mass destruction with a truck, or a ship, or an airplane.

We have, by this action of the President today, removed a structure that made it possible for us to have a stable relationship and allow us to be much more, it seems to me, rational in the use of our resources.

So I agree with the Senator from West Virginia on that point. I want to reassure him of a couple things, if I can. First of all, the language I had offered in the committee requiring a vote before any of the funds that are authorized or appropriated would be used for any test in conflict with the ABM Treaty was language which, by its own terms, did not affect the power of the President to withdraw from the ABM Treaty. Subsection (d) of that language, which I had offered, and we were able to pass with the help of the Senator from West Virginia—by one vote in the Armed Services Committee—explicitly said: Nothing in this section shall be construed to limit the authority of the United States to withdraw from the ABM Treaty at any time upon a decision of the United States that extraordinary events relating to the subject matter of the treaty jeopardized the supreme interest in accordance with article XV of the treaty..

To the extent that that is reassuring, the language that was removed, for reasons which I gave at the time, did not prevent the President from withdrawing from the treaty. In fact, if it had prevented the President from withdrawing from the treaty, we would not have been able to get the majority vote in the Armed Services Committee. Some colleagues would not have voted for it if it had limited the President's right to withdraw from the ABM Treaty.

The second thing I want to say to our good friend from West Virginia is this: The language that prohibited the executive branch from going to a lower level of nuclear weapon delivery systems, below the START I level, has been in the law for a number of years. We have tried to remove that language for many years. Indeed, I think the Senator from West Virginia may have supported that effort at times to remove that language. The uniformed military has urged us to repeal that language. The top defense civilian leadership has urged us to repeal that language.

But I want to assure the chairman of the Appropriations Committee of something that he knows better than any Member of this body, so I am even a little reluctant to give him this assurance, because if anybody stands for what I am going to say, it is the Senator from West Virginia: Nobody can take away from the Congress the power of the purse. Nobody. Nobody can take away from the Congress the power to tell the President of the United States you must have whatever level of nuclear forces we determine you must have.

Mr. BYRD. The Supreme Court ruled within the last couple of years that Congress could not give away its constitutional power.

Mr. LEVIN. Indeed, we cannot.

Mr. BYRD. The Senator from Michigan, together with the then-distinguished Senator from New York, Mr. Moynihan, and the then-Senator from Oregon, Mr. Hatfield, and I sought to bring that case before the Court. The Court said we didn't have standing. But subsequent to that, other parties that did have standing, and were recognized as having standing by the Court, pursued that case. The Court, throughout that—I am trying to think of a word I can safely say here in the Senate about the line-item veto.

Mr. LEVIN. I would suggest the word "abomination."

Mr. BYRD. The Supreme Court, throughout that miserable piece of legislation, upheld the fact that, as the Senator said, the Congress cannot give away its powers as set forth under the Constitution.

Mr. LEVIN. And that is what I just want to reassure my good friend from West Virginia that he has been the most steadfast, the most valorous, and the most determined representative of that point of view. I was proud to join him in the Supreme Court.

The Appropriations Committee, of which our good friend is the chairman, has determined there will be funds in fiscal year 2002 for 500 minutemen ICBMs—it is in your bill—and for 50 peacekeeper ICBMs. There will be 17 to 18 Trident subs. There will be 94 B-52Hs. That is the power of the purse. So we have done nothing to diminish that power. The President cannot take that away. We could not give it away. We should never try. But if anyone ever tried, we can't give it away. The chairman of the Appropriations Committee and the appropriators, and then ultimately this Congress, determines what level of weaponry we are going to fund and what must be maintained. We determine that.

Nothing in this bill changes that. That continues to exist. But what we did do is remove a prohibition in permanent law that said—not the annual appropriation, which continues to be ours, and ours alone, but a permanent law—we had what I considered to be an artificial prohibition that they had to stay at the START I level instead of leaving that to the annual appropriations process; it was something in permanent law.

There are a number of us who have been trying to remove that prohibition for years. We thought it was no longer appropriate. The military and defense officials were saying we were spending a lot of money we should not spend, and our conference successfully repealed that prohibition this year. It does not in any way diminish the power of this Congress, which was just exercised on the appropriations bill again this year to determine the level of nuclear forces or any other weapons we have in our inventory.

That remains, should remain, and always must remain the power of the Congress, the power of the purse.

Madam President, this is no ordinary time. Two days ago, the Nation observed the 3-month anniversary of the most deadly attack ever against the United States. For more than 2 months, U.S. forces have been engaged in a military campaign on the ground and in the skies of Afghanistan. Their success has been remarkable: after just 9 weeks, the Al Qaeda terrorist network is on the run, and the Taliban regime that harbored them is no more. Our brave men and women in uniform embody America's determination to protect our citizens from more terror and our resolve to track down and relentlessly pursue terrorists and those who would shelter them. And even as we continue to remove flag-draped coffins from the ruins in New York, flag-draped coffins have returned from Afghanistan with the bodies of heroes who have given their lives for our freedom, including our freedom from fear.

Against this background, I am pleased to bring to the floor of the U.S. Senate the National Defense Authorization Act for Fiscal Year 2002. The conferees have produced a good, balanced bill that will strengthen our national security. The U.S. military is the most capable fighting force in the world today, and this bill ensures it will remain so, especially as it is engaged in a war against terrorism.

This bill reflects the contributions and hard work of many, many people over many, many months. I am grateful to Senator WARNER for working with me every step of the way in producing this bill. We have served together on this committee for more than two decades. We agree on most things. When we disagree, we trust one another. No chairman could ask for a better partner. I want to take this occasion to express my gratitude for his invaluable support, which made this a better bill.

I also want to thank the chairmen and ranking members of the subcommittees for their help in the conference and throughout the year in completing action on this important bill.

Finally, I want to thank Representatives STUMP and SKELTON. Like Chairman STUMP, this was my first year as chairman. He was also chairman of the conference. As conferees, we faced many difficult decisions. This was a very challenging conference. But Representatives STUMP and SKELTON made a major contribution to produce a bill that is in the national interest. Madam President, the National Defense Authorization Act for Fiscal Year 2002 authorizes $343.3 billion for national defense programs, the full amount requested by the President and in the budget resolution. This bill addresses a number of important priorities.

This bill builds on Congressional efforts in recent years to improve the compensation and quality of life for our forces and their families. It authorizes a pay raise of at least 5 percent for all military personnel, effective January 1, 2002, and targeted pay raises between 6 and 10 percent for mid- and senior-level enlisted personnel and junior officers. It extends critical bonuses and special pay authorities by 1 year. It authorizes personnel with critical skills to transfer up to 18 months of unused benefits under the Montgomery G.I. bill to family members in return for a commitment to serve 4 more years, an important provision Senator CLELAND has been fighting for for some time. It authorizes a plan to provide U.S. savings bonds to personnel who commit to serve at least 6 additional years of active-duty service in a critical specialty. It authorizes $10.5 billion for military construction and family housing, an increase of more than $500 million above the budget request. It includes a series of provisions to enhance the ability of military voters and their families to vote.

One of the most difficult issues for the conference was whether disabled military veterans would receive their retired pay and veterans disability compensation concurrently. This is a popular and meritorious benefit that Senator HARRY REID has championed. I was disappointed that the House was unwilling to accept this benefit because it would have required a vote on the budget point of order. The conference agreement authorizes disabled military veterans to receive their retired pay and veterans disability compensation concurrently, but make this contingent on the enactment of legislation offsetting the cost of this benefit. The conference agreement also includes an extremely modest enhancement to special pay for retirees with service-connected disabilities. It is my hope that in the future Congress will allow our military veterans to receive the retired pay and veterans disability compensation that they earned and deserve.

This conference report improves the ability of U.S. forces to combat terrorism, and it improves the ability of the United States to combat the proliferation of nuclear, biological and chemical weapons. To help combat terrorism, it adds to the budget request: $47 million for science and technology to help confront asymmetric threats such as chemical and biological warfare; $17.4 million to procure additional protective equipment for chemical and biological agents; and, $10 million to help fund our combatant commanders around the world fund high-priority projects to defend U.S. forces against terrorism.

This bill also authorizes the full $403 million requested by the administration for the Cooperative Threat Reduction program to continue destroying and dismantling nuclear warheads and missiles in the former Soviet Union. The bill also adds nearly $60 million for Energy Department programs and research to combat proliferation of such weapons. With this funding, the Congress gives additional tangible support to the continuing effort to reduce the threats posed by offensive nuclear weapons, their delivery systems, and related materials.

On missile defense, we followed the funding formula in the Senate bill, making a reduction of $1.3 billion in the request and authorizing the President to use the $1.3 billion for whichever he determines is in our national security interest: one, research and development of missile defense programs as previously requested; and two, DOD activities to combat terrorism. I sincerely hope the President will wisely choose to use these funds to combat the more likely threats to the United States from terrorism, rather than the least likely threat of a ballistic missile attack on our Nation.

The bill contains important language requiring the Department to provide additional information and program reviews to ensure adequate congressional oversight and transparency of the program. I would add that the Senate owes a great debt to Senator REED of Rhode Island, who worked on this issue tirelessly over many months to reach this point.

The House bill contained language that could have been interpreted to authorize the use of Fort Greely, AK, as an operational ballistic missile defense site. A number of us in the Senate felt very strongly that we should not authorize an operational site in violation of the Anti-Ballistic Missile Treaty. So this language was modified in conference to clarify that Congress has authorized the construction of only those facilities that are necessary to establish a test bed, not an operational missile defense site.

As I already mentioned, the national missile defense testing program is not constrained at this time by the ABM Treaty. The President's decision to unilaterally withdraw from the treaty is a serious mistake for our national security. It is not necessary and it is not wise.

As I also mentioned, I am pleased that the conference report contains a provision from the Senate bill that would eliminate statutory restrictions on the President's ability to retire unneeded U.S. nuclear forces. We have been fighting for this flexibility for years, and I was disappointed that we had to drop a similar provision in the conference on last year's defense bill. This conference agreement allows the administration to move the United States toward lower nuclear force levels contemplated under START III and below, and toward levels being sought by the administration.

This bill allows for significant savings through improved management in several important areas of the Defense Department. This bill includes a major victory for good government and for the readiness and transformation our military forces, it authorizes another round of base realignment and closure. The civilian and military leadership of the Department of Defense have told us over and over again, through two administrations, that DOD has excess infrastructure and needs a new round of base closures to free up billions in savings for higher priority defense needs. Senator McCAIN and I have been fighting for a new BRAC for more than 5 years, and I am very pleased it is included in this bill.

This bill makes several minor changes to the previous BRAC process and to the Senate bill. Instead of occurring in 2003 as proposed in the Senate bill, the new round of BRAC will, in order to obtain approval by the House, occur in 2005. Even with this delay, the House held out until the last minute.

We also have tightened the provisions by which the base closure commission can add additional facilities for closure not already included in the list proposed by the Secretary of Defense. I want to be very clear about this second change. As in the past, the Secretary will propose to the commission for their consideration a list of installations he suggests for closure or realignment. If the commission wishes to add to the Secretary's list more installations for its consideration, at least 7 of the 9 commissioners, a supermajority, must vote to do so. However, once an additional installation is added for consideration, the final recommendation on whether to close or realign it will be by a simple majority vote, 5 votes, of the commission, just the same as the original list. In other words, we have raised the preliminary hurdle for the commission to add to the Secretary's list installations for consideration, but the final hurdle, whether to actually include that installation in the commission's recommendation to Congress, will be the same for all installations and the same as in previous BRACs, that is, a simple majority.

BRAC was by far the most difficult issue in conference, and I want to especially thank Senator McCAIN for his leadership and Senator WARNER for his support on this issue. Personally, I would have preferred BRAC in 2003 over 2005. But I also prefer 2005 over no BRAC at all. In the end, those were the options. This bill is clear, there will be another round of base closure in 2005. This is a major victory for those who want to give the Defense Department the ability to realize the significant savings that can only come from more base closures.

The bill provides for improved contract management and greater competition for the $50 billion of service contracts awarded by the Department of Defense each year. Secretary Rumsfeld has testified that the Department should be able to achieve 5 percent savings across the board through management improvements. We have identified a number of management tools and strategies already in wide use in the private sector that should enable the Department to save billions of dollars on its service contracts over the next several years.

This bill makes the Defense Department, rather than Federal Prison Industries, FPI, responsible for determining whether FPI products meet the Department's needs. This means that private sector companies will have an opportunity to compete with FPI for Department of Defense contracts that are paid for with their tax dollars. It is fundamentally unfair that these companies have been denied this opportunity in the past, and I am delighted that we have finally been able to address this problem.

This bill makes significant contributions to the readiness of our military. It authorizes funding to improve the readiness of Army aviation, including: funding for 22 Black Hawk helicopters, 10 more than the administration requested; upgrades to Apache helicopters; and additional TH-67 training helicopters. It authorizes $62.5 million for upgrades to the B-2 bomber and an additional $100 million to maintain the B-1 bombers, which continue to demonstrate their effectiveness against terrorist targets in Afghanistan. It authorizes $55 million to upgrade engines and reduce maintenance costs for the F-15 and F-16 aircraft.

The bill also adds money to increase full-time manning in the Army National Guard; upgrade the Navy's electronic warfare aircraft; improve the operational safety and capabilities of our test ranges and space launch facilities; and continue modernizing the training aircraft used by the Air Force and Navy for the training of new pilots.

This bill also supports the transformation of our military to a lighter, more lethal, more flexible force. It authorizes the request of $3.9 billion for the F-22, including funding to procure 13 aircraft. It approves the requested funding of $3.0 billion for three *Arleigh Burke*-class destroyers, $2.3 billion for one Virginia-class attack submarine, and $370.8 million for one T-AKE auxiliary cargo and ammunition ship. It provides the full request of more than $1.5 billion for the Joint Strike Fighter program. It authorizes nearly $200 million for Navy transformation, including an increase of $178 million for converting four excess Trident strategic missile submarines to carry Tomahawk cruise missiles, instead of two as requested in the budget. It authorizes more than $561.3 million for Unmanned Aerial Vehicles, UAVs, including an increase of $26 million for procurement of Predator UAVs, which have been used successfully in Afghanistan in the war on terrorism.

The conference agreement modifies the provisions that we adopted last year regarding the status of training exercises by the Navy and Marine Corps on the Island of Vieques. It cancels the referendum on live-fire training that was required in last year's authorization bill. It also authorizes the Secretary of the Navy to close the Vieques training range only if the Secretary certifies to the President and Congress, after reviewing the recommendations of the Chief of Naval Operations and the Commandant of the Marine Corps, that an alternative facility or facilities will provide equivalent or superior training.

In view of the importance of this issue to the people of Puerto Rico, I would have preferred a solution that placed the decision on whether to close the range in the hands of the President. I believe that this approach would have been more likely to ensure peaceful access to the island for training purposes in the long run. However, the House rejected this approach, and this compromise is the best outcome we could achieve.

Included in the Conference Report Statement of Managers is an excerpt of a letter dated November 29, 2001, from Deputy Secretary Wolfowitz making it clear that the President prefers the approach we have taken in this bill. It reads:

Consistent with the commitments made by both the President and Secretary England, the Navy remains committed to identifying a suitable alternative and is planning to discontinue training operations on the island of Vieques in May of 2003, contingent upon the identification and establishment of a suitable alternative. However, until a suitable alternative is established, Vieques remains an important element in the training of our forces deploying to fight the war.

This is a strong, balanced bill. It fully funds the $343.3 billion for national defense requested by the administration. It improves the compensation and quality of life of our forces and their families. It improves the readiness of the military services. It advances the transformation of the military to lighter, more lethal and more capable forces. It improves the capability of the armed forces to meet nontraditional threats, including terrorism and unconventional means of delivering weapons of mass destruction. It improves the efficiency of DOD programs and operations.

Once again, I want to thank Senator WARNER, all the Members of the Senate and House Armed Services Committees, and the staffs of both committees for their long hours of hard work on this legislation. I hope the Senate will join us in passing this bill, sending it to the President for signature, and sending a strong message of support to our military men and women now engaged in a war to defend our freedom and way of life.

I am going to yield the floor at this time. After the Senator from Virginia speaks, perhaps the Senator AKAKA, who has been here a while, can be recognized.

I yield the floor.

Mr. WARNER. Madam President, I want to start by thanking Chairman LEVIN, and his staff under the fine leadership of David Lyles, for the manner in which they conducted this conference. It was a team effort from start to finish, and we have a good product to present to the Senate as a result.

We were all sent here by our constituents to do the people's business, and that we have done. The conference report now before the Senate strengthens the President's hand in the ongoing way on terrorism. This legislation sends a clear signal to all of the men and women in the military—from the newest private to the four-star general—that we are clearly behind them.

With this legislation, we are providing critical funding and legislative authorities to support the men and women defending freedom in Afghanistan and those on station around the world who are safeguarding our liberties and who are prepared to answer the call on a moments notice.

The conference report we are presenting to the Senate today contains $343.3 billion for defense—an increase of almost 11 percent over last year's level. In addition, this legislation authorizes the defense portion of the $40 billion emergency supplemental that was proposed by the President to respond to the events of September 11. Of that $40 billion the Defense Department has received $13.7 billion from the first $20 billion increment, and will receive several billion more from the second $20 billion—the exact amount is still the subject of an ongoing appropriations conference.

As our military is engaged in an all out war against terrorism, the Congress is fulfilling its duty with this legislation by providing the funding needed to successfully conduct that war.

Just 3 weeks ago, I joined Chairman LEVIN in visiting our military men and women who are participating in Operation Enduring Freedom. We visited with forces in Uzbekistan, were privileged to share Thanksgiving dinner with some of our troops in Pakistan and with sailors aboard the USS *Carl Vinson*, from which planes are flying in support of forces in Afghanistan.

Our Nation can be proud of the men and women serving in our Armed Forces. The dedication, professionalism and bravery that is being displayed at any hour of the day or night is extraordinary.

During our trip to the region, we spent time with a Special Forces team of 11 men preparing to deeply into Afghanistan. I was struck by the professionalism, courage and dedication of these soldiers. With imminent danger ahead, their thoughts were of mission, home, family and their uncompromising love of country. They knew they were embarking on a critical mission, and they were ready to go.

I have had the privilege of being associated with the United States military for over a half a century, beginning as a young sailor in the closing days of World War II. I have never seen greater bravery or dedication or commitment in the faces of our soldiers, sailors, airmen and Marines. The support of the Congress and the American people is the only modest recognition they hope for. That, we owe them; that they have, not since the days of world War II has the nation been so united behind the men and women in uniform.

I commend President Bush for his inspiration and leadership. During the nearly 10 weeks of military operations, he has communicated his clear intent, and he has not wavered. The American people are united behind him and behind our military.

It is interesting to note that, less than a year ago, the Bush Administration inherited a proud armed force but one that was showing the effects of a decade of underfunding and over commitment abroad. While U.S. servicemen and women performed their military missions with great dedication and professionalism, military personnel, equipment and infrastructure were increasingly stressed by the effects of the unprecedented number of military deployments over the past decade, combined with years of declining defense spending. This contributed to what General Hugh Shelton, former Chairman of the Joint Chiefs of Staff referred to as the "strategy-resource mismatch."

President Bush is to be commended for the increases he has proposed in defense spending. Prior to September 11, the President recommended increases for Defense for fiscal year 2002 totaling $38.2 billion. These increases represent an almost 11 percent increases in Defense spending above the fiscal year 2001 amount. The amount for Defense requested by the President in the emergency supplemental totals over $20 billion. Hopefully that additional amount will be provided as well.

Building on the President's solid proposal for fiscal year 2002, Senator LEVIN and I were able to conclude a conference agreement that is much needed by the military, particularly at this time of conflict when those in uniform and their families are facing all the dangers and unknowns of war. The conferees have stepped up to meet the challenges and to provide our Commander-in-Chief, President Bush, what is needed at this critical time in America's efforts in leading the world against a common enemy—terrorism.

A few days ago, the President returned to the Citadel to address the Corp of Cadets. In his remarks, the President reaffirmed his vision for the armed forces and his plan for defending the blessings of liberty and freedom against those who would seek to destroy them.

The President noted at the Citadel, "If America wavers, the world will lose heart. If America leads, the world will show its courage. America will never waver. America will lead the world to peace."

In this time of war, we must show our support for our military, our President. I thank all Senators who supported the conference report.

Madam President, I will remain on the floor indefinitely. We do wish to accommodate other colleagues. The distinguished Senator from Arizona is present, and at the appropriate time, we will try to accommodate our colleague from Arizona.

I see our colleague from Hawaii. This Senator will be very happy at this time to yield the floor, if he so desires to seek recognition.

Mr. LEVIN. I wonder if the Senator from Hawaii will yield for a moment.

Mr. AKAKA. Yes.

Mr. LEVIN. Madam President, before I leave for a moment, I beg the indulgence of my good friend from Virginia. I have a lot I want to say in a very heartfelt way about my friend from Virginia. We could not have a bill without the partnership we have on that committee. The Senator from West

Virginia was very nice in the way he phrased that. I will always remember the way he gave us a bouquet tonight on a bill which he, for his own very strong principles, decided to vote against. I want to let my friend know, though I have to leave for a moment, I will be back to say thank you to the Senator from Virginia and the staffs.

Mr. WARNER. No thanks are necessary. It is my duty. My constituents sent me, and we will at some point in time resume the colloquy between the chairman and myself. At this time, I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. Madam President, I rise today to express my support for the conference report to S. 1438, the Department of Defense Authorization Act for fiscal year 2002. I commend Chairman LEVIN, Senator WARNER, and their staff for the tremendous amount of work that has resulted in this conference report. There were many difficult issues to resolve, and I appreciate the persistence of our chairman and ranking member in ensuring the successful outcome of this conference report.

In the area of readiness and management support, the conference report authorizes $10.5 billion for military construction and family housing programs, an increase of $528.7 million to the administration's budget request. The report also includes $36 million for various systems to improve accounting for spare parts inventories and streamline maintenance processes. These are important steps in our efforts to improve the facilities in which our military personnel work and the housing in which they and their families live.

The conference report includes several provisions to improve the management and oversight of the Department of Defense. For example, there is a provision which addresses the Department's inability to produce reliable financial information or auditable financial statements, a long-time concern for myself and a number of my colleagues. The conference report also provides for improved management and greater competition for the $50 billion of service contracts awarded by the Department of Defense each year.

While I am disappointed with the reductions that were made in the operations and maintenance accounts, I remain committed to focusing our efforts towards ensuring the readiness of our military services. I believe further advances in sustainment, restoration and equipment maintenance are possible, in particular increasing attention to corrosion prevention technologies and products. As I know from the military facilities in Hawaii and elsewhere in the Pacific, maintaining military equipment and facilities in wet, salty, and hot environments is a significant challenge. The conference report authorizes $27 million for equipment and testing to prevent the corrosion of military equipment. I look forward to continuing to address the issue of corrosion in the future as its impact on readiness is significant.

I am pleased to note that the conference report includes an event-driven implementation of the Navy-Marine Corps Intranet to ensure that the program is fully tested and proven as it is introduced into the Navy and Marine field units.

I also want to highlight the provision in the conference report which directs the Department of Defense to develop a comprehensive plan for addressing environmental problems caused by unexploded ordnance on current and former military facilities. I believe this is very important as we continue to address the issue of encroachment and its impacts on readiness and training.

While we have more work to do to ensure the readiness and training of our military, the conference report is a significant step forward. I join my colleagues in supporting this important legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I rise in support of the Defense authorization bill and commend Senator LEVIN and Senator WARNER for their great efforts. They have crafted a bill that will provide materiel assistance and support to the men and women of our Armed Forces.

This bill includes, among other things, a targeted pay raise for our military, authority for military personnel to transfer unused Montgomery GI bill benefits to their dependents. This was a particular concern of Senator CLELAND, and he should receive particular commendation for his unfailing efforts over several years to get this provision enacted into law. Today it is part of the law.

In addition, this legislation will include a base closure round for the year 2005, which is something very important, although very controversial. It is important to move from a cold war infrastructure to a post-cold-war infrastructure, as we have done with our personnel and force structure, and this legislation will do that.

However, today this conference report has been overshadowed by the President's announcement that he proposes to withdraw from the Anti-Ballistic Missile Treaty. As chairman of the Strategic Subcommittee, I spent long hours examining and looking very closely at the administration's plans for missile defense.

I worked closely with all my colleagues, particularly the ranking member, Senator ALLARD of Colorado. We may have disagreed on issues, but we worked together to try to ensure all the information was available to our colleagues.

I believe the legislation we proposed in committee represented a sound balancing of the need to develop particularly theater missile defense but also to develop national missile defense. It did so cognizant of the fact that to deploy such a national missile defense would be violative of the ABM Treaty and would be a threat to very delicate arms control agreements that have evolved over decades.

Our legislation was brought to this floor in the wake of September 11, and in the need, in a very real sense, to provide a rallying point of consensus rather than an opportunity for further debate, our legislation, which reduced the appropriations for national defense by $1.3 billion, was modified significantly to give the President the option to apply this $1.3 billion to ballistic missile defense or to counterterrorism. I believe as we look very carefully and very closely at the threats we face today, the terrorism effect is more immediate and more central to our concerns of this moment. I hope the President will take that opportunity to apply those resources at $1.3 billion to counterterrorism.

Today, the President's announcement has been greeted by different opinions in different venues. My impression is that his announcement is both unwarranted and unwise. It is unwarranted because we are far away from the time that we have the technology to effectively deploy a national missile defense. It is also many years before I sense that we need to conduct tests that would be violative of the ABM Treaty. It is unwise because I think we are jeopardizing our relationship with Russia. Although their immediate response might be muted in some respects, what we will see is less than enthusiastic cooperation on a whole spectrum of cooperative efforts on which we need their help and assistance, from antiterrorism to the securing of their nuclear materials, to the securing of their biological materials. In this sense, it represents a departure from an endeavor over many decades, to erect a regime of arms control together with the keen awareness of our relationship with Russia.

I believe we have plenty of time to develop, and should develop, an adequate system and then face the decision of deployment and the decision of the treaty perhaps years from now. In October, Secretary Rumsfeld suggested there were four potential tests that would violate the treaty. As a result, he was canceling those tests. I think in fact that might have been a situation where those tests easily could have been postponed and therefore the decision could have been easily deferred with respect to the treaty.

One of the activities in question, for example, was the use of an Aegis ship radar to observe a missile defense test, clearly in violation of the ABM Treaty.

The problem is the development of a sea-based missile defense system is at least a decade away. As a result, to rush forward and try at this point to insert a test of that nature suggests to me there was more interest in bumping up, as they say, against the treaty rather than bringing to the field a system that will work.

The system that is the most advanced is the land based national missile defense system. Indeed, this system, too, has plenty of room for further research and development before it is necessary to go ahead and call into question the ABM Treaty.

The President today called the ABM Treaty a relic, a vestige of the cold war. The dynamics of world powers have definitely changed. But the reality is clear that nuclear weapons still are present in the world, they still must be contained, their use prevented—we hope. In this respect, we still have a need for a structured arms control regime, a structure that I think will not be aided by the abandonment today by this administration of the ABM Treaty.

Now, there is encouraging news. There is news that the Russians and the United States may, either through treaty or by unilateral decision, reduce their warheads. That would be progress.

But I do believe we are sending a signal not just to the Russians but to the rest of the world that the United States is stepping back from multilateral treaties and bilateral treaties which will further the cause of arms control. That will set not only the wrong tone but indeed perhaps the wrong direction.

The other aspect of this unilateral approach is the fact that it may not provoke an immediate and demonstrable adverse reaction from Russia, but as I said before, it will inhibit the kind of full-fledged cooperation that we need to address the more immediate threat of terrorism. We recognize today that Russian assistance in many ways has helped immensely in our struggle in Afghanistan. The use of their intelligence sources and the fact that they have, in an economic sense, continued to produce petroleum so that energy prices remain low are examples of their cooperative efforts.

I ask whether or not, given our unilateral withdrawal, given our unwillingness to continue a dialogue with respect to treaty modifications, would essentially undercut other areas of cooperation that, I argue, also are extremely necessary.

The proliferation of nuclear materials, the presence of vast stocks of biologic materials—all of these within Russia and all of these with questionable security mechanisms—raise a profound issue of our security. This afternoon in our committee we had a hearing with respect to the control of our nuclear weapons, and we have elaborate procedures, expensive procedures. I suggest the Russians probably do not match us with those procedures but they should. That is an example of cooperation we have to undertake immediately, cooperation that might be undercut.

China has expressed concern—another area we have to consider—in terms of their ability to deploy more missiles, to provide more sophisticated warheads with more penetrating aids, with more decoys, those things that will make the world less stable, the nuclear balance less stable.

I believe we have, today, taken the wrong path. Rather than continuing to work for a structure of arms control agreements, we have turned away from that structure. I hope the President not only recognizes perhaps the arguments we are making this evening, but truly works to reach out to try to develop more cooperative efforts with Russia that are to our mutual advantage; also, that we would recognize we still have an obligation to develop a structure of arms control agreements that will make the world safer.

The decision today to withdraw is, again, in my view, unwarranted by the circumstances and unwise. I believe in the long run it will not aid materially our security.

I hope the provisions we have included in this legislation that provide for overview of the Ballistic Missile Defense Program, that provide the option to use funds not only for ballistic missile defense but for counter-terrorism, will be used by the administration to pursue those aspects of counterterrorism and also a prudent development program for ballistic missile defense.

I yield the floor.

The PRESIDING OFFICER (Mrs. LINCOLN). The Senator from Virginia.

Mr. WARNER. Our good friend from Rhode Island is a valued member of our committee, very hard working, very industrious. I expect it will be that situation for an indefinite period as the years roll by. He had a distinguished military career himself, a graduate of West Point.

But I do have a few differences of view. And my good friend, the chairman, utilized these same key phrases I keep hearing. That is, we have a greater threat to our Nation from trucks, ships, or an airline that might bring in a missile or some type of nuclear device. We are putting so much money on missile defense at the time "when it is the least likely means of delivery."

I say to my friend, I listened carefully, but you don't rule out the possibility that someone could fire in anger but a single missile.

That is the fallacy that I find in this argument. They do not rule out, they do not address the possibility, that but a single missile would come in and in all probability that missile would cause devastation far greater than a device that perhaps was conveyed by a truck or otherwise.

So I think I just cannot accept the arguments, that concept of the "least likely" would deter this President or any President from proceeding toward a system to protect us against an attack by a limited number of missiles. That is all this President has asked repeatedly in his short term since he has been President. That is what he is asking. I hope Congress eventually delivers on that request by our President.

Then there is a second argument; that is, suppose a nation possessed nuclear weapons which potentially they could use against us. They might not fire the weapon. But as our President might be deploying our forces to a region of the world, perhaps not unlike what we are doing in Afghanistan with a coalition of other nations, the threat could come: If you deploy a single member of the Armed Forces of the United States in an effort to deter or, indeed, engage an enemy on a foreign land, which enemy is acting against an ally or friendly country or in any way inimical to the cause of freedom, that missile could be used as a threat against our President. A single missile could make a dramatic change in the ability of a President, as Commander in Chief of our Armed Forces, to make a decision on a deployment.

So perhaps at some point those Senators who have spoken against this could answer the two questions that I leave pending at this point.

The PRESIDING OFFICER. Who yields time to the Senator from Alabama?

Mr. WARNER. I yield such time as our distinguished colleague from Alabama desires.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. I thank the Chair and I thank Senator WARNER for yielding time to me. It has been a tremendous experience for me to serve on the Armed Services Committee—over 3 years now, under the leadership of Senator WARNER and now Senator LEVIN. It has been a pleasure to watch how the committee operates. On occasion, we have disagreements, but the committee works with such good grace and harmony and a generalized interest in what is best for America that I think it has been a good example for other committees.

Senator LEVIN, I thank you for your consistent courtesy, your brilliant leadership; and Senator WARNER, thank you for your leadership on this bill and in the past as chairman of the committee, now as ranking member.

I am generally very pleased with this legislation. Essentially, as I see it, we had about a $30 billion increase in expenditures planned in our budget item as we came forward this year over last year in actual appropriations dollars. Then we had a supplemental. Then we had the $20 billion supplemental that we passed after September 11. We are looking at a pretty significant increase in defense spending. Some of that, of course, is going to homeland defense that we were not expecting to spend just a few months ago, but essentially we have a nice increase in defense.

Our fundamental problem has been, as one of President Clinton's service secretaries said, we are in a death spiral in many aspects of our defense because we are carrying equipment—aircraft, ships, military vehicles—that are so old, it costs more to operate and maintain than is really justified. We really need to leap forward to a new generation of equipment, but we do not have the money to do that, and it is draining us in a lot of different ways.

But we made some progress this year and last year, with great pay raises, or at least significantly above the inflation rate for our men and women in uniform, trying to make sure they know we affirm them and the service they are rendering. We did that prior to September 11, and I think there is an even stronger feeling in America today of appreciation for our men and women in uniform and a respect for the job they do.

I feel pretty good about where we are going. We know the Army needs to transform itself. That is not an inexpensive process. We have not given it enough money to transform itself. For each year that I have been on the Armed Services Committee, we have been talking about the challenge, making sure the Army is capable of doing basically the very kind of things we are doing in Afghanistan today. We configured that Army to meet the Soviet Union and their vast capability and large standing Army and heavy equipment that they had, to confront them on the plains of Europe. But we do not have that threat in the same degree today that we did then.

So everybody who has given serious thought to the situation knows we ought to be moving toward an Army that can respond to the various kinds of threats we are likely to be seeing in the world today. If we can do that, we would have served our country well.

I do not think we have traveled far enough down that road, frankly. It has been impressive, however, to see that we continue to modernize, continue to exploit the technological advantage this country has in the world, and our ability to project power in a systematic way. I believe our modernization has caused the least possible damage to the defense related industrial sectors of this Nation in the process, and our ability to encourage innovation in these sectors while being smarter with our funding has increased dramatically.

It has been an extraordinary effort that is being carried on in Afghanistan. It points out anew that we need to continue that transformation. We need to continue to bring on aircraft that is unmanned in larger numbers, to continue to improve our smart bombs, smart missile capability, and to do it in a way that is most effective in different types of conflicts into which we might be entering.

I believe this bill has progressed in those areas, for which I am very delighted. One of the issues that we did have a dispute about and debate about in the committee was what to do about an anti-ballistic missile system in our country. I have been a real strong believer that this country needs a ballistic missile defense system, that we have dawdled too long, and it is time to move forward.

This Congress voted 94-to-3 to deploy an anti-ballistic missile system as soon as technologically feasible several years ago. President Clinton signed that legislation. I thought that pretty much settled it.

But we have had a good bit of debate since. President Clinton put in $5 billion for ballistic missile defense this year in his budget request before he left office. Under President Bush, that figure was raised $3 billion, to $8 billion.

That is an increase he felt very strongly about. That was an increase that reflected an interest of his that was very important. He campaigned on it. He said he wanted to do it. He has suggested ever since he was elected, and even before he was elected, that we ought to either negotiate a new treaty with Russia, or we ought to take advantage of the provisions in the treaty that allows him to get out of the treaty. Today I am pleased to see that he made the decision to remove the United States from that treaty.

Let me share a few things about this that I think are very important. We signed a treaty with the Soviet Union in 1972, with an "evil empire" that no longer exists. We now have a healthy, positive, growing, developing relationship with Russia—a country with which we want to continue to grow and develop our relationship. That old treaty in 1972 was no foundation for a relationship. The treaty only dealt with an ABM system. It only prohibited both countries from establishing an ABM system. It didn't develop a relationship of any significance between the countries. It was only a few pages. It only dealt exclusively with the details of prohibiting us from developing a ballistic missile defense and the Soviet Union from building one. It was a good idea at the time. Nobody had missiles but the United States and Russia, and perhaps our allies in Europe. We didn't feel threats from anyone but each other.

We had mutual assured destruction. So we agreed that neither country would expend billions of dollars to develop a system that really wouldn't be effective against the massive amount of missiles that each country had.

But now something has changed. Other nations have missiles. Lots of other nations have missiles. And they are buying more on the market today. We know the story of North Korea. We know about Iran's effort. We know other countries are expanding their ability to develop ballistic missile systems.

Thus, I think that leaves us in a vulnerable position. We are in an ironic position, if you think about it, by prohibiting this Nation from building a missile defense system to protect us from other hostile nations on the basis of a treaty from 1972 with a nation that no longer exists.

I don't believe Russia has any right—certainly no moral right and no legal right—to ask the United States to keep itself, as Henry Kissinger said, vulnerable to attack because of that old treaty. They have no right under the generally recognized rules of international relations to ask a nation to leave itself vulnerable to serious attack because of this old treaty.

The President said he wants a new relationship with Russia. We are going to move forward, with a great new future between us. But I am not going to sit here and allow these United States to be vulnerable to attack from Korea, Iran, or any other nation that may acquire a nuclear missile and leave our people subject to attack.

As Senator WARNER said, it is a real problem, because a President may be eyeball to eyeball with some smaller nation and that nation may have a missile capable of hitting Los Angeles, New York, or Miami. They say: Mr. President, you move against us like you moved against Afghanistan and like you moved against Iraq—let us say that Iraq had one of these missiles, or half a dozen that could reach the United States and Mr. Saddam Hussein said, Mr. President, you move against us; I am launching my missiles immediately. Do not move against us. We don't want the President to be in that position, knowing he has no defense whatsoever against that kind of attack when we have the capability of building a defense to that attack.

I think we have made some great progress. I salute President Bush. I salute his National Security Adviser, Condoleezza Rice, who from the beginning of this administration has understood quite clearly the importance of moving beyond the ABM Treaty to a new relationship with Russia, but at the same time protecting us from attack from who knows what may occur in the years to come.

The bipartisan commission that was chaired by now-Secretary of Defense Rumsfeld concluded we would be vulnerable to that kind of attack by 2005. To have a national missile defense system in place by 2005, you have to get started on it. We may have ups and downs as we go forward.

But this movement by the President is in the right direction. We are moving away from this old relationship with Russia to a new relationship. We are now going to be able to build a missile defense system that is the best effective defense of America without having to configure it, to manipulate it to fit within this treaty's limitations. They were trying to develop a system that would fit within the very strict confines of this treaty.

I don't believe that was wise. It would be more costly. The system would be less effective than otherwise would be the case.

We are doing the right thing by withdrawing from the ABM treaty. We are doing the right thing in following President Bush's suggestion that we increase spending for ballistic missile defense system.

As I indicated, we have about $60 billion in increased defense spending this year. President Bush simply asked for $3 billion more than did President Clinton. That is not going to break the bank.

Don't let anybody tell you that by building a national missile defense system we don't have money to transform the Army, or we don't have money to buy high-tech weaponry, or we don't have money to do other things. In the scheme of things, this extra $3 billion is not the back breaker to any one program when we have a $330-plus billion defense budget.

Also, I am pleased to see one of the finest Senators on the floor, Senator COCHRAN. It was his legislation, I believe with Senator LIEBERMAN, that we passed overwhelmingly in this body 97-to-3 to deploy a national missile defense system as soon as was technologically feasible. He led that effort. He was ahead of his time.

I am sure he has every right to feel today that through that effort our Nation is moving on to a new day, geared more to the real threats that we face. I was pleased to support him in that effort, and Senator LIEBERMAN. They were on the right track.

I believe the President has shown consistent courage throughout this effort. There were a lot of people who said the Europeans are not going to go for this, the Senate is not going to go for this, and the Russians are not going to go for this.

I know the Russians knew we wanted to get out of the treaty, but they know it does not threaten them for us to get out of this treaty. They would like to see us maybe make some concessions on some other arrangements in order to justify them giving up a little here. I will not call it extortion, but they are trying to deal with us on this issue.

I am glad the President worked with them openly. He worked with this Congress openly. He worked with the American people openly. He campaigned on a national missile defense system. He has never waffled on it. President Clinton's was an unwise policy of claiming that he really wasn't building a national missile defense system, but just doing some research on it. We were testing it and doing things that were leading to the point where we were actually in violation of the treaty. A good lawyer could assert that.

President Bush has been honest from day 1. He said we have to get out of this treaty. We can't keep on being clever and manipulative about the wording of it while intending to build a national missile defense system. The treaty prohibits the building of a national missile defense system. If it says anything at all, it says you cannot build a national missile defense system.

The President's policy and the Congress' policy was to build a national missile defense system. So we couldn't play games forever with this treaty. It was time to put it out on the table. I salute him for biting the bullet on it. I believe it is the right step forward. I am hopeful that it will result in improving our ability to act in the world, giving the President some confidence that he does not have to be worried every minute that some missile might, by accident, be launched, or some small rogue nation might launch an attack on us.

Again, I salute our leaders, Senator LEVIN and Senator WARNER, and all the members of the committee for their hard work. We made some real progress this year. I hope that we can continue it next year. If we have a disciplined, longtime approach to our defense spending, we can recapitalize the military, we can transform the Army, we can continue the high-tech improvements in our Air Force, Navy and Marine forces and armaments, and make sure we are always ahead of the game.

We never want our men and women in combat fighting on behalf of the United States of America put in the same position that those soldiers of Iraq were in when they were being attacked on the road as they were retreating out of Kuwait. That is the kind of thing that this Nation must never allow to happen.

I believe we are doing the right things. We could use some more spending, but we are making progress. I am pleased to support this bill, and I thank our leadership for bringing it to pass.

I yield the floor.

Several Senators addressed the Chair.

Mr. WARNER. If the Senator will yield, I wish to thank our colleague from Alabama. He is a very valued member of our committee. I say to the Senator, we thank you very much for your work throughout this year to make this bill possible and for your very thoughtful comments about the chairman and myself.

Madam President, I yield such time to the distinguished Senator from Mississippi as he so desires.

Mr. LEVIN. Will the Senator from Mississippi yield for just 30 seconds?

Mr. COCHRAN. I am happy to yield to the Senator from Michigan.

Mr. LEVIN. I also thank our friend from Alabama for making a major contribution as the ranking member on the Seapower Subcommittee. We thank him for that effort. We thank him for his kind remarks in this Chamber. We have a very fundamental disagreement as to the way in which the ABM Treaty has been unilaterally withdrawn from, but that has not stopped us from having a very cordial, collegial relationship, or me thanking him for that contribution he makes to our committee. I thank the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, let me first thank the distinguished Senator from Virginia for yielding time to me on this conference report. And I commend the Senator from Alabama for his excellent, persuasive statement in support of the President's actions that he announced he was taking today to give notice that under the Anti-Ballistic Missile Treaty of 1972, the United States was withdrawing from that treaty. It took a lot of courage for the President to announce that today.

It has taken a lot of insight and hard work for the Senator from Alabama to rise to the position of leadership that he has in the Senate, on not only an issue such as missile defense but on the wide range of issues that come before the Armed Services Committee on which he has served so effectively, and in a way that has reflected great credit on the Senate and on the State of Alabama.

I appreciate the kind remarks he has made about my efforts on the National Missile Defense Act of 1999, to which he referred in his remarks. There were a lot of people, a lot of Senators personally and actively involved in that effort. He was one of them. He was right at the forefront of the effort to convince the Senate we needed to pass that legislation, that we needed to state it as a matter of national policy and have it in a statute that it is the policy of the United States to deploy a missile defense system that will protect the United States, the territory of the United States, and the citizens of the United States from ballistic missile attack. And that is on the books.

This committee has also provided leadership in ensuring that authorities were given under this bill to the President to proceed to carry out that policy.

We have, in this conference report, $8.3 billion that is authorized for use by the administration to develop, to conduct research, to test in the missile defense programs that are underway now, to achieve the goals of not only the National Missile Defense Act of 1999 but the other responsibilities that the Commander in Chief has to protect deployed forces around the world from theater missile attack. They are already in the hands of adversaries around the world—Scud missiles other advanced missile systems—that threaten American forces that are deployed around the world.

We are at the point now of actually putting in the field defenses against these ballistic missiles. These are shorter range missiles. They are not ICBMs, and they do not travel as fast as ICBMs. But the Army has this program, the Theater High Altitude Area Defense. The acronym is THAAD, but it is not named for me.

The point I am making about that program is that it has been proven effective. It works. The tests have been phenomenally successful. There have been a series of tests with a missile hitting a missile to defend against and knock down an attack from these missile systems that would threaten our forces in the field. Those programs have proven that the defense against missiles is possible by using interceptor missiles to knock them down.

We were heartened just recently when a missile was fired from Vandenberg Air Force Base and intercepted from Kwajalein. We saw that effectively tested so that the missile hit its target, traveling at high rates of speed, way up in the atmosphere. It is phenomenal what the research scientists have been able to accomplish in this area.

When President Bush was running for President, he told the American people, as Senator SESSIONS pointed out, that he was in favor of developing and deploying a national missile defense system. He acknowledged there was an impediment to doing that, and that impediment was a treaty the United States entered into in 1972 with the Soviet Union, saying that neither would deploy a national missile defense system, except in one case: to protect a civilian population center or to protect an offensive capability. Those are the missiles that could be launched against the other side.

The United States decided to deploy an ABM system back then. And the Senate grudgingly approved it. It was in the process of being deployed, and they changed their mind and withdrew the authority for actual deployment of an ABM system that would protect our silos and missiles in the Dakotas. That is what we were going to protect.

The Russians, on the other hand, decided to deploy their system that was legal under the treaty to protect Moscow. And that system is still in place. People wonder: Why would you want to deploy an ABM system. Well, Russia did. Russia deployed the system, and they still have it. It is still there. So they must think they have an effective, workable missile defense system in place.

So those who wonder whether it is possible to have a system that is workable and effective, look at that example, and look at theater missile systems that we have deployed, that we are deploying, and we have tested effectively, and then the series of tests for the system that has been under development here in the United States.

So what I want to do is simply point out how important the decision is to our national security interests that the President has made. By ending the participation of the United States in this obsolete agreement—the ABM Treaty—President Bush has removed one of the central obstacles to ensuring the security of our homeland.

The President's actions come as no surprise. It should not surprise anyone either in the United States or our friends and allies around the world. At the beginning of his election campaign, President Bush made clear that he was determined to defend the United States from the threat of ballistic missile attack and that it was his belief that the ABM Treaty posed an unacceptable obstacle to doing this.

So with this action, the President is doing what he said he would do if it was necessary. He has made every effort to explain his views and his intentions to Russian leadership and to outline his plans for our friends and other allies around the world.

Since taking office, he and his senior officials have missed no opportunity to engage their Russian counterparts on the subject of missile defense. They have labored to convey the President's commitment to defending this Nation, the urgency of the threat, and the pressing need to move beyond the ABM Treaty.

Over this past year, the issue has been discussed frequently at the highest levels of the United States and Russian Governments. The Government of Russia has refused to cooperate in an effort to reconcile new security needs with this outdated treaty. Therefore, the President has been given little choice but to proceed as he has. He deserves great credit not only for his determination to defend our country but for his patience in attempting to resolve this disagreement by arriving at a new mutually satisfactory arrangement with Russia.

Much work remains to be done though. We have to determine which technologies are most effective, and we have to produce and deploy them. This work must be pursued with a sense of urgency.

For the first time in 30 years, the United States will be able to develop and field the best technology available to protect our citizens from missile attack, instead of being artificially constrained by an outdated and counterproductive arms control agreement. America's scientists, engineers, and policymakers will finally be free to work toward a missile defense that responds to the threat, rather than fear of violating an outdated set of rules that prohibited testing of new technologies.

Some have predicted the sky will fall if the United States exercises its right to withdraw from this agreement and that the relationship between the United States and Russia will suffer irreparable harm from such an action. Some surely will be renewing such claims. Some have today, and in the days ahead we will hear these remarks. But before becoming overwrought, it might be helpful to note what the President of Russia said about this during his recent visit to the United States. Asked about the conflict between the United States and Russia over the ABM Treaty, President Putin said this:

> Given the nature of the relationship between the United States and Russia, one can rest assured that whatever final solution is found, it will not threaten or put to threat the interests of both of our countries and of the world.

On September 11, ironically, the deputy chief of the Russian General Staff, Gen. Yuri Baluyevsky, said this:

> I can assure you that our relations will be continuing regardless of whether the U.S. withdraws from the ABM treaty or not. [It] will not affect these relations of trust.

President Bush has successfully moved us beyond the cold war. He has made it clear that he will not tolerate a relationship between our two nations whose most fundamental basis is the threat of mutual annihilation and whose currency is fear, suspicion, and mistrust. The President has said he wants a new relationship with Russia, not one marked by the deadly themes of a dangerous and bygone era. His decision to leave the ABM Treaty is a significant step in building that new relationship, and the words of President Putin make it equally clear that Russia also wants a new relationship with the United States.

The debate over whether the United States should remain in the ABM Treaty is now over. As we move forward with the development and testing of missile defense programs, we should support our President and help him implement this important element of our homeland security.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I commend our distinguished colleague from Mississippi. I was the author of the Missile Defense Act of 1991. He was the author of the Missile Defense Act of 1999. We came to the Senate together, my distinguished colleague from Mississippi one number senior to me in this institution. I am always very respectful of that.

I wonder if I might engage my colleague and suggest he delivered his remarks with such eloquence and such authority that those who may not have followed this issue as closely as he and I and others don't realize that the ABM Treaty wouldn't let us utilize our developing technology in space. We couldn't build any part of the system up in space. We couldn't build any part of the system on the sea, incorporating the use of the U.S. Navy as platforms. Those are the things that our President took into consideration. We have one of the finest navies in the world. The American taxpayers have put enormous sums of money into that Navy. Yet we cannot use a single ship for that purpose.

I wonder if the Senator would detail some of the things that the ABM Treaty blocked which have now enabled our President and our Nation to move forward and utilize that technology. I remember in this debate years ago I used to explain that it would be more efficient, quicker, and less costly to the taxpayer to utilize these options which now finally are going to be on the table in 6 months.

I thank my friend.

Mr. COCHRAN. Madam President, if the Senator will yield for a response, I appreciate very much his kind remarks about my efforts on this issue.

He is absolutely correct. The effect of the ABM Treaty has been to deny the United States the legal right to test technologies, not only radars that are aboard ships, such as the Aegis fire control system radar, but also space-based elements such as sensors that could assist in making sure the system was effective, that it was workable, and that it did what we hoped it would do, and that was knock an incoming missile down before it struck the United States.

Just recently, as an example, Secretary Rumsfeld announced that some tests that had been planned on this program development schedule were being canceled because to undertake the tests as planned and as needed for this system would violate the terms and the understanding we have had with Russia since the treaty was ratified, the ABM Treaty. There were demarcation agreements that were agreed to in the Clinton administration that limited the testing programs we were undertaking. All of that now is set aside.

When the notice the President gives becomes effective, the notice of intent to withdraw, we will then be able to resume tests that had previously been scheduled that we couldn't undertake without violating the treaty. The President was forthright and honest about it. He wasn't trying to hide our violations or get away with something that was prohibited under the treaty. He was acknowledging that he couldn't proceed because he didn't want to violate the treaty. He didn't want to break the law. And treaties have the force and effect of law.

The Senator from Virginia is absolutely correct in the effect that that treaty was having on our ability to proceed as we had authorized, as we had planned, in conformity with a policy that had been adopted by the Congress and signed by the previous President.

His leadership and the efforts of Senator LEVIN, too, in helping to ensure that this conference report contains authorities and authorization for appropriations that will help us defend our homeland security are things for which we should all express our appreciation. I do that tonight with great thanks.

Mr. WARNER. Madam President, just one further comment: Understandably, there are those who disagree with the President, and they have accused him of a violation, but the Senator has correctly pointed out, the President was faced with, Do I move forward and break the law or do I comply with the terms of the treaty which are explicit? He gave notice of withdrawal in 6 months. He chose to stay within the terms of the treaty, and he in no way violated the law. Am I not correct?

Mr. COCHRAN. The Senator is absolutely correct in pointing that out. That is another mark of the strong leadership the President has provided on this issue. He has made everybody understand what the real problems were and why this treaty was outdated, why we needed to move beyond, why it was a relic of the cold war. And given the threats as they are emerging and exist today, we couldn't be safe confronting the new emerging missile capabilities from many countries all around the world.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Michigan.

Mr. LEVIN. Madam President, let me very briefly say to my good friend from Mississippi, we have debated the question of whether or not this country should unilaterally withdraw from the ABM Treaty and whether that would make us more or less secure probably on half a dozen occasions. I have always enjoyed those debates. We have always enjoyed each other's company, even though we are on different sides of that issue. It has been my feeling—and I have expressed it in a statement today and on the floor earlier tonight—that we will be less secure as a result of unilaterally withdrawing from an arms control treaty. It is going to unleash negative forces, measures, countermeasures. We are going to find, I am afraid, in my judgment, that we are going to have a dangerous action/reaction cycle which is going to be precipitated. Defensive technologies are going to make us less secure because of the effort of other countries to overcome those technologies. We are going to have to try to overcome their efforts. We have debated that many times. The President has unilaterally given notice, and we are not going to have too many more of these debates. We will miss them because we have had fun doing this together.

Nonetheless, that is where we are. I think everybody agrees that the security of this Nation comes first. If I thought for 1 minute that withdrawing from this treaty unilaterally would make us more secure, I would recommend that we withdraw from this treaty. I think it leaves us less secure. If I thought it would make us more secure, I would not hesitate. I think everybody here has the goal to make us more secure.

We have had differences, also, on the Missile Defense Act of 1999. The good Senator from Mississippi quotes section 1 of that act. There were two sections to that act, which I always point out. Nonetheless, we are now past that point.

I wish to very briefly take up other parts of this bill, including one in which Senator REID has been so involved. I want to get to that point immediately because he is in the Chamber now. I want to pay tribute to the effort he has made to try to end what is a real unfairness in our law. The unfairness is that our disabled veterans are not permitted to receive both retired pay and VA disability compensation. This is something that is unique to our veterans—that they are not able to receive both the retired pay plus the disability compensation, which they have been awarded. It sounds unusual to say one is "awarded" compensation for disability.

We had a provision in the Senate bill to address this inequity. We would have allowed our disabled veterans, as others in the Federal Government employ and others in society, to receive both retirement and disability pay. The House leadership was not willing to have a vote on the budget point of order, which would have been made, which would have authorized this benefit to be paid. So we were left with no alternative.

Senator WARNER and I were both there in conference, day after day. We pointed out that Senator HARRY REID has been a champion on this, and there are others in this body who have pointed out the inequity in the provision that prohibits the receipt of both retired pay and disability compensation.

At the end, we could not persuade the House to include this provision and have a point of order contested in the House. So what we ended up with was something a lot less than what we hoped we would get, and that is the authorization for these payments to be made, the authorization to end the unfairness, but it would still require an appropriation in order to fund them.

Mr. REID. Will the Senator yield for a question?

Mr. LEVIN. Yes.

Mr. REID. Madam President, I basically want to spread across the RECORD of this Senate my appreciation to the chairman and ranking member for the advocacy on behalf of the American veterans regarding this issue. This is basic fairness. Why should somebody retired from the military, who has a disability pension from the U.S. military, not be able to draw both? If that person retired from the Department of Energy, he could do both.

We have debated this, and there is overwhelming support from the Senate. It is late at night, but I want the RECORD to be spread with the fact that I deeply appreciate, as do the veterans, your advocacy. I want the RECORD to also be very clear that the Senate of the United States has stood up for this. The House refused to go along with us.

Also, I feel some sadness in my heart because we are going to come back and do this next year. Sadly, next year there are going to be about 500,000 less World War II veterans. They are dying at the rate of about 1,000 a day. So people who deserve this and would be getting this during this next year will not because the average age of World War II veterans is about 79 years now. So there is some heaviness in my heart.

We are going to continue with this. I don't want anybody in the House of Representatives to run and hide because there is no place to hide. This was killed by the House. For the third time, I appreciate Senator LEVIN and Senator WARNER.

So although I support the conference report for H.R. 3338, the National Defense Authorization Act for Fiscal Year 2002, I feel a sense of disappointment.

Once again this year, the conference report failed to include a provision on an issue that I have been passionately working on for the last couple of years. Namely, the concurrent receipt of military retired pay and VA disability compensation:

Unbelievably, military retirees are the only group of federal retirees who must waive retirement pay in order to receive VA disability compensation.

Put simply, if a veteran refuses to give up their retirement pay, the veteran must forfeit their disability benefits.

My provision addresses this 110-year-old injustice against over 560 thousand of our nation's veterans.

It is sad that 300-400 thousand veterans die every year. I repeat: 300,000-400,000 veterans die every year. They will never be paid the debt owed by America to its disabled veterans.

To correct this injustice, on January 24th of this year, I introduced S. 170, the Retired Pay Restoration Act of 2001.

My bill embodies a provision that permits retired members of the Armed Forces who have a service connected disability to receive military retirement pay while also receiving veterans' disability compensation.

The list of 75 cosponsors clearly illustrates bipartisan support for this provision in the Senate.

My legislation is very similar to H.R. 303, which has 378 cosponsors in the House. I'm thankful to Congressman BILIRAKIS, who has been a vocal advocate for concurrent receipt in the House for over fifteen years.

My legislation is supported by numerous veterans' service organizations, including the Military Coalition, the National Military/Veterans Alliance, the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, the Paralyzed Veterans of America and the Uniformed Services Disabled Retirees.

In October, I introduced an amendment identical to S. 170 for the Senate Defense Authorization bill. The Senate adopted my amendment by unanimous consent.

Unfortunately, the House chose not to appropriate funds for this important measure.

This meant that the fate of my amendment would be decided in a "faceless" conference committee.

It pains me deeply to see that my amendment was removed in conference.

This is an old game played in Congress in which members vote for an amendment to help veterans, knowing full well the amendment will be removed at a later time.

When will decency replace diplomacy and politics when it comes to the treatment of America's veterans.

Why won't members of the House of Representatives join their Senate colleagues and right this wrong?

Why can't we do our duty and let disabled veterans receive compensation for their years of service and disability compensation for their injuries?

We gather at a solemn moment in the history of our great Nation.

On September 11th, terrorists landed a murderous blow against the World Trade Center and the Pentagon.

Right away, we saw the men and women of our Armed Forces placed on the highest level of alert. American troops then deployed to the center of the storm, set to strike against the enemies of all civilized people.

Our Nation is once again calling upon the members of the U.S. Armed Forces to defend democracy and freedom. They will be called upon to confront the specter of worldwide terrorism.

They will be called upon to make sacrifices.

In some tragic cases, they will be seriously injured or even die.

Most believe that a grateful government meets all the needs of its veterans, no questions asked.

I am sad to say this is not the case today.

I will continue this fight until we correct this injustice once and for all.

Mr. LEVIN. I thank Senator REID. He has been a champion of this cause. He has fought harder than anybody I know to end this inequity. The House leadership simply would not go along with this. We had a choice: We would either have a bill or no bill. That is what this finally came down to.

I believe Senator REID got something like 75 cosponsors for his provision. The Senate overwhelmingly supported this provision. I hope we have better luck next year in the House.

In the meantime, what we have done is we have authorized this, and perhaps our Appropriations Committee will be able to find the means to fund this. But until next year, I am afraid the number of veterans you have pointed out—perhaps 1,000 a day—will not get the benefits they deserve.

Mr. REID. I am on the Appropriations Committee. I will work toward that. I do want the RECORD to reflect my overwhelming support for this legislation. I feel badly this provision is not in it, but this is a fine piece of legislation on which the two of you have worked so hard.

Mr. WARNER. I also thank my distinguished colleague, Senator REID, for his leadership on this issue. We speak of a disabled veteran. I have had a lifetime of association with the men and women in the U.S. military. In my military career, I was not a combat veteran. But I served with many who have lost arms, legs, and lives. Those individuals, when they go into combat and lose their limbs, or suffer injuries, are somewhat reduced in their capacity to compete in the marketplace for jobs and do all of the things they would like to do as a father with their children and their families.

I take this very personally. I feel that some day the three of us—and indeed I think this Chamber strongly supports it—will overcome and get this legislation through. I thank the Senator for his leadership. He is right that the World War II veterans have died at a 1,000, 1,200, sometimes 1,400 a day, and many of those are being penalized by this particular law. So I thank the Senator and I thank my chairman. We shall renew our effort early next year.

Mr. LEVIN. I want to say one thing publicly. I want to again thank Senator WARNER. As he often points out, we came at the same time to this body. I have been blessed by having him as a partner and a ranking member for the short few months I have been chairman of the Armed Services Committee. Nobody could have asked for a better partner than I have had in Senator WARNER. There are times, of course, that we don't agree with each other, but there has never been a time I can remember in 23 years where we don't trust each other.

There is nothing more important in this body than to be able to look somebody in the eye and say that. That is something I feel very keenly. Our staffs have been extraordinary in their work. This has been a very difficult bill.

In addition to thanking Senator WARNER personally, I thank our staffs for the work they have done. Every night when I call David Lyles—every night—he is there with the staff until 10 or 11 o'clock. I do not even call him after 11 o'clock because that is when I go to bed, or at least I try to. I am pretty sure he stays on after that. I know it is true with Senator WARNER's great staff, too.

Mr. WARNER. Madam President, I thank my great chairman. He succeeded me as chairman. We just moved one seat at the table in our committee hearing room. I guess that was the only change. Of course, other things took place.

As he says, the trust is there, the respect is there. We travel. We just finished an extraordinary trip. We were the first two Members of Congress to go into the area of operations in Afghanistan, having visited our troops in Uzbekistan, our troops in Pakistan and Oman, and then on up into the Bosnia region where we visited our respective National Guards who are serving there now.

I value our friendship. I look forward to hopefully many more years working together. I thank my friend. We shall carry forward. We do this in the spirit of bipartisanship on behalf of our men and women in uniform of the United States. We are here to do the people's business, and I say to the Senator, we have done the people's business. We have been aided in that effort by Judy Ansley, my chief of staff, having succeeded Les Brownlee; and Senator LEVIN's wonderful David Lyles, and Peter Levine. I use Senator LEVIN's lawyer's legal brains as much as I use my lawyer's legal brains.

I thank our distinguished Presiding Officer, again, for helping us here tonight. I again salute and commend my staff. I am a very fortunate individual to be served so well in the Senate. We share our staffs in many ways. They get along quite well together.

Mr. LEVIN. Indeed, they do.

Mr. THURMOND. Madam President, I rise in support of the Conference Report to accompany S. 1438, the National Defense Authorization Act for Fiscal Year 2002 and to congratulate Chairman LEVIN and Senator WARNER on this agreement. Having served both as the Chairman and Ranking Member of the Senate Armed Services Committee, I am aware of the challenges they faced in reaching this compromise. It is a tribute to their leadership and strong support for our national security and our men and women in uniform that the Senate is considering this Conference Report.

Typical of all conference reports, this legislation is a compromise between the House and Senate bills. It is not a perfect bill, however, in my judgment it is a bill that responds to the tragic events of September 11 and strengthens our national security. It will be critical to our effort to win the war against terrorism and meet the challenges of the ever increasing missile threat. To support these goals, the conference report provides more than $15 billion. Of equal importance to our soldiers, sailors, airmen and Marines is the fact that the legislation includes the largest pay increase for military personnel since 1982, increased housing allowance and substantial improvements to the military health care benefits.

I am especially pleased that the agreement includes many programs to support our reserve components who are finally becoming equal partners to the active forces. The bill increases full time manning by more than 1,700. It provides approximately $1.0 billion for reserves facilities enhancement and enhances both medical and commissary benefits for the men and women who serve our Nation both as a citizen and as a soldier.

As with any compromise, there are winners and losers. I am disappointed that legislation includes a provision that will severely limit the ability of the Federal Prison Industries to sell its products to the Department of Defense. This will have a significant impact on the prison system and its ability to provide programs to rehabilitate and occupy the prison population. I hope we will be able to reverse this setback with legislation that is pending in the Judiciary Committee.

Finally, I want to thank Chairman LEVIN, Senator WARNER, Chairman STUMP and Representative SKELTON for their strong support of Department of Energy programs. The conference report includes an increase of more than $700 million for key programs, including more than $200 million not requested in the budget to begin to recapitalize the nation's nuclear weapons complex infrastructure. As all those who have DOE facilities in their State know that much of the nuclear weapons complex infrastructure dates to the post-World War II era. It is critical that we begin to restore these facilities to ensure we maintain our nuclear capability.

This morning the House agreed to this conference report by a vote of 382 to 40. I urge my Senate colleagues to demonstrate no less support for our men and women in uniform and the Nation's security.

Ms. SNOWE. Madam President, I rise today to support the fiscal year 2002 National Defense Authorization conference report which we passed today. As a former member of the Senate Armed Services Committee and chair of the Seapower Subcommittee, I fully appreciate the hard work and long hours my colleagues in the Senate and their counterparts in the House have dedicated to the completion of this report.

I also want to acknowledge the chairman of the Armed Services Committee, Senator CARL LEVIN, and the ranking member, the senior Senator from Virginia, Mr. JOHN WARNER, for their superb leadership throughout the entire defense authorization process.

First and foremost, the conference report continues to recognized the invaluable contributions—especially since the tragic events of September 11 and the subsequent advent of the war on terrorism—of our service members through significant improvements to their quality of life. In addition to substantial pay raises of five to ten percent, the report includes over $10.5 billion for military housing construction, which is a desperately needed increase of over $500 million from last year's authorization; continues to improve upon the coverage and quality of healthcare for our active duty military members, retirees, and their family members; expands education benefits for service members and their families; and enhances the ability of active duty personnel to participate in federal, state, and local elections.

Secondly, the bill reaffirms Congress' commitment to the war against terrorism by meeting the funding requirements needed to support our Soldiers, Marines, Sailors, and Airmen that are on the front lines with the planes, vehicles, ships, and armament they need to carry out their missions. Whether providing over $30 million to improve field living conditions for the ground troops, augmenting the Army, Navy, and Air Force budgets by over $560 million for unmanned aerial vehicles, or increasing funding for F-15 and F-16 engine conversions, this bill supports the diverse missions our armed forces are accomplishing to meet the national military strategy.

Given my tenure of the Seapower Committee and home state of Maine, I cannot overlook the substantial funding for ship construction provided by this bill. The conference report addresses the future of our nation's Navy and the importance of recapitalization of our fleet by authorizing the construction of five new ships. This includes $3 billion for three DDG-51 *Arleigh Burke* class destroyers—the most advanced surface combatant in the world; $370 million for the new ammunition and cargo ship, the T-AKE; and $2.3 billion for a *Virginia* class attack submarine.

Additionally, the committee has laid substantial ground work for continuing to modernize our amphibious fleet in fiscal year 2003 through the authorization of $421 million and $260 million in advance procurement funding for the LPD-17 and LHD programs, respectively.

I am also pleased to see that the Committee did not lose sight of the administration's long-term goals of transforming and modernizing the military. While we fall short of the Defense Department's goal of allocating three percent of the defense budget to investing in future defense development programs, it does include substantial funding to meet asymmetrical terrorist threats including chemical and biological weapons and develop the agility, mobility, and survivability necessary to meet the challenges of the future that we are glimpsing today in Afghanistan.

I voted for this legislation because I believe that it is critically important to ensure that our armed forces are fully prepared to carry out America's war on terrorism. However, I support the bill despite my strong opposition to provisions authorizing a round of base closures in 2005.

Even before the horrific attacks of September 11, 2001, I had serious questions about both the integrity of the base closing process itself as well as the actual benefits realized. Now, with acts of war committed against the United States, I do not believe this is the time to be talking about closure of bases.

The base closure provision in this conference report requires that the Department of Defense submit a comprehensive force structure plan to Congress detailing the relationship between defense requirements and infrastructure. This is something I have been calling for 4 years. But I believe we need this plan before we debate base closures, not after we have already authorized them. This is putting the cart before the horse.

Before we legislate defense-wide policy that will reduce the size number of training areas critical to our force readiness, the Department of Defense ought to be able to tell us that level of operational and maintenance infrastructure required to support our shifting national security requirements. Congress, instead, was pressed to authorize base closures essentially in the dark.

The administration and proponents of additional base closure rounds claim that reducing infrastructure has not kept pace with other post-cold-war military force reductions. They say that bases must be downsized proportionate to the reduction in total force strength. However, there is no straight line corollary between the size of our forces and the infrastructure required to support them.

Since the end of the cold war we have reduced the military force structure by 36 percent and have reduced the defense by 40 percent. But whiles the size of the armed services has decreased, the number of contingencies that our service members have been called upon to respond to in recent years has dramatically increased. And, keep in mind, Mr. President, once property is relinquished and remedied, it is permanently lost as a military asset for all practical purposes.

In addition, advocates of base closure alleged that billions of dollars will be saved. And yet, the Department of Defense has admitted that savings will not be immediate; that approximately $10 billion would be needed for up-front environmental and other costs; and that savings would not materialize for years.

I want to protect the military's critical readiness and operational assets. I want to protect the home port berthing for our ships and submariners, the airspace that our aircraft fly in and the training areas and ranges that our armed forces require to support and defense our Nation and its interests. I want to protect the economic viability of communities in every State. And I want to make absolutely sure that this nation maintains the military infrastructure it will need in the years to come to support the war of terrorism. We must not degrade the readiness of our armed forces by closing more bases. so I strenuously oppose the base closure provisions win this legislation, and before it is a fundamental mistake to include it in the DOD authorization.

With the exception of the basis closure provisions, this defense bill takes a positive stem toward modernizing our armed services, meeting their operational and maintenance funding requirements, and improving the quality of service for our committed men and women of the military.

Mr. SCHUMER. Madam President, I rise today to express dissatisfaction with language included in the conference report on the National Defense Authorization Act for the Fiscal Year 2002 that repeals the requirement for a referendum on the future of U.S. military training on the island of Vieques, PR. Although, in the interest of national security, I voted for the adoption of the report, I am deeply disturbed by the manner in which the people of Vieques have been deprived of the right to decide for themselves as to whether or not they wish to allow the U.S. military to continue using their island as a military training facility.

I certainly agree with those who argue that in times like these, when the U.S. is heavily involved in military conflict, that we must take every possible step to ensure the readiness of our troops. However, I believe it is safe to say the people of Vieques have endured more than their fair share of sacrifice for the good of America, and the cause of U.S. military readiness. We must recognize the sacrifices made by the people of Vieques, and provide them with the consideration they deserve as American citizens.

By repealing the requirement that the people of Vieques have a referendum to decide whether or not the U.S. military is allowed to continue to presence on the Island, this Congress has taken a dangerous step toward curtailing the inalienable rights to which those who call the island home are entitled as U.S. citizens. I find that outcome to be deeply troubling.

As I close, I would like to make perfectly clear that I fully support the efforts of the U.S. military to maintain its readiness to defend our nation, as it is so bravely and effectively doing as we speak. However, I feel that the choice between maintaining readiness and protecting the rights of American citizens on Vieques is a false choice, and one that we do not have to live with. The Department of Defense, by its own estimates, if directed to do so should be able to leave the island by 2003 without a detrimental effect on military readiness. This knowledge makes the decision of this body to strip the people of Vieques of a voice in their future all the more perplexing.

Sixty years of bombing has taken its toll on Vieques. The U.S. citizens of Vieques and Puerto Rico have been patient long enough. They should be permitted a free and fair ability to express their wishes, which is a cornerstone of our great democracy. The language in this bill which pertains to Vieques diminishes the rights of the citizens of Puerto Rico and I believe the Senate should revisit this issue during the next session.

Mr. McCAIN. Madam President, I rise today in opposition to the conference report to accompany S. 1438, the National Defense Authorization Act for fiscal year 2002. I am disappointed that the conference agreement did not include some key legislative provisions that I had sponsored in the Senate during the course of the normal legislative process which would have begun to transform the military as requested by the President. Some of the provisions in this bill that I find objectionable are provisions that: delay base realignment and closure, BRAC, authority until 2005, codify the anti-trade domestic source restrictions of the Berry amendment, and continue the unfair personnel policy which financially hurts disabled military retirees by reducing their earned military retirement. This is a broken promise to military retirees and their families, year after year. These are also the reasons why I did not sign the final conference agreement.

With respect to concurrent receipt, clearly, retirees who have incurred significant disabilities over the course of a military career deserve better than how they are treated today. Many such service members are compelled to forfeit their full-retired pay under current rules. I have stated before on the Senate floor, and I am compelled to reiterate now, retirement pay and disability pay are two distinct types of pay.

Retirement pay is for service rendered through 20 years of military service. Disability pay is for physical or mental pain or suffering that occurs during and as a result of military service. In this case, members with decades of military service receive the same compensation as similarly disabled members who served only a few years, with no recognition at all for their more extended, careers of service to our country. This is patently unfair and more must be done to correct this problem.

I would also like to highlight that this year's defense authorization bill contained $1.3 billion in unrequested add-ons to the defense budget that will rob our military of vital funding on priority issues. While this year's total is less than in previous years, and is far less than the $4.5 billion in the defense appropriations bill, it is still $1.3 billion too much. We need to, and can do, better.

Over the past 6 years, Congress has increased the President's defense budgets by nearly $60 billion in order to address the military services' most important unfunded priorities. Still, it is sufficient to say that the military needs less money spent on pork and more money spent wisely to redress the serious problems caused by a decade of declining defense budgets.

We also must reform the bureaucracy of the Pentagon, this bill does not. We did not even make significant improvements requested by the President and the Secretary of Defense when he presented his budget for fiscal year 2002. With the exception of minor changes, our defense establishment looks just as it did 50 years ago. We must continue to incorporate practices from the private sector-like restructuring, reforming, and streamlining to eliminate duplication and capitalize on cost savings. More effort must be made to reduce the continuing growth of headquarter staffs and to decentralize the Pentagon's labyrinth of bureaucratic fiefdoms to change its way of doing business with its bloated staffs and its outdated practices.

In addition, more must be done to eliminate unnecessary and duplicative military contracts and military installations. Every U.S. military leader has testified regarding the critical need for further BRAC rounds. We can redirect at least $6.3 billion per year by eliminating excess defense infrastructure. There is another $2 billion per year that we can put to better purposes by privatizing or consolidating support and maintenance functions, something not considered in either body, and an additional $5 billion can be saved per year by eliminating "Buy America" restrictions that only undermine U.S. competitiveness overseas. Despite these compelling facts, the conference agreement on the contrary, includes several provisions that move demonstratively in the opposite direction.

The conference agreement delays a base realignment and closure, BRAC, round until 2005. There is no good reason to delay BRAC. By doing so, too many servicemen and women will continue to live in old and dilapidated barracks and homes because we have too many bases. Although I would prefer to say that base closing is a new idea, it isn't. In 1970, the Blue Ribbon Defense Panel, "Fithugh Commission", made reference to "consolidation of military activities at fewer installations would contribute to more efficient operations and would produce substantial savings." In 1983, the President's Private Sector Survey on Cost Control, "Grace Commission", made strong recommendations for military base closures. In 1997, the Quadrennial Defense Review, QDR, recommended that, even after four base closure rounds in 1988, 1991, 1993 and 1995, the Armed Forces "must shed excess infrastructure." Likewise, the 1997 Defense Reform Initiative, DRI, and the National Defense Panel, NDP, "strongly urged Congress and the Department of Defense to move quickly to restore the base realignment and closure, BRAC, process."

Defense Secretary Rumsfeld, former Secretaries Dick Cheney and William Cohen, the Chairman of the Joint Chiefs, all the Service Chiefs, the Congressional Budget Office, and other respected defense experts have been consistent in their plea that the Pentagon be permitted to divest themselves of excess infrastructure beyond what was eliminated during the prior rounds of base closings. Through the end of 1998, the Pentagon had closed 97 major bases in the United States after four previous rounds of BRAC. Since then, it has closed none. Moreover, the savings from closing additional unneeded bases would be shifted to force modernization.

The Department of Defense is obligated to maintain 23 percent excess capacity in infrastructure. When we actually look for the dollars to pay for the Unfunded Priority Lists as provided by the Service Chiefs, it is important to look to the billions of dollars that would be saved by base realignment and closure. Only 30 percent of the defense budget funds combat forces, while the remaining 70 percent is devoted to support functions such as bases. Continuing to squander precious dollars in this manner will make it impossible for us to adequately modernize our forces for the future. The Joint Chiefs of Staff have stated repeatedly that they desire more opportunities to streamline the military's infrastructure.

Total BRAC savings realized from the four previous closure rounds exceed total costs to date. Department of Defense figures suggest previous base closures will save, after one-time closing costs, $15 billion through fiscal year 2001, $25 billion through fiscal year 2003 and $6.3 billion a year thereafter. Additional needed closures can save $20 billion by 2015, and $3 billion a year thereafter. Sooner or later these surplus bases will be closed anyway. The sooner the issue is addressed, the greater will be the savings that will ultimately go toward defense modernization and greater pay raises for service members. Delaying the BRAC process, as we have done in this Conference Report, only harms force modernization and hurts the pocket book of service members, their families and military retirees.

We can continue to maintain a military infrastructure that we do not need, or we can provide the necessary funds to ensure our military can fight and win future wars. Every dollar we spend on unnecessary bases precludes our military leaders from spending scarce resources on training our troops, keeping personnel quality of life at an appropriate level, maintaining force structure, replacing old weapons systems, and advancing our military technology.

In my view, the Committee on Armed Services took a step backwards by codifying in Title 10 "Buy America" restrictions which divert necessary funds to ensure our military is properly equipped. Every dollar we spend on archaic procurement policies, like "Buy America," is a dollar we cannot spend on training our troops, keeping personnel quality of life at an appropriate level, maintaining force structure, replacing old weapons systems, and advancing our military technology.

It would be unconscionable not to examine the potential for savings from modifying congressionally-mandated protectionist procurement policy instead of codifying in Title 10 procurement legislation which obligates the Department of Defense to maintain wasteful spending. Secretary Rumsfeld and the Joint Chiefs of Staff have stated repeatedly that they want more flexibility to reform the military's archaic acquisition practices. We need to give them that flexibility.

I have spoken of this issue before in this Chamber and the potential impact of certain domestic source restrictions on bilateral trade relations with our allies. From a philosophical point of view, I oppose protectionist trade policy, not only because I believe free trade is an important means of improving relations among nations and a key to major U.S. economic growth, but also because I believe we must reform these practices in order to get more bang for our defense dollars.

It is my sincere hope that next year the chairman and ranking member of the committee will hold hearings on this issue and start serious reform. It is important to point out that the Secretary of Defense and the President do not like, nor do they want this protectionist policy, codifying it as the chairman and ranking member have done, absent any hearings or consultation with members of the committee who have strong views on this matter shows disregard to an informed or proper committee process. We must end once and for all the anti-competitive, anti-free trade practices that encumber our Government, the military, and U.S. industry.

Finally, I am disappointed that the conferees did not adopt legislation by Representative Heather Wilson, R-NM, that would rescind a congressionally-mandated provision added in the National Defense Authorization Act for Fiscal Year 1992 over the strong objections of the civilian and military leadership and would return Second Lieutenants and Ensigns to regular commissions vice reserve commissions upon graduation from one of the Service Academies or certain ROTC scholarship programs.

Service Academies have a unique opportunity and special responsibility to provide an environment that cultivates, indeed demands, the internalization of honor, loyalty, integrity, and moral courage, the qualities essential to developing leadership. The core of our officer commissioning program are the Service Academies, this is not to say that the ROTC, OCS, and other critical commissioning programs are not outstanding, they are, just look at our current military leadership: Chairman of the Joint Chiefs, General Richard Myers, Chief of Naval Operations, Admiral Vern Clark, and Marine Corps Commandant General Jim Jones. I believe returning to regular service commissions for Academy and certain ROTC junior officers will inspire a core of career-oriented officers for our military.

In conclusion, I would like to reiterate my belief in the importance of enacting meaningful improvements for active duty and Reserve service members. They risk their lives in Afghanistan and elsewhere to defend our shores and preserve democracy, and we cannot thank them enough for their service. But, we can and should pay them more, improve the benefits for their families, and support the Reserve Components in a manner similar to the active forces. Our service members past, present, and future need these improvements. We also cannot continue with this "business as usual" mind set. We must reform the Department of Defense and not fall prey to the special interest groups that attempt to warp our perspective and misdirect our spending. We owe so much more to our men and women in uniform who defend our country. They are our greatest resource, and I believe they are woefully under-represented. We must continue to do better.

I ask unanimous consent that a list of items added to the defense authorization bill Conference Report by the Conference Committee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Fiscal Year 2002 DEFENSE AUTHORIZATION BILL CONFERENCE REPORT

[In million of dollars]

Title I—Procurement	
Aircraft Procurement, Army Rotary Wing: Helicopter New Training	$25.0
Other Procurement, Comm-Combat Communications: Improved High Frequency Radio, USAR	5.0
Shipbuilding and Conversion, Navy—Auxiliaries, Craft and Prior Year Program Costs: Mine Hunter SWATH	2.0
Missile Procurement, Air Force—Other Support, Space Programs: NUDET Detection System	22.7
Title II—Research, Development, Test and Evaluation	
Army:	
Materials Technology	5.0
Combat Vehicle and Automotive Technology	15.0
Countermine Systems	5.5
Medical Advanced Technology	5.0
Combat Vehicle and Automotive Advanced Technology	13.0
Environmental Quality Technology Dem/Val	7.0
Family of Heavy Tactical Vehicles	1.5
Navy: Communications, Command and Control, Intelligence, Surveillance	5.0
Air Force: Space and Missile Rocket Propulsion	2.0
Defense Wide:	
Cooperative DoD/VA Medical Research	2.5
Commercial Operations and Support Savings Initiative	15.0
Title III—Operations & Maintenance	
Army: (Budget Activity 01: Operating Forces):	
Land Forces Divisions: ECWCS/MSS	4.0
Land Forces Readiness:	
M-Gator	6.6
Range Instrumentation	6.0
Budget Activity 04: Administration & Servicewide Activities Logistics Operations:	
Logistics Support Activities: Maintenance AIT/RFID	9.0
Replacement Containers, Ft. Drum	1.0
Electronic Maintenance & Point-to-Point Wiring	4.0
Other, Army: Defense Language Institute Foreign Language Center	0.65
Basic Skills and Advanced Training, Navy: Professional Development Education Aviation Depot Apprenticeship Program	2.0
Other, Navy:	
Veterans Affairs Renovations/Great Lakes	2.0
United Through Reading Program	0.18
Marine Corps (Budget Activity 04: Administration & Servicewide Activities): Canceled Account, Full Spectrum Battle Equipment	6.8
Air Force (Budget Activity 04: Administration & Servicewide Activities):	
Logistics Operations: Aging Propulsion System Life Extension	10.0
Other, Air Force:	
Lafayette Escadrille	2.0
Scot Life Support System	6.0
Spares Information System	7.0
Defense-Wide (Budget Activity 04: Administration & Servicewide Activities):	
Defense Logistics Agency: CTMA Depot-level Actions	20.0
Office of the Secretary of Defense:	
Information Assurance Scholarships—Addition	3.5
Legacy Resource Management Program	6.5
Other, Defense-Wide:	
Impact Aid	31.0
Impact Aid—Children with Disabilities	5.0
Army Reserve (Budget Activity 01: Operating Forces):	
Land Forces: Division Forces ECWCS/MSS	2.0
Land Forces Readiness: Forces Readiness Operations Support Controlled Humidity Preservation	25.0
Army National Guard (Budget Activity 01: Operating Forces):	
Land Forces: Division Forces ECWCS/MSS	4.0
Other:	
Transfer Accounts: Env Rest, Formerly Used Defense Sites	40.0
Miscellaneous: Payment to Kaho'olawe Island	15.0
Department of Energy, National Security Program	
National Nuclear Security Administration Weapons Activities:	
Construction:	
Microsystem and engineering science applications (MESA), SNL	37.0
Atlas relocation, Nevada test site Las Vegas, NV	3.3
Renovate Existing Roadways	2.0
MILCON	
Alabama:	
Army:	
Fort Rucker Aircraft Parts Warehouse	6.8
Restore Arsenal Ammunition Surveillance Facility	2.7
Air National Guard: Dothan AGS Combat Communications Complex	11.0
Alaska:	
Army: Fort Richardson Mout Training Facility	18.0
Air National Guard: Juneau Readiness Center	7.57
Arizona:	
Army: Yuma Proving Grounds Range Improvements	3.1
Air Force: Davis Monthan AFB Child Development Center	6.2
Air Force Reserve: Luke AFB Add/Alter Squadron Operations Facility	1.4
Arkansas:	
Air Force: Little Rock AFB Fire Station	7.5
Army Reserve: Conway Reserve Center/Organizational Maintenance Shop	5.63
California:	
Army:	
Fort Irwin Direct Support Maintenance Shop	23.0
Monterey Defense Language Institute Barracks Complex	5.9
Navy: China Lake Naval Air Warfare Center Propulsion and Explosives Lab	10.1
Air Force:	
Beale AFB Communications Operations Center	7.9
Travis AFB Radar Approach Control Center	3.3
Army National Guard: Azuza Readiness Center	14.01
Air Force Reserve: March ARB Fire/Crash Rescue Station	7.2
Colorado:	
Air Force: Schriever AFB Secure Area Logistics Facility	11.4
Delaware:	
Dover AFB Fire Station	7.3
Florida:	
Navy: Pensacola Naval Air Station Consolidated Fire Station	3.7
Air Force: Tyndall AFB Add/Alter Communications Facility	5.3
Army Reserve: St. Petersburg Armed Forces Reserve Center	34.06
Air Force Reserve: Homestead ARB Add/Alter Communications Facility	2.0
Georgia:	
Air Force: Moody AFB Fitness Center	8.6
Hawaii:	
Army (Pohakuloa Training Area):	
Land Acquisition (Kahuku Windmill Site)	0.9
Land Acquisition (Parker Ranch)	1.5
Navy: Ford Island Water Line Replacement	14.1
Illinois:	
Army: Rock Island Arsenal Child Development Center	3.5
Indiana:	
Navy: Crane Surface Warfare Center Microwave Devices Engineering Facility	9.11
Defense-Wide: Newport Army Ammunition Plant Ammunition Demil Facility	66.0
Air National Guard: Fort Wayne IAP Upgrade Aircraft Parking Ramp and Taxiway	8.5
Kansas:	
Air Force: McConnell AFB Health and Wellness Center	5.1
Kentucky:	
Army: Fort Knox Multi-Purpose Digital Tank Range	12.0
Defense-Wide: Bluegrass Army Depot Ammunition Demilitarization Facility	3.0
Louisiana:	
Air Force: Barksdale AFB Control Tower	5.0
Navy Reserve: New Orleans Joint Reserve Base Joint Reserve Center	10.0
Maine:	
Navy: Portsmouth Naval Shipyard Bachelor Enlisted Quarters	14.62
Maryland:	
Army: Fort Meade Operations Facility (55th Signal Company)	5.4
Navy: St. Inigoes Navalex Communications Integration Facility	5.1
Defense-Wide: Aberdeen Proving Ground Ammunition Demilitarization Facility	66.5
Massachusetts:	
Air National Guard: Barnes ANGB Upgrade Support Facilities	5.2
Michigan:	
Army National Guard: Augusta TASS Instruction/Administration/Barracks/ Mess Hall	13.32
Air National Guard: W.K. Kellogg Airport Munitions Maintenance and Storage Complex	9.5
Minnesota:	
Air National Guard: Duluth IAP Composite Aircraft Maintenance Complex	10.0
Air Force Reserve: Minneapolis-St. Paul ARS Consolidates Lodging Facility	8.4
Mississippi:	
Navy:	
Pascagoula Naval Station Fleet Operations Facility	4.68
Meridan Naval Air Station T-45 Aircraft Support Facility	3.37
Air Force Columbus AFB Radar Approach Control Center	5.0
Army National Guard: Batesville Readiness Center	3.05
Army Reserve: Gulfport CBC Controlled Humidity Storage Warehouse	12.18
Montana:	
Air Force: Malmstrom AFB Child Development Center	4.65
Nevada:	
Navy: Fallon Naval Air Station Water Treatment Capital Improvements	6.15
Air Force: Nellis AFB Land Acquisition	19.0
New Jersey:	
Army: Picatinny Arsenal High Energy Propellant Formulation Facility	10.2

Fiscal Year 2002 DEFENSE AUTHORIZATION BILL CONFERENCE REPORT—Continued

[In million of dollars]

Navy: Earle Navy Weapons Station Explosive Truck Holding Yards	4.37
Air Force: McGuire AFB Air Freight Terminal/Base Supply Complex	12.6
New Mexico:	
Army: White Sands Missle Range Professional Development Center	7.6
Air Force: Kirtland AFB Upgrade Small Arms Range Support Facility	4.3
New York	
Army: Fort Drum Training Area Access Road	18.5
Air National Guard: (Hancock Field):	
Civil Engineering Facility	1.5
Composite Readiness Support Facility	2.5
Niagra Falls IAP Fuel Cell/Corrosion Hangar Addition	2.8
North Carolina:	
Army National Guard: Fort Bragg Military Education Facility	8.29
North Dakota:	
Air National Guard: Hector IAP Weapons Release Systems Complex	5.0
Ohio:	
Air Force Wright-Patterson AFB, Security Gate, Base Entrance	3.4
Army National Guard:	
Bowling Green Readiness Center	3.2
Coshocton Readiness Center	2.63
Air National Guard: Springfield-Beckley Municipal Airport	10.6
Oklahoma:	
Army National Guard: Oklahoma City Readiness Center	9.32
Oregon:	
Army National Guard: Eugene Joint Armed Forces Reserve Center	8.3
Pennsylvania:	
Navy: Philadelphia Naval Foundry and Propeller Center Machine Shop Modernization	14.8
Army Reserve: Johnstown Transient Quarters	3.0
Rhode Island:	
Navy: Newport Naval Station Unmanned Undersea Combat Vehicle Laboratory	9.37
South Carolina:	
Army: Fort Jackson Central Energy Plant	3.65
Air Force Shaw AFB Education Center	5.8
South Dakota:	
Air Force: Ellsworth AFB Live Ordnance Loading Area	12.2
Air National Guard: Joe Foss Field/Souix City Runway/Taxiway Improvements	6.5
Tennessee:	
Air National Guard: Nashville IAP Replace Aircraft Maintenance Complex	11.0
Texas:	
Army:	
Corpus Christi Army Depot Energy Disassembly and Cleaning Facility	10.4
Fort Bliss Replace Elevated Water Tanks	5.0
Air Force:	
Laughlin AFB Security Forces Complex	3.6
Sheppard AFB Fitness Center/Health and Wellness Center	8.2
Dyess AFB C–130 Squadron Operations Facility	16.8
Navy Reserve: Fort Worth Joint Reserve Base Bachelor Enlisted Quarters Modernization	9.06
Vermont:	
Air National Guard: Burlington IAP Vehicle Maintenance Complex	5.6
Virginia:	
Navy: Little Creek Naval Amphibious Base Personnel Support Facility	9.09
Air National Guard: Fort Pickett Maneuver and Equipment Training Site	10.7
Washington:	
Navy:	
Puget Sound Naval Shipyard Industrial Skills Center	14.0
Whidbey Island Naval Air Station	3.9
West Virginia:	
Army National Guard:	
Williamstown Readiness Center	6.43
Glen Jean Reserve Center/Organizational Maintenance Shop	21.38
Air National Guard: Yeager Airport Base Civil Engineer Maintenance Complex	4.1
Wisconsin:	
Air National Guard: Volk Field Control Tower	5.7
Total FY02 Defense Authorization Bill Conference Report Pork=$1.3 Billion	

Mr. BIDEN. Madam President, 9 months ago I stood before this body as a proud cosponsor of the Retired Pay Restoration Act of 2001. This bill, which I also cosponsored in the last Congress, seeks to redress a major inequity that has resulted in a serious slight to the dedicated men and women who have selflessly served our Nation. It is an injustice that has puzzled me for decades.

Current law bans so-called "concurrent receipt" of VA disability compensation and military retired pay, so that the amount of any VA disability payment to a military retiree is subtracted from the monthly retirement check. The obvious flaw of this rule is clear to the vast majority of the members of this body and to most members of the House. In its original form, this legislation garnered 78 cosponsors in the Senate and a whopping 378 members in the House. It seems that this was something that should have made it through the Conference Committee process without much question. But, unfortunately, what we saw emerge from conference was a real disappointment to me, to many Members of this body, and most of all, to our brave men and women—both those who have served in the past and those who continue to serve and continue to face the risk of disability.

Here was an opportunity—a real chance to address a serious inequity and we let it fall by the way side. What message are we sending to our Armed Services? This incongruity only hurts those men and women who have devoted the majority of their working lives to our Nation because it only affects military retirees. If a soldier retires from the service after 20 years and has sustained a service-connected disability along the way, then their VA disability payments are subtracted from their military pensions. It makes no sense that those in uniform who suffer a service-connected disability end up being penalized for deciding to remain in the military, while those who chose to leave the military receive their disability payments along with any pension they may receive from an additional employer. The longer you serve in the military, the more you are penalized. Does this make sense? It doesn't to me. They surely have earned both.

We have been fighting this fight now for too long. Year after year, it is brought to the floor and year after year Senators stand up and sing its praises. Now more than ever, Americans are painfully aware of what the sacrifices of our Armed Forces mean to us all. The horrific attacks upon our country on September 11 and the recent 60th anniversary of the attack on Pearl Harbor have made us all appreciate the millions of Americans who have selflessly served our nation and continue to protect our freedoms today. When our troops eventually return from serving in Afghanistan, undoubtedly there will be some among them who will find themselves penalized by our inability to correct this wrong. I am frustrated that even in this time when the importance of our troops is more evident than ever, we continue to shortchange our veterans.

So here we are—poised to send a vastly reduced version of legislation that had huge bipartisan support in Congress to the President for signature. It is my hope the minor concessions made under the Department of Defense authorization conference report will serve as a stepping-stone for future improvements. But still, how many more military retirees must see their VA disability payments reduce their retirement benefits before more meaningful changes are made and this inequality is ended?

We have troops in the field as I speak, putting their safety on the line to protect our way of life, and passage of this Defense Authorization bill is vital to our military operations. So it is important that this bill be passed. But, I want to put my colleagues and this administration on notice, this isn't the last battle in this war. One day those who put their lives at risk by wearing the uniform of this country, and who become disabled from their service, won't be punished for their duty. This is an unfairness that should have been corrected years ago, and an unfairness that will continue to plague those who offered their lives for the freedom we all enjoy. There is too much at stake here and I am not going to give up the fight to enact full concurrent receipt until we get this corrected.

Mr. CRAIG. Madam President, I want to address one provision of this very important bill having to do with Department of Energy facilities. This bill will require the Department of Energy to submit to Congress a plan for the infrastructure of the nuclear weapons complex. This will include those facilities that support the nuclear weapons stockpile, the naval reactors program, and nonproliferation and national security activities.

In my view, we have not seen adequate investment in the Department of Energy's facilities over the last 10 years. This is true of the facilities and infrastructure that support both the defense and civilian missions of the Department of Energy. In addition to its vital national security missions, DOE is a premier science agency of the U.S. Government. I am encouraged that my colleagues want to begin to address the decline in DOE's infrastructure. I think this plan will be an opportunity for DOE to begin a dialog with Congress on what levels of new investment are needed.

The Naval Reactors Program—a joint DOE and Navy program—has a very proud history at the Idaho National Engineering and Environmental Laboratory in my State. Although this program is not as active as it historically was in Idaho, the critical mission of fuel examination and storage continues at the Naval Reactors Facility.

This work allows our country to have continued confidence in the ability to send our nuclear-powered naval vessels to any global hotspot or point of conflict, on short notice and fully fueled. In this way, nuclear power continues its critical role in our national defense.

Given the technical excellence of the Naval Reactors Program, I am confident that as long as the Navy sends its spent nuclear fuel to Idaho for examination and storage, they will provide for the safekeeping of this material until a deep geologic repository is opened. In fact, the Navy is party to a court-enforceable agreement with the State of Idaho that commits to this very objective. I look forward to working with my colleagues in Congress, with the Navy and with DOE on securing a robust nuclear infrastructure within the DOE complex.

Mr. LIEBERMAN. Madam President, I am very pleased that the National Defense Authorization Act, which the Senate has passed, includes a provision to allow Federal civilian employees and military personnel, as well as their family members, to make individual use of frequent-flyer miles and other promotional benefits offered as a result of official Government travel. This measure, found in section 1116 of the legislation, will correct a glaring inequity that exists between government and private sector employees for work-related travel. The time has come for us to recognize that the current prohibition on frequent flyer benefits is unfair to our Federal workforce as well as unnecessary for good government. In fact, by making these benefits available to government workers, we will help make Federal service more competitive with the private sector.

I am especially proud that this measure applies to military personnel, many of whom are deployed in hostile environments, far from home and family. This time of war brings home the fact that every soldier, sailor, pilot and marine who serves our country around the clock deserves the best treatment we can offer.

This provision originated in an amendment to the Defense Authorization bill offered in the Armed Services Committee in September by Senator WARNER and myself, and was further developed as S. 1498, a bill which I introduced in October with Senators THOMPSON, AKAKA, WARNER, and VOINOVICH, and which provided the basis for the final language of section 1116.

I ask unanimous consent that a section-by-section analysis of this provision be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1116—RETENTION OF TRAVEL PROMOTIONAL ITEMS

Subsection (a)—Definition. The term "agency" has the meaning given under 5 U.S.C. §5701.

Subsection (b)—Retention of Travel Promotional Items. This subsection provides that government personnel and others may make personal use of frequent flyer miles and other promotional items received from official travel. Official travel may be either at Government expense or accepted by the Government from a non-Federal source. This provision is comprehensive, covering travel by civilian, military, and foreign-service personnel, family members when on official travel (as when personnel are being relocated), and any other individuals (such as academic experts or fellows) who may travel at Government expense (or accepted by the Government from a non-federal source).

Subsection (c)—Limitation. This subsection (c) provides that only "agencies" (as defined in subsection (a)) are covered by the section. Paragraph (1) of subsection (c) states that only travel at the expense of such an agency (or accepted by the agency from a non-federal source) is covered by the section, and paragraph (2) states that travel by an officer, employee, or other Government official who is not in such an "agency" is not covered. Thus, Government personnel in one agency are covered even if they are traveling at the expense of another agency, but Government personnel are excluded if they are not in any agency, even if an agency is paying for the travel.

As noted above, subsection (a) applies the definition of "agency" in 5 U.S.C. §5701, and that definition is further established by 5 U.S.C. §§101–105, which define certain terms used in 5 U.S.C. §5701. The section thus covers all executive and military departments and most other executive-branch agencies. In the legislative branch, the section covers the General Accounting Office, the Library of Congress, the Government Printing Office, and other legislative-branch agencies. All offices and agencies in the judicial branch are covered.

Governmental entities outside of the definition of "agency" in 5 U.S.C. §5701 are not considered to be covered by the existing ban on personal use of frequent flyer miles in section 6008 of the Federal Acquisition Streamlining Act, and have established their own rules and policies on this subject—some allow their employees to use frequent flyer miles and some do not. This section would not affect any of these entities. These entities include the U.S. Postal Service, government-controlled corporations, and the House and Senate.

Subsection (d)—Regulatory Authority. This subsection provides that an agency with authority to regulate official travel may issue regulations necessary to carry out subsection (a) with respect to promotional items granted in connection with such travel. So, for example, for travel by members of the foreign service, the Secretary of State may issue such regulations; for travel by members of the uniformed services, the secretaries of the respective services may issue such regulations; and for travel by most other civilian employees, the Administrator of GSA may issue such regulations.

Subsection (e)—Repeal of Superseded Law. This subsection repeals section 6008 of the Federal Acquisition Streamlining Act, which now requires that awards under a frequent traveler program or other promotional items accrued through official travel be used only for official travel.

Subsection (f)—Applicability. This subsection provides that the section shall apply to promotional items received before, on, and after the date of enactment.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

AMENDMENT NO. 2598

Mr. HARKIN. Madam President, what is the business before the Senate at this time?

The PRESIDING OFFICER. The business before the Senate is the McCain amendment to the substitute.

Mr. HARKIN. The McCain amendment to the substitute is the pending business.

The PRESIDING OFFICER. The McCain amendment to the underlying bill.

Mr. HARKIN. We would like to debate it. I ask if anyone knows where Senator MCCAIN is; we would like to debate the amendment. He is not here, so we cannot debate the amendment.

What I would like to do—I wonder if I can work with the ranking member to see if we can make some progress on this bill tonight. I would like to ask consent to withdraw the McCain amendment, with the understanding that tomorrow morning when we come in, the McCain amendment will be put in order on the substitute after we debate the Wellstone amendment and lay it aside tomorrow. We will not dispose of it until we come back next week.

I am saying that we take the McCain amendment off tonight so we can deal with other things, with the understanding or with the agreement, with the consent that tomorrow morning the first thing we will turn to is the Wellstone amendment, as I understand; when the debate is finished on the Wellstone amendment, Senator MCCAIN be recognized to offer his amendment on the substitute, and it can debated.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Reserving the right to object, I just wish to respond to my colleague.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, I think he is outlining a reasonable course of activity. As I understand the Senator's proposal, Senator WELLSTONE would debate his amendment; others would debate the amendment. As we know, a rollcall vote will not be in order, given the unanimous consent agreement, until Tuesday. Therefore, after that debate, this will be laid aside, and then Senator McCain will be recognized so we can proceed then, as the Senator from Iowa has suggested, to amend the—whichever—the underlying amendment at that point; is that what the Senator said? In any event, whatever appears to be in order so he is able then to complete the debate on his amendment.

Mr. HARKIN. Maybe I should inquire of the President, what is the order right now?

The PRESIDING OFFICER. The McCain amendment.

Mr. HARKIN. Further inquiry, Madam President. Is there a consent agreement now in order which lines up some other amendments?

The PRESIDING OFFICER. No, there is not.

Mr. HARKIN. There is not. May I further inquire, where is the Smith amendment and the Torricelli second-degree amendment thereto in the order of things right now?

The PRESIDING OFFICER. Those are pending to the substitute.

Mr. HARKIN. If they are pending to the substitute, then the Wellstone amendment will be to the substitute, and so we will have to lay aside the Smith and Torricelli amendments tomorrow morning in order to go to Wellstone.

The PRESIDING OFFICER. That is correct, as well as laying aside the McCain amendment.

Mr. HARKIN. Well, then, let's see if we both have the same understanding of this. What we would do tomorrow morning is lay aside the pending Smith amendment and the Torricelli second-degree amendment thereto. We would then proceed to debate on the Wellstone amendment. When debate is finished on the Wellstone amendment, we would then go to the McCain amendment as an amendment to the substitute, at which time after the McCain amendment is debated, we would then return to the Smith amendment with the Torricelli second-degree amendment thereto?

The PRESIDING OFFICER. Provided that the McCain amendment has been withdrawn, the Senator is correct, and assuming that the Wellstone amendment is offered and subsequently the McCain amendment is offered.

Mr. LUGAR. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Jeffords). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I ask unanimous consent that the McCain amendment No. 2598 be withdrawn, and that when the Senate resumes consideration of the farm bill on Friday, the pending Smith and Torricelli amendments be laid aside and Senator Wellstone be recognized to offer an amendment regarding EQIP grants; that following debate in relation to the Wellstone amendment the amendment be laid aside, and Senator McCain or his designee be recognized to offer his amendment regarding catfish, and that following the reporting of the clerk, the McCain amendment be laid aside; further, that the pending amendments may be set aside with the concurrence of both managers for the purpose of offering additional amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, basically the situation is this. We are open for business again. We could take amendments right now, but I can see that there are not many people around right now.

I want to point out again that we are on the farm bill. It is Thursday, December 13. It looks as if we will have another week and a day here. Probably next Friday we will adjourn.

We have to get this farm bill done. As chairman of the Agriculture Committee, I believe I have been more than lenient and willing to let other bills come up—the Education bill next Monday, tonight the Defense bill—but now it is the hour when we have to focus on the farm bill, and we have to get it done. So I intend to object to going to anything else. We will remain on this farm bill.

Obviously, conference reports are privileged, but for my part there will not be anything else to come before the Senate until we finish the farm bill. It will take unanimous consent to get off the farm bill and I, frankly, am serving notice right now that I am not giving consent for anything that keeps us from finishing the farm bill. If people want to vote against it and defeat it, that's their business. But at least let's get to a vote and let people know whether or not we are going to pass this farm bill or whether the will of the Senate is we do not want this farm bill. But we ought to have at least a vote this year.

Farm groups all over America have been writing and calling, asking us when we are going to get this farm bill done. We have done our job in committee. I point out again and again, every single title of this farm bill was passed unanimously out of the committee except one, the commodity title, and that at least had some bipartisan support.

I was fully aware that we would have an amendment on the floor by Senators Cochran and Roberts that was going to try to change the focus of the farm bill on the commodity title and some other titles. We have been wanting to see the Cochran-Roberts amendment. We have been hearing about it, but they will not bring it up. Where are they? They are not here. They were not here today, they were not here yesterday, and I daresay they will not be here tonight. Will they be here tomorrow? There is some sort of Cochran-Roberts amendment, but they will not offer it.

It is an unusual way to make legislation unless—unless it is the desire and the plan to stop this bill from going through this year. Maybe that is the plan.

We ought to have a finite list of amendments. We ought to know what amendments may be offered. I don't know what amendments are out there. I will ask tonight, and I will ask tomorrow, may we have a finite list of amendments? Is that possible?

Would we be able to finish and go to third reading by Tuesday night? Would that be possible? Could we do that? Or by Wednesday? Could we be finished by Wednesday noon? How about Wednesday night? How many amendments do we need to consider? We can't seem to get anything agreed to on this.

With all due respect to my friend and my ranking member, Senator Lugar, I just hope we can reach some kind of finite list of amendments and get them listed.

I will be asking unanimous consent for that tomorrow. I will not tonight. But tomorrow I will ask unanimous consent whether by a certain time tomorrow we may have a finite list of amendments. If that is not acceptable, I will ask for such a list by Monday. I will see whether we can ever get to a point where we can have a finite list of amendments. If not, then it will be apparent that some do not want this bill to pass this year, for whatever reason.

Again, I am not saying this is necessarily so. But I am saying that is what it appears to be. We have to move ahead on the bill. Yet here we sit. We could have amendments tonight. It is not unusual to be in session Thursday night.

Senator Lugar and I are on the floor. We are willing to work. We are willing to stay here and listen to debate and have amendments and vote. However, no one else is here, except the occupant of the chair, of course.

We just cannot seem to get the cooperation to get this farm bill moving. I hope tomorrow morning we will have some debate. I want to put on notice all offices who are watching on television right now that we will have amendments tomorrow. There will not be any votes tomorrow. That has already been agreed to. But we will have amendments tomorrow, and amendments will be debated. Then they will be set aside. We have tried to stack votes for them on Tuesday. There won't be any votes on Monday either.

We will have debate tomorrow. We will stack the votes on Tuesday. But there will be debate on amendments tomorrow.

I say to anyone who has amendments to offer that they should offer them tomorrow because, again, members ought to know we are going to vote on cloture again on Tuesday morning. If cloture happens, and they have not offered their amendments, they may be out of order.

Again, if we don't get cloture on Tuesday, we will vote again on cloture on Wednesday. If we don't get cloture on Wednesday, we will vote again on it on Thursday. We will just see whether or not there are those in this body who want to absolutely stymie and stall and keep us from voting on a farm bill this year.

I believe I have acted in good faith. We brought the bill out of committee. We brought it to the floor. It can be amended. I love debate. I thought we had some good amendments offered. We have had some good debates so far. I am just hoping we can bring this debate to a conclusion at some point early next week and get this bill out of the Senate.

Again, I look around to see if there is anybody to offer any amendments. It is pretty quiet in here. Evidently, it looks as if we are not going to get any amendments here tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I will not add to the frustration and discomfort of my chairman except to empathize with him, having stood in a similar situation 5 or 6 years ago when we last proceeded with the farm bill. I found it was seemingly an endless task. It does finally come to conclusion. That will be good news for the chairman.

I will work with him to try to identify the amendments so we can have appropriate debate and votes. Both the chairman and I realize we are near the end of the session, and conference reports on important bills are likely to intrude. The chairman recognizes that. He stated correctly this is the pending business. It ought to be our pending business, aside from the privileged motions on appropriations bills that the leaders have designated for debate on Monday and early Tuesday.

I believe there probably is a finite set of amendments. I suggested earlier during the day that we will compile a list of 44 at that time. I think some of those perhaps disappeared in the course of the day. Hopefully others do not emerge.

But I think there are some basic issues involving payment limits, for example, that are still out there. Perhaps some are not parochial interests but interests of particular Senators in their States, such as, for example, the distinguished Senator from Oregon, Mr. SMITH, with a legitimate basin problem not requiring much time, although the Senate may or may not agree with his point of view.

Even if these are simple amendments, perhaps they will not be offered in the event they are already accepted. Perhaps the chairman and I will be able, with staff, to work together to see which amendments can be accepted.

We have been engrossed in very heated debate on sugar and on dairy—things that claimed our attention at the time so that we have not really sifted through those things that are perhaps acceptable.

But in the course at least of the next couple of days of debate, I think the situation will become more clear. The chairman knows I have a number of problems with the commodities title. I have already expressed those in the form of one amendment and others.

The chairman is also correct that we did reach remarkable accord on at least eight titles, perhaps nine. My memory fails as to how many are in our bill. But those are good titles to this piece of legislation. It doesn't mean that others may not at least insert lines in them, and they may do so, but at the same time they are in fairly solid shape.

The commodity situation is one that is bound to be of controversy because it has money attached to it. Nevertheless, we will have to reach decisions. I pledge to work with the chairman to do that. I will offer at least I hope comfort this evening and the belief that the chairman's day tomorrow will be a better one.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELCOME TO THE ARIZONA DIAMONDBACKS

Mr. McCAIN. Madam President, I recognize the presence today of our world champion Arizona Diamondbacks who are visiting with the President later this morning.

We in Arizona are especially proud of them, as I know are all baseball fans across America who hate the Yankees as well. So I express, on behalf of myself, my colleague Senator KYL, and the people of the State of Arizona, how pleased and proud we are of the Diamondbacks and the fact that the President will be greeting them later on; he has a very deep connection and affection for professional baseball.

We are especially proud to have our Diamondbacks with us this morning to see our Capitol and know that all Americans, in a very difficult time in American history, were uplifted by the incredible series that was played by both teams; it diverted our attention and made us appreciate the greatness and strength of America.

Mr. HARKIN. Will the Senator yield? I want to compliment him and the Arizona Diamondbacks. What a great series, one of the best World Series I have ever watched, being a baseball nut like I am. I think what the Diamondbacks showed is not to ever count anyone out and never give up. I think the thing that came through with that team was people did not think they would be up for it and counted them out in the beginning. This team never gave up, and I think, as the Senator from Arizona said, at this time in our national life we needed to be reminded to never give up.

Mr. McCAIN. I thank my friend from Iowa. It is also important to mention my friend from Missouri whose team also played a wonderful series early on with the Diamondbacks, and I think helped them prepare for the World Series.

Mr. BOND. Madam President, a couple of months ago I never thought I would say I am glad to see Curt Schilling again. We saw far too much of him as a Cardinal fan.

We congratulate the Diamondbacks on an outstanding year, a great victory and, as I think they used to say in Brooklyn, wait until next year we look forward to renewing the contest.

The Diamondbacks were magnificent and, yes, I guess I am even glad to see Curt Schilling.

Mr. McCAIN. I thank my colleagues for their indulgence, and I appreciate them taking a moment to congratulate this wonderful group of Americans.

HONORING SERGEANT DAN PETITHORY

Mr. KERRY. It is my extraordinary privilege to share a few words with you today about Sgt. Dan Petithory. I am touched that his family asked me to do so, touched as a veteran who shares with Dan the bond of service in war, touched as a public official who has the privilege of expressing gratitude on behalf of everyone in our State and country whose lives are better for Dan's service, and touched as a citizen and father whose gratitude for Dan's contribution and sacrifice can never be adequately described.

No one in all of time has ever been able to soften the blow of a young person dying. I know all too well, as does Senator KENNEDY, how the suddenness of death can rob us of those we love and change life forever for those left to live it. But somehow through the tears, God helps us find our way.

In the natural order of things, parents are not supposed to bury their children. The pain of doing so is unfathomable and today America's heart and the hearts of all decent, civilized people ache uncontrollably for Louis and Barbara, for Michael and Nicole, and for all the members of their family.

But we are comforted above all by knowing this was not a loss in vain. This was not a waste. This was not a death that cannot be explained, difficult as the circumstances were. Sgt. Daniel Petithory died for all of us. He died believing in his country, his values, his brothers in his unit. He died in the extraordinary act of making it possible for others to live by the values he loved so deeply, so much more even than he loved his own life.

And we will never forget: Dan was a warrior on our behalf. Twice he went to war so we can live our lives in security and freedom. When the terrorists brought the frontlines here to America, Sergeant Petithory took the battle back to them in Afghanistan, just as he had taken it to Saddam Hussein in the Gulf War a decade ago. That time, he came home safely to America, to a New England community built on the values for which he'd fought so courageously, home to Cheshire and the love of his family which all the days of his youth had flown the American flag from their front porch. Now he is returned to us, resting under that flag to which he has added an indelible new strand of duty and honor. He gave his life to defend the values and security of our Nation and in doing so he joined the special legion of patriots who define the United States of America.

For his ultimate sacrifice in the performance of duty, Sgt. Petithory is to be awarded the Silver Star and the Purple Heart, badges of distinction from a grateful Nation. Following his courageous example, the duty is now left to us to spare no sacrifice to finish the mission for which Dan earned our eternal respect, gratitude, and awe.

I didn't know Dan personally. Nor did many who mourn him in Massachusetts and across the country. But now we know him as the neighbor next door; we know him as the kid who always wanted to be a soldier since he was 4 years old playing with G.I. Joes in his family's backyard; the "all American," athletic and funny, who became what he always wanted to be, the Army's best and America's best too. We know him as the boy at school who Alison Kachel remembers exalting in games of hide and seek, as she said, "hiding like there was no tomorrow." While other kids hid behind corners and in the bottom of bushes, Dan hid in the tree tops, on the school roof, atop neighborhood homes. He was never discovered until the game was over, out of sight until his friends, exasperated, would look up and see him peering out behind a chimney, and declare him the winner, if they could find him even then.

Alison, today a police officer serving her hometown, told me simply: "we've lost one of our elite." And indeed we should take a moment to honor what it really meant for Dan to have been a member of the Special Forces.

His unit commander, Captain Jason Amerine, who was wounded at the same time, said we should remember not how Dan and his brothers in arms died, but "what they did beforehand." What an extraordinary story of courage, initiative, and resolve: a member of an 11 man team, the elite of the American fighting forces, dropped into a valley deep inside enemy territory in Central Afghanistan, a part of the world they said looked like the "back side of the moon." In the darkness in those initial tense moments they came face to face with Hamid Karzai, then the leader of a committed band of freedom fighters taking on the Taliban, and thanks to Dan and his fellow soldiers now about to become the leader of a free Afghanistan. Together they became one fighting force with a common mission. For 6 weeks the men in this small band of brothers depended on each other for life and death, calling in airstrikes, repelling Taliban counterattacks, organizing the opposition, carrying on their shoulders the hopes of all who were outraged by the acts of September 11. And in that far off place where danger was everywhere, Dan excelled on behalf of his Nation, proving, as his fellow soldiers said of him, that he was among the best America had to offer. On several occasions Dan directed the air attacks that turned the tide of battles. Captain Amerine said of him: "It's an art. And the guy I had was the best I've ever seen."

So today, we are all privileged to know Dan and we love him for his idealistic, wholehearted commitment to a cause bigger than any of us, for his enduring love of country and his enormous sacrifice for freedom. He has given a great gift to us all, the gift of a life worth emulating, the gift of his life for our's.

While the Petithorys' hearts will forever be heavier with the loss of their beloved son and brother, we pray that their pain is lightened to some measure by the knowledge that the whole country shares it, and that our whole country reaches out with an embrace of gratitude. We pray that their burden will also be lifted in part by the knowledge that the justice for which Dan sacrificed so much, is being delivered in Afghanistan, delivered for the brothers and sisters, husbands and wives, the children, of every American lost in New York, Pennsylvania, and the Pentagon. Louis and Barbara, that justice will be delivered for one more man, your son, Sergeant Daniel Petithory.

President Harry Truman, himself a veteran tested by war, committed to peace, 50 years ago honored the Greatest Generation and said of America: "We are not a warlike Nation. We do not go to war for gain or for territory; we go to war for principles, and we produce young men like these."

Once again, our peaceful Nation is at war. We did not seek this war, but we will win it for a principle that is timeless and values which shall forever define the greatness of yet another generation of citizen soldiers. And even in our grief, we can say with pride, and conviction, this is America, the Nation we love because it produces and keeps faith with men like Dan Petithory. God bless you Dan, and God Bless the United States of America.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred May 4, 1992 in Chicago, IL. Two lesbian women were beaten and taunted by several teens in a park. Donna Hayden, 18, and Kimberly Cary, 19, each were charged with battery and hate crime in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

PROMOTING SAFE AND STABLE FAMILIES

Mr. DEWINE. Mr. President, I rise today to thank my colleagues for supporting and passing H.R. 2873, the Promoting Safe and Stable Families Program. Earlier this Fall, Senator ROCKEFELLER and I introduced similar legislation.

The bill we are passing today, like our Senate bill, reauthorizes four programs designed to help child welfare agencies establish and maintain permanency by providing grants to States and Indian tribes. The bill also includes programs that the President has proposed, which have my utmost support, as well as a technical correction that Senator ROCKEFELLER and I have proposed to ensure that special needs children continue to be eligible for adoption assistance.

The Promoting Safe and Stable Families Program provides vital services for thousands of at risk children in our Nation. The sad fact is that far too many children here at home are at risk, not because of the terrorist threat, but because they are neglected or abused by parents or because they are trapped in the legal limbo that is our child welfare system. Because of this, we have an obligation to these children. We have an obligation to protect these innocent lives.

With the passage of our bill, we are taking a big step toward meeting that obligation. By reauthorizing and improving the Safe and Stable Families Program, we can help strengthen families and ensure the safety of vulnerable children.

I was very pleased that during the Floor debate on the fiscal year 2002 Labor-HHS Appropriations bill, the Senate agreed to my amendment, which increased funding for the Safe and Stable Families Program by $70 million. This raised the program's overall funding level to $375 million.

The funding provided to the States through this legislation is used for four categories of services: family preservation, community-based family support, time-limited family reunification, and adoption promotion and support. These services are designed to prevent child abuse and neglect in communities at risk, avoid the removal of children from their homes, and support timely reunification or adoption. And, quite candidly, Promoting Safe and Stable Families is a very important source of funding for post-adoption services.

With a nearly 40 percent increase in the number of adoptions since the implementation of the Adoption and Safe Families Act, funding for adoption promotion and support services is especially vital. These services are necessary to ensure that adoptions are not disrupted, which risks further traumatizing a child.

Our reauthorization bill also amends the Foster Care Independent Living Program to extend the eligibility age from 21 to 23, so that children aging out of foster care can qualify for educational and training vouchers. Currently, too many of the 16,000 children youth who age out of foster care are not able to pursue educational or vocational training because they just don't have the money. This provision helps these young people get the education and career training they need and deserve.

The bill doubles the funding for the Court Improvement Program, CIP, and reauthorizes it through 2006. The CIP program provides grants to the States to develop a system of more timely court actions that provides for the safety of children in foster care and expedites the placement of such children in appropriate permanent settings. This money helps ensure that State courts have the resources necessary to stay in compliance with the Adoption and Safe Families Act. In my own home State of Ohio, this money has been used to develop and implement an attorney certification program in family law. Additionally, the CIP money has been used to implement the Court Appointed Special Advocate, CASA, Program throughout Ohio and to implement five pilot programs that uniquely address family law issues.

Also, Senator ROCKEFELLER and I have added a technical correction to the bill that would clarify how adoption assistance payments are distributed. Prior to January 23, 2001, title IV-E adoption assistance payments were available to parents adopting children who met three special needs criteria, regardless of whether a child was placed by a private agency or the State foster care system. Unfortunately, some private agencies were using only one of the three special needs criteria to access payments for these adoptive families.

The January 23 adoption assistance decision draws a distinction between private and State foster care systems to prevent the misuse of funds. However, the decision has had the unintended consequence of adversely affecting agencies such as Catholic Charities and their ability to provide adoptive families with payments. Our correction focuses on the children—not the placement agency—by making special needs children adopted through voluntary relinquishment eligible for adoption assistance payments.

I am particularly pleased with some of the President's new initiatives authorized in our bill. For example, the President has proposed that the Department of Health and Human Services be authorized to provide competitive grants to support mentoring programs for children of incarcerated parents. With more than 2 million children with incarcerated parents, this program would provide valuable outreach to this vulnerable group of children.

I thank my colleagues for supporting our bill today. This is a good bill. It is an important bill. It is a major step forward in our continuing efforts to protect all children in this Nation.

AMBASSADOR STEPHAN M. MINIKES

Mr. CAMPBELL. Mr. President, as Chairman of the Helsinki Commission, I take this opportunity to welcome the recent swearing-in of Stephan M. Minikes to serve as U.S. Ambassador to the Organization for Security and Cooperation in Europe, OSCE. Prior to that ceremony, I met with Steve to discuss priority issues on the Commission's agenda, including the promotion of democracy, human rights and economic liberty as well as such pressing concerns as international crime and corruption and their links to terrorism.

The Commission remains keenly interested in the OSCE as a tool for promoting human rights and democratic development and advancing United States interests in the expansive 55-nation OSCE region. The terrorist attacks of September 11 represented an assault on the principles of democracy, human rights and the rule of law—core principles at the heart of the OSCE. It is crucial that we redouble our efforts to advance these fundamental principles throughout the OSCE region even as we pursue practical cooperation aimed at rooting out terrorism.

The OSCE provides an important framework for advancing these vital and complementary objectives.

I am confident that Steve will draw on his extensive and varied experiences as he assumes his duties as U.S. Ambassador to the OSCE and I look forward to working with him and his team in Vienna.

I ask unanimous consent that Secretary of State Powell's eloquent prepared remarks delivered at Ambassador Minikes' swearing-in ceremony be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF SECRETARY OF STATE COLIN L. POWELL AT THE SWEARING-IN OF STEPHAN M. MINIKES

Ambassador Ducaru, Distinguished Guests, welcome to The Department of State.

It is my honor and pleasure today to swear-in a distinguished civic leader as our next Ambassador to the Organization for Security and Cooperation in Europe: Steve Minikes.

As a boy in Nazi Germany, Steve knew what it is like to live under oppression. His relatives died in concentration camps. He saw hate consume a country, ravage a continent, and cause a world war. Later, he saw a devastated Europe divided by force and a hot war replaced by a cold one. And since the age of eleven, when he found his new home in America, Steve Minikes has never for a minute taken freedom for granted—not his or anyone else's.

And so, when President Bush selected Steve to be his personal envoy to the OSCE, he knew that he was choosing a person who would be deeply committed to the fundamental principles of the Helsinki process.

The President knew that Steve needed no convincing that human rights, the rule of law and democracy are inextricably linked to prosperity, stability and security.

And the President knew that in Steve he was choosing someone who would work hard and well to realize, in all its fullness, the dream of a Europe whole and free.

And so, Ladies and Gentlemen, Steve Minikes will bring to his new position a deep commitment to serve the country that gave him a new life, and a strong determination to help the continent of his birth attain its highest hopes.

And Steve will bring a lot more to the table besides. He will bring expertise in and out of government that spans the law, management, banking, trade, energy and defense. He will bring a reputation for excellence and dedication that extends from the corporate world to Capitol Hill, from the Pentagon to the White House, as the presence here of friends from Congress and from a wide range of federal agencies attests.

Steve also brings his experience as a Director of the Washington Opera, which will serve him very well at OSCE. Think about it. Conducting multilateral diplomacy with 54 other sovereign countries—countries as big as Russia, Germany and the United States on the one hand, and as small as Liechtenstein, San Marino and Malta on the other. And each of them with a veto. That's a lot like staging the elephant scene from Aida—only easier.

The American people are truly fortunate that they can count on a citizen as accomplished and admired as Steve to represent them at so important a forum as the OSCE.

I know that Steve would be the first to agree with me, however, when I say that we would not have been able to contribute so much to his community and his country, had it not been for the love and support of his family. I want to especially welcome his partner in life, Dede and their daughter Alexandra and her husband Julian. A warm greeting as well to Dede's sister Jackie and brother Peter and their families. I think they all deserve a round of applause.

Ladies and Gentlemen: Twenty-six years ago when President Ford signed the Final Act in Helsinki, he said that the Helsinki process would be judged not by the promises made but by the promises kept.

Thanks in incalculable measure to the men and women who braved totalitarian repression to ensure that the promises made in Helsinki would be kept, all 55 members of the OSCE are truly independent nations today, able to chart their own course for a new century.

The promises made in Helsinki during the Cold War and reaffirmed during the post-Cold War period, are still fundamental to European security and cooperation in this post-post Cold War world.

And, like all his predecessors from Gerald Ford to William Clinton, President Bush is strongly committed to fulfilling the promise of Helsinki.

The President and I are counting on you, Steve, to work with our fellow member states, with the various OSCE institutions that have been established, and, of course, with the Members of the U.S. Commission on Security and Cooperation in Europe, to that noble end.

Human rights and fundamental freedoms remain the heart and soul of OSCE. Keep them in the spotlight. Democracy and the rule of law are key to fighting hatred, extremism and terrorism. Work with our OSCE partners, the Office for Democratic Institutions and Human Rights and the Representative for Free Media to consolidate democratic processes and promote freedom of expression. Help OSCE foster ethnic tolerance. Help it protect human dignity by strengthening efforts against trafficking in persons.

We also look to you, Steve, with your private sector experience, to explore ways to develop OSCE's economic and environmental dimensions. OSCE has done some good work on corruption and good governance. Portugal, the incoming Chairman-in-Office, has some interesting ideas on transboundary water issues. Help us think about what else we might do.

The President and I also depend on you to utilize and strengthen OSCE's unique capacities for conflict prevention and crisis management. To work with OSCE's High Commissioner on National Minorities in addressing the root causes of ethnic conflict. We will also look to you to support OSCE's field missions which are contributing to stability from Tajikistan to Kosovo.

In the security dimension of OSCE, good progress has been made in meeting conventional force reduction commitments. We will count on you, Steve, to help resolve the remaining issues. The Voluntary Fund for Moldova is a valuable tool for getting rid of weapons and ammunition. Keep using it.

OSCE's action plan will be valuable in fighting terrorism. Implementation is critical. Keep the momentum going.

Institutionally speaking, OSCE's strengths remain its flexibility, the high degree of political will that is reflected in its consensus decisions, and the politically binding nature of its commitments. As OSCE considers how it might best adapt to changing needs, do not compromise these strengths. Build upon them.

Ladies and Gentlemen, next week, Steve and I will travel to Bucharest for a meeting of the OSCE Ministerial Council. There, the Chairmanship-in-Office will pass from the capable hands of Romania into the able hands of Portugal. And I will just as confidently witness the passing of the baton from Ambassador Johnson to Ambassador Minikes.

There is a great deal of important work ahead for the OSCE. There are still many promises to keep. And Steve, the President and I know that you will help us keep them.

You and Dede have President Bush's and my best wishes as you embark upon your new mission for our country.

And now it is my pleasure to administer the oath of office.

FREE SPEECH IN CZECH REPUBLIC

Mr. CAMPBELL. Mr. President, as Chairman of the Commission on Security on Cooperation in Europe, I have a keen interest in the fight against organized crime and corruption in the 55-nation OSCE region. I have raised this issue at the meetings of the OSCE Parliamentary Assembly, at Commission hearings, and in meetings with United States Government and foreign officials.

The impact of organized crime in the OSCE region is not limited to some far-off land. Organized crime and corruption directly bear on United States security, economic, and political interests at home and abroad. And at the OSCE Summit held in Istanbul in 1999, the Heads of State and Government of the participating States recognized that corruption poses a serious and great threat to OSCE shared values, cutting across security, economic, and human dimensions of the OSCE.

One of the best tools at our disposal in advancing the fight against corruption is a free and independent press that can both investigate and report on possible corruption. Unfortunately, it is no surprise that journalists who report on issues related to corruption sometimes find themselves the victims of harassment and, in extreme cases, violence.

Accordingly, I am disturbed by reports that the Czech Cabinet, led by Prime Minister Zeman, is seeking to have criminal charges brought against a political weekly, Respekt. Threats by the Prime Minister to shut down this publication followed the newspaper's coverage of the release of Transparency International's most recent report, Global Corruption Report 2001, in which the Czech Republic compared unfavorably to other former Communist countries in the region.

In fact, Peter Holub, the editor of Respekt, is not the only Czech journalist to get into hot water for trying to report on corruption. In January 1998, journalist Zdenek Zukal was arrested in connection with his reporting on alleged corruption in the locality of Olomouc and charged with "spreading alarming information." His case has dragged on for some four years without resolution.

I understand the government's desire to get it's message out. But trying to achieve that goal by muzzling journalists and threatening them with jail time is not the way to do it. More to the point, it violates the OSCE commitments the Czech Republic has freely undertaken.

ADDITIONAL STATEMENTS

CONGRATULATIONS TO TEX HALL

• Mr. DORGAN. Mr. President, I want to take a few minutes to congratulate Chairman Tex Hall for his recent election as president of the National Congress of American Indians. Tex is the chairman of Three Affiliated Tribes, Mandan, Hidatsa, and Arikara Nation, in my State of North Dakota.

As my colleagues know, the NCAI is the Nation's oldest and largest advocacy group representing Native Americans. I can vouch from my own personal experience in working with Tex that he will be a strong and persistent voice on behalf of Native Americans. Over the years, Tex and I have worked together on such issues as Indian education, Indian health care, economic development, water needs in North Dakota, and other issues. Tex has always been fighting, and rightly so, to increase the Federal Government's funding for Indian health, education, transportation, and other programs. Federal funding in these areas has been woefully inadequate, and I have been glad to join him in this fight.

A story from just last year illustrates what a strong advocate Tex is. I was working very hard with Tex to secure funding for the Four Bears Bridge, which is the only crossing point across the Missouri River for 150 miles and is especially important to the Fort Berthold Reservation because it connects the two halves of the reservation.

The President's budget requested only $5 million for design of the new bridge, and at first it looked like even keeping that level of funding would be a challenge. After a lot of elbow grease, however, I was pleased to call Tex to let him know that I had been able to secure $35 million, which was the full Federal Government share for the bridge's design and construction. I was pretty proud of this accomplishment, and of course, Tex thanked me very graciously. Then, like the true tribal advocate that he is, he asked for more money.

Virtually his entire life, Tex has been a leader in one way or another. For instance, he served 11 years as principal and superintendent of the Mandaree school, and was named North Dakota "Indian Educator of the Year" in 1995. Prior to being elected tribal chairman in 1998, he served on the tribal business council for 3 years. He currently serves on countless boards and task forces, representing tribal interests in just about every important area of Indian policy. And he has even had time for his cattle and buffalo ranching and to found the All Nations High School Basketball Tournament and Tex Hall basketball camps.

Tex's election as president of NCAI comes at a very important time in the Federal Government's relationship with tribes. As is well documented, the Federal Government's century of mismanagement of Indian trust funds and resources is coming to a head with Interior Secretary Gale Norton's announcement of a reorganization of her Department's trust responsibilities. Chairman Hall has jumped right in as president of NCAI and has been leading the fight to ensure that tribes are meaningfully consulted before a plan with such enormous consequences is implemented.

I look forward to continuing to work with Tex in his new position on the many important issues facing Indian country and Congress. I offer him my congratulations and best wishes.•

A TRIBUTE TO WILLIAM C. WALTERS ON THE OCCASION OF HIS MOVE FROM THE PACIFIC NORTHWEST TO THE NATIONAL PARK SERVICE HEADQUARTERS

• Mrs. MURRAY. Mr. President, my Pacific Northwest colleagues and I have mixed emotions about the recent move of our friend Bill Walters to Washington, DC. Although he will be sorely missed in our region, where he served in the Seattle office as deputy director for the National Park Service's Pacific West region, we realize that he will be playing a crucial role as associate to the Director for the National Park Service in its headquarters office within the Department of the Interior. We wish him much success in this new posting.

After serving the Pacific Northwest so ably, Bill has demonstrated he is well suited for his new job. The regional leadership of the Park Service call him the "regional dad." He has a charming way of being able to take care of things and make everyone feel good about the outcome. I imagine this is what the Director of the Park Service immediately sensed and why we lost a good person in the Northwest, but gained one at National Park Service Headquarters.

Bill arrived in Seattle in 1992, just as the new administration was talking about downsizing. He shepherded a reasonable approach to efficient management, reducing the numbers of employees without an employee losing his or her job. More importantly, in consultation with me and other members of the congressional delegation, he maintained an office in Seattle, which provides direct service to the people of the Pacific Northwest.

The upheaval created by this reorganization was considerable. His calm voice of reason and genuine compassion made it possible for all of us to work at finding improvement, efficiency, and value in maintaining an office in the Pacific Northwest.

It was through this difficult process that I became acquainted with Bill. Since then, I have witnessed numerous examples of his good judgment and the gracious manner in which he brings people together around thoughtful solutions. He is a master statesman.

Bill is one of the few park professionals who has experience at the local, State, and Federal levels. This experience and his rare personal qualities make him a perfect negotiator and an effective steward of the public trust. Bill developed a impressive working agreement with the State of Idaho for managing the city of Rocks National Reserve. I witnessed his skill firsthand when we worked together in the creation of the city, county, and national partnership for Washington's Ebey's Landing National Reserve, which is bringing new vision and energy to the management of this unique park.

He was instrumental in helping to forge the partnership that resulted in the Vancouver National Historic Reserve along the Columbia River in my State of Washington. Without his personal involvement, the site would still be mired in controversy. Instead, we have Federal, State, local, and private entities working together to support a site that has 200 years of European history and countless years of pre-European archeology.

There is a quiet competence and goodness about this man that enables him to work collaboratively with NGOs, environmental activists, employees, allies, community leaders, and opponents alike. I have always appreciated his honesty and forthright character. Many in the Northwest have come to respect and appreciate Bill's open and engaging manner and professionalism. Bill represents park interests in a way that has made partners out of adversaries. You can't go very far in the Pacific Northwest without seeing examples of Bill's effective problem solving and sound stewardship.

We may have lost a skilled and trusted manager in the Northwest, but National Park Service Director Fran Mainella has gained a valuable associate who will serve her and the National Park Service well in the years ahead. We all benefit by having this man of integrity in Government service.•

HAROLD SCHAFER: A NORTH DAKOTA ORIGINAL

• Mr. DORGAN. Mr. President, one of my State's leading citizens has passed away and I want to reflect on what can only be described as a triumphant life. I extend my sympathy to his family in this time of grief. But I know his family is also celebrating his full life.

Harold Schafer is the classic story of a poor youth who became successful through old-fashioned entrepreneurship and flat-out hard work. He deserves our respect for that, but, more importantly, we ought to take note of what he did with his wealth.

Harold Schafer would not permit his capital to pile up in trust funds, and stock portfolios, and real estate investments. To what will be his ever-lasting credit, he worked just as hard at disbursing his money to good causes as he initially did earning it. The recipients of his generosity are legion, colleges and communities and authors and park boards and hospitals and youth groups and a cavalcade of individuals who needed a hand.

Most memorable is his re-creation of the historic and romantic cow town of Medora. Cradled in the spectacular Badlands of North Dakota, it's become the State's primary tourist designation. Because of the enormous investment and creative imagination that Harold Schafer poured into rejuvenating it, this storied village, a place where Teddy Roosevelt once lived, has become symbolic of the Old West. Harold Schafer's resurrection and promotion of Medora has made it a jewel of North Dakota's heritage and will forever be the crowning achievement of his life.

Harold Schafer has left us, but he has given us Medora, a sweet, handsome, proud, and historic place. There can be no question but that Harold is pleased with this very special legacy and North Dakotans are thankful indeed.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:44 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 288. Concurrent resolution directing the Secretary of the Senate to make a technical correction in the enrollment of S. 1438.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 78. A joint resolution making further continuing appropriations for the fiscal year 2002, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 1438) to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

At 3:30 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 289. Concurrent resolution directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind.

At 6:04 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the amendments of the Senate to the bill (H.R. 2884) to amend the Internal Revenue Code of 1986 to provide tax relief for victims of the terrorist attacks against the United States on September 11, 2001, with an amendment, in which it requests the concurrence of the State.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 494. An act to provide for a transition to democracy and to promote economic recovery in Zimbabwe.

S. 1196. An act to amend the Small Business Investment Act of 1958, and for other purposes.

S.J. Res. 26. A joint resolution providing for the appointment of Patricia Q. Stonesifer as a citizen regent on the Board of Regents of the Smithsonian Institution.

The enrolled bills and joint resolution were signed subsequently by the president by the President pro tempore (Mr. BYRD).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 990: A bill to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes. (Rept. No. 107–123).

By Mr. JEFFORDS, from the Committee on Environment and Public Works, without amendment:

S. 1632: A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to extend the deadline for submission of State recommendations of local governments to receive assistance of predisaster hazard mitigation and to authorize the President to provide additional repair assistance to individuals and households. (Rept. No. 107–124).

By Mr. LEAHY, from the Committee on the Judiciary, without amendment:

H.R. 861: A bill to make technical amendments to section 10 of title 9, United States Code.

H.R. 1840: A bill to extend eligibility for refugee status of unmarried sons and daughters of certain Vietnamese refugees.

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment:

H.R. 1892: A bill to amend the Immigration and Nationality Act to provide for the acceptance of an affidavit of support from another eligible sponsor if the original sponsor has died and the Attorney General has determined for humanitarian reasons that the original sponsor's classification petition should not be revoked.

By Mr. LEAHY, from the Committee on the Judiciary, without amendment:

H.R. 2048: A bill to require a report on the operations of the State Justice Institute.

H.R. 2277: A bill to provide for work authorization for nonimmigrant spouses of treaty traders and treaty investors.

H.R. 2278: A bill to provide for work authorization for nonimmigrant spouses of intracompany transferees, and to reduce the period of time during which certain intracompany transferees have to be continuously employed before applying for admission to the United States.

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 8: A joint resolution designating 2002 as the "Year of the Rose".

S.J. Res. 13: A joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. LEAHY for the Committee on the Judiciary.

Callie V. Granade, of Alabama, to be United States District Judge for the Southern District of Alabama.

Mauricio J. Tamargo, of Florida, to be Chairman of the Foreign Claims Settlement Commission of the United States for a term expiring September 30, 2003.

Marcia S. Kreiger, of Colorado, to be United States District Judge for the District of Colorado.

James C. Mahan, of Nevada, to be United States District Judge for the District of Nevada.

Philip R. Martinez, of Texas, to be United States District Judge for the Western District of Texas.

C. Ashley Royal, of Georgia, to be United States District Judge for the Middle District of Georgia.

David Preston York, of Alabama, to be United States Attorney for the Southern District of Alabama for the term of four years.

Michael A. Battle, of New York, to be United States Attorney for the Western District of New York for a term of four years.

Harry E. Cummins, III, of Arkansas, to be United States Attorney for the Eastern District of Arkansas for the term of four years.

Christopher James Christie, of New Jersey, to be United States Attorney for the District of New Jersey for the term of four years.

Dwight MacKay, of Montana, to be United States Marshal for the District of Montana for the term of four years.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. LINCOLN:

S. 1815. A bill to amend the Agriculture and Food Act of 1981 to require the Secretary of Agriculture to conduct a pilot program under which the Secretary shall make grants to local units of government or local nonprofit organizations in the State of Arkansas to employ non-Federal resource conservation and development coordinators; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1816. A bill to provide for the continuation of higher education through the conveyance of certain public lands in the State of Alaska to the University of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. VOINOVICH (for himself and Mr. THOMPSON):

S. 1817. A bill to amend the Internal Revenue code of 1986 to provide for student loan forgiveness tax parity; to the Committee on Finance.

By Mr. DURBIN (for himself and Ms. Mikulski):

S. 1818. A bill to ensure that a Federal employee who takes leave without pay in order to perform service as a member of the uniformed services or member of the National Guard shall continue to receive pay and allowances such individual is receiving for such service, will be no less than the basic pay such individual would then be receiving if no interruption in employment had occurred; to the Committee on Governmental Affairs.

By Mr. BIDEN (for himself, Mr. Sessions, Mr. Cleland, Mr. Cochran, and Mr. Dayton):

S. 1819. A bill to provide that members of the Armed Forces performing services in the Republic of Korea shall be entitled to tax benefits in same manner as if such services were performed in a combat zone, and for other purposes; to the Committee on Finance.

By Mr. CLELAND (for himself, Mr. Rockefeller, and Mr. Wyden):

S. 1820. A bill to enhance authorities relating to emergency preparedness grants; to the Committee on Commerce, Science, and Transportation.

By Mr. AKAKA (for himself and Mr. Warner):

S. 1821. A bill to amend title 5, United States Code, to allow certain catch-up contributions to the Thrift Savings Plan to be made by participants age 50 or over, and to afford employees and Members full immediate participation in the Thrift Savings Plan upon commencing Federal service; to the Committee on Governmental Affairs.

By Mr. AKAKA (for himself and Mr. Warner):

S. 1822. A bill to amend title 5, United States Code, to allow certain catchup contributions to the Thrift Savings Plan to be made by participants age 50 or over; to the Committee on Governmental Affairs.

By Ms. COLLINS (for herself and Mr. Carper):

S. 1823. A bill to amend the Internal Revenue Code of 1986 to modify the exclusion relating to qualified small business stock; to the Committee on Finance.

By Mr. SMITH of Oregon (for himself and Mr. Wyden):

S. 1824. A bill to authorize payments to certain Lama Project water distribution entities for amounts assessed by the entities for operation and maintenance of the Project's irrigation works for 2001, to authorize funds to such entities of amounts collected by the Bureau of Reclamation for reserved works for 2001, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. BOXER (for herself, Mr. Craig, Mr. Crapo, Mr. Wyden, Mr. Smith of Oregon, and Mrs. Feinstein):

S. 1825. A bill to authorize the Secretary of Commerce to provide financial assistance to the States of Alaska, Washington, Oregon, California, and Idaho and tribes in the region for salmon habitat restoration projects in coastal waters and upland drainages, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WYDEN (for himself and Mr. Smith of Oregon):

S. 1826. A bill to authorize the Secretary of the Interior to conduct a study of the feasibility of providing adequate upstream and downstream passage for fish at the Chiloquin Dam on the Sprague River, Oregon; to the Committee on Energy and Natural Resources.

By Mr. HARKIN (for himself, Mr. Kennedy, and Mr. Baucus):

S. 1827. A bill to provide permanent authorization for International Labor Affairs Bureau to continue and enhance their work to alleviate child labor and improve respect for internationally recognized worker rights and core labor standards, and for other purposes; to the Committee on Foreign Relations.

By Mr. LEAHY (for himself and Mr. Hatch):

S. 1828. A bill to amend subchapter III of chapter 83 and chapter 84 of title 5, United States Code, to include Federal prosecutors within the definition of a law enforcement officer, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. BOXER (for herself, Mr. Brownback, Mr. Wellstone, and Ms. Mikulski):

S. Res. 191. A resolution expressing the sense of the Senate commending the inclusion of women in the Afghan Interim Administration and commending those who met at the historic Afghan Women's Summit for Democracy in Brussels; considered and agreed to.

By Mr. LEVIN (for himself, Mr. Warner, Mr. Kennedy, Mr. Thurmond, Mr. Byrd, Mr. McCain, Mr. Lieberman, Mr. Smith of New Hampshire, Mr. Cleland, Mr. Inhofe, Ms. Landrieu, Mr. Santorum, Mr. Reed, Mr. Roberts, Mr. Akaka, Mr. Allard, Mr. Nelson of Florida, Mr. Hutchinson, Mr. Nelson of Nebraska, Mr. Sessions, Mrs. Carnahan, Ms. Collins, Mr. Dayton, Mr. Bunning, Mr. Bingaman, Mr. Daschle, Mr. Lott, Mr. Leahy, Mr. Bond, and Mr. Rockefeller):

S. Con. Res. 93. A concurrent resolution recognizing and honoring the National Guard on the occasion of the 365th anniversary of its historic beginning with the founding of the militia of the Massachusetts Bay Colony; considered and agreed to.

ADDITIONAL COSPONSORS

S. 724

At the request of Mr. Bond, the name of the Senator from Connecticut (Mr. Dodd) was added as a cosponsor of S. 724, a bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assistance for targeted low-income pregnant women.

S. 1209

At the request of Mr. Bingaman, the name of the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 1209, a bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes.

S. 1214

At the request of Mr. Hollings, the name of the Senator from North Dakota (Mr. Dorgan) was added as a cosponsor of S. 1214, a bill to amend the Merchant Marine Act, 1936, to establish a program to ensure greater security for United States seaports, and for other purposes.

S. 1329

At the request of Mr. Jeffords, the name of the Senator from Kentucky (Mr. McConnell) was added as a cosponsor of S. 1329, a bill to amend the Internal Revenue Code of 1986 to provide a tax incentive for land sales for conservation purposes.

S. 1415

At the request of Mr. Hatch, the name of the Senator from New York (Mrs. Clinton) was added as a cosponsor of S. 1415, a bill to amend the Internal Revenue Code of 1986 to enhance book donations and literacy.

S. 1430

At the request of Mr. Johnson, the name of the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 1430, a bill to authorize the issuance of Unity Bonds in response to the acts of terrorism perpetrated against the United States on September 11, 2001, and for other purposes.

S. 1707

At the request of Mr. Jeffords, the name of the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1745

At the request of Mrs. Lincoln, the names of the Senator from South Carolina (Mr. Hollings) and the Senator from Iowa (Mr. Harkin) were added as cosponsors of S. 1745, a bill to delay until at least January 1, 2003, any changes in medicaid regulations that modify the medicaid upper payment limit for non-State Government-owned or operated hospitals.

S. 1749

At the request of Mr. Kennedy, the names of the Senator from Mississippi (Mr. Lott), the Senator from Iowa (Mr. Grassley) , the Senator from Texas (Mr. Gramm), the Senator from Indiana (Mr . Bayh), the Senator from Washington (Ms. Cantwell), and the Senator from Maine (Ms. Collins) were added as cosponsors of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 1762

At the request of Mr. Johnson, the name of the Senator from Maine (Ms.

COLLINS) was added as a cosponsor of S. 1762, a bill to amend the Higher Education Act of 1965 to establish fixed interest rates for student and parent borrowers, to extend current law with respect to special allowances for lenders, and for other purposes.

S. 1767

At the request of Mr. KENNEDY, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1767, a bill to amend title 38, United States Code, to provide that certain service in the American Field Service ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veteran's Affairs, and for other purposes.

S. 1785

At the request of Mr. CLELAND, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 1785, a bill to urge the President to establish the White House Commission on National Military Appreciation Month, and for other purposes.

S. 1793

At the request of Ms. COLLINS, the names of the Senator from Maine (Ms. SNOWE) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1793, a bill to provide the Secretary of Education with specific waiver authority to respond to conditions in the national emergency declared by the President on September 14, 2001.

S. CON. RES. 3

At the request of Mr. FEINGOLD, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S.Con. Res. 3, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

AMENDMENT NO. 2152

At the request of Mr. DEWINE, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of amendment No. 2152 intended to be proposed to H.R. 3090, a bill to provide tax incentives for economic recovery.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1816. A bill to provide for the continuation of higher education through the conveyance of certain public lands in the State of Alaska to the University of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. MURKOWSKI. Mr. President, the University of Alaska, the University, is Alaska's oldest post-secondary school. The University was chartered prior to statehood and has played a vital role in educating Alaskans as well as students from around the world. But the University of Alaska is also an important asset for our Nation. Today it provides a leadership role in Arctic Science and Arctic Engineering Research. Bringing Arctic energy to the Nation has required new breakthroughs in technology and engineering and our need to better understand global climate change has placed a high value of studying the Arctic where climate changes are most easily detected.

Additionally, the University has served as an important cornerstone in Alaska's history. For example, the University housed the Alaska Constitutional Convention where the fathers of statehood carved out the rights and privilege guaranteed to Alaska's citizens. Further, the University of Alaska is proud of the fact that it began life as the Alaska Agricultural and Mining College. However, what makes the University of Alaska truly unique is the fact that it is the only land grant college in the Nation that is virtually landless.

As my colleagues know, one of the oldest and most respected ways of financing America's educational system has been the land grant system. Established in 1785, this practice gives land to schools and universities for their use in supporting their educational endeavors. In 1862, Congress passed the Morrill Act which created the land grant colleges and universities as a way to underwrite the cost of higher education to more and more Americans. These colleges and universities received land from the Federal Government for facility location and, more importantly, as a way to provide sustaining revenues to these educational institutions.

The University of Alaska received the smallest amount of land of any State, with the exception of Delaware, that has a land grant college. Even the land grant college in Rhode Island received more land from the Federal Government than has the University of Alaska. In a state the size of Alaska, we should logically have one of the best and most fully funded land grant colleges in the country. Unfortunately, without the land promised under the land grant allocation system and earlier legislation, the University is unable to share as one of the premier land grant colleges in the country.

Previous efforts in Congress were made to fix this problem. These efforts date back to 1915, less than 50 years after the passage of the Morrill Act, when Alaska's Delegate James Wickersham shepherded a measure through Congress that set aside potentially more than a quarter of a million acres, in the Tanana Valley outside of Fairbanks, for the support of an agricultural college and school of mines. Following the practice established in the lower 48 for other land grant colleges, Wickersham's bill set aside every Section 33 of the unsurveyed Tanana Valley for the Alaska Agricultural College and School of Mines. Alaska's educational future looked very bright.

Many Alaskans saw the opportunity to set up an endowment system similar to that established by the University of Washington in the downtown center of Seattle, where valuable University lands are leased and provide funding for the University of Washington which uses those revenues in turn to provide for its programs and facilities.

Before that land could be transferred to the Alaska Agricultural College and School of Mines, renamed the University of Alaska in 1935, the land had to be surveyed in order to establish the exact acreage included in the reserved land. The sections reserved for education could not be transferred to the College until they had been delineated. According to records of the time, it was unlikely, given the incredibly slow speed of surveying, that the land could be completely surveyed before the 21st century. Surveying was and is an extraordinarily slow process in Alaska's remote and unpopulated terrain. In all, only 19 sections of land, approximately 11,211 acres, were ever transferred to the University. Of this amount, 2,250 were used for the original campus and the remainder was left to support educational opportunities.

Recognizing the difficulties of surveying in Alaska, subsequent legislation was passed in 1929 that simply granted land for the benefit of the University. This grant totaled approximately 100,000 acres and to this day comprises the bulk of the University's roughly 112,000 acres of land, less than one-third of what it was originally promised. In 1958, the Alaska Statehood Act was passed which extinguished the original land grants for all lands that remained unsurveyed. Thus, the University was left with little land with which to support itself and thus is unable to completely fulfill its mission as a land grant college.

The legislation I am introducing today would redeem the promises made to the University in 1915 and put it on an even footing with the other land grant colleges in the United States. The bill provides the University with the land needed to support itself financially and offers it the chance to grow and continue to act as a responsible steward of the land and educator of our young people. The legislation also provides a concrete timetable under which the University must select its lands and the Secretary of the Interior must act upon those selections.

This legislation also contains significant restrictions on the land the University can select. The University cannot select land located within a Conservation System Unit. The University cannot select old growth timber lands in the Tongass National Forest. Finally, the University cannot select land validly conveyed to the State or an ANCSA corporation, or land used in connection with federal or military institutions.

Additionally, under my bill the University must relinquish extremely valuable inholdings in Alaska once it receives its State/Federal selection awarded under Section 2 of this bill. Therefore, the result of this legislation will mean the relinquishment of prime University inholdings in such magnificent areas as the Alaska Peninsula & Maritime National Wildlife Refuge, The Kenai Fjords National Park, Wrangell St. Elias National Park and Preserve, and Glacier Bay National Park. So, not only does this bill uphold a decades old promise to the University of Alaska, it provides the Secretary of the Interior the opportunity to acquire thousands of acres of inholdings that will further protect Alaska's parks and refuges.

Specifically, this Section 2 of the bill would grant to the University up to 250,000 acres of federal land. Additionally, Section 5 of the bill establishes a matching program so that the University would be eligible to receive up to an additional 250,000 acres on a matching basis, acre-for-acre, with the State. This, obviously, would be done through the state legislative process involving the Governor, the Legislature, and the University's Board of Regents. The State matching provision is an important component of this legislation. Most agree with the premise that the University was shorted land. However, some believe it is solely the responsibility of the State to grant the University land. The legislation I am introducing today offers a compromise giving both the State and the Federal Government the opportunity to contribute while at the same time providing the Federal Government with thousands of aces of valuable inholdings in parks and refuges.

Finally, this bill contains a provision that incorporates a concept put forth by the Governor of Alaska. This provision directs the Secretary of the Interior to attempt to conclude an agreement with the University and the Governor of Alaska providing for sharing NPRA leasing revenues in lieu of land selections to prevent the University from obtaining more than ten percent of such annual revenues or more than nine million dollars each fiscal year. If an agreement is reached and provides for disposition of some portion of NPRA mineral leasing revenues to the University, the Secretary shall submit the proposed agreement to Congress for ratification. If the Secretary fails to reach an agreement within two years of enactment, or if Congress fails to ratify such agreement within three years from enactment, the University may select up to 92,000 of its 250,000 initial land grant from lands within NPRA north of latitude 69.

Therefore, this bill has been substantially changed from versions introduced in previous Congresses in two dramatic ways. First, in response to concerns from the Administration and environmental organizations the old growth areas of the Tongass National Forest are off limits for selection by the University. The only areas of the Tongass that could be selected by the University are those areas previously harvested. It is important that the University be allowed to select lands in this area as having the ability to study and manage as such areas are important tools for the University's School of Forestry.

The second substantial change to the bill, which was previously noted, is the revenue sharing component. This aspect provides an alternative means of providing for the needs of the University. With the passage of this bill, the University of Alaska will finally be able to act fully as a land grant college. It will be able to select lands that can provide the University with a stable revenue source as well as provide responsible stewardship for the land.

This is an exciting time for the University of Alaska. The promise that was made more than 80 years ago could be fulfilled by passage of this legislation, and Alaskans could look forward to a very bright future for the University of Alaska and those seeking an education or to conduct research.

By Mr. DURBIN (for himself and Ms. MIKULSKI):

S. 1818. A bill to ensure that a Federal employee who takes leave without pay in order to perform service as a member of the uniformed services or member of the National Guard shall continue to receive pay and allowances such individual is receiving for such service, will be no less than the basic pay such individual would then be receiving if no interruption in employment has occurred; to the Committee on Government Affairs.

Mr. DURBIN. Mr. President, today I would like to discuss the financial burden faced by many of the men and women who serve in the military Reserves or National Guard and who are forced to take unpaid leave from their jobs when called to active duty. While these individuals receive pay for the time they are on active duty, it is often significantly less than what they receive in their normal jobs. It is unfair to ask the men and women who have volunteered to serve their country, often in dangerous situation, to also face a financial strain on their families.

A number of employers have wisely acted to remedy this hardship by establishing a financial compensation plan for their employees in the Reserves or National Guard. In response to the recent terrorist attacks of September 11, the Netherlands-based ABN AMRO Bank N.V., one of the world's largest banks, has set up a special pay differential program to provide their employees in the Reserves and National Guard compensation equaling the income they would normally have to forfeit when called to active duty. LaSalle Bank, a subsidiary of ABN AMRO in Chicago, has already seen this program help 12 reservists in its ranks. The spokesperson for LaSalle described the program as something the company wanted to do "to be supportive of the country's efforts".

Let us take similar action in Washington and set an example for employers throughout the country. Today, I am introducing with my colleague from Maryland Senator BARBARA MIKULSKI, the Reservist Pay Security Act of 2001, legislation that will help alleviate the financial problems faced by many Federal employees who serve in the Reserves and must take time off from their jobs when called to active duty. This bill would allow these employees to maintain their normal salary when called to active service by requiring Federal agencies to make up the difference between their military pay and what they would have earned on their Federal job.

As the symbol of American values and ideals, the Federal Government should give these special employees of our government more than just words of support. We should not encourage Americans to protect their country and then punish those who enlist in the armed forces by taking away a large segment of the salary. We must provide our reservist employees with financial support so that they can leave their civilian lives to serve in the military without worrying about the financial well-being of their families.

By Mr. BIDEN (for himself, Mr. SESSIONS, Mr. CLELAND, Mr. COCHRAN, and Mr. DAYTON):

S. 1819. A bill to provide that members of the Armed Forces performing services in the Republic of Korea shall be entitled to tax benefits in same manner as if such services were performed in a combat zone, and for other purposes; to the Committee on Finance.

Mr. BIDEN. Mr. President, today I am introducing legislation, along with Senators SESSIONS, CLELAND, COCHRAN, and DAYTON that simply ensures that personnel serving in Korea get the same tax benefits as personnel serving in other forward deployed areas of the world such as Kuwait and the Balkans. I am hoping that this legislation can be added to the economic stimulus package, but if not, I want to make other Senators aware of the need to take this action for the brave men and women serving in Korea.

We cannot fix all of the quality of life problems in Korea overnight, but we can at least provide basic equity in the tax treatment of military personnel who serve there so that they get the same benefits those in Kuwait and the Balkans get.

Let me share with my colleagues some of the facts that led us to decide that this tax equity is needed and is needed now.

While we have representatives of every service in Korea, the bulk of our force is from the Army. Seventeen percent of the entire Army is stationed in, on orders to, or returning from the Republic of Korea at any given time. That's about 81,000 soldiers.

Unlike most Army postings, which tend to be for six months, ninety-six percent of those stationed in Korea are there for at least one year of unaccompanied duty. In some Army specialities, personnel are asked to serve for far more than one unaccompanied, year-long tour in Korea, which encourages experienced personnel to leave the Army.

Duty tours in Korea involve longer separations from family, under worse quality of life conditions than almost any other overseas Army post, in a military zone that is clearly hostile, for less pay. This is a serious moral issue. Let me give you an example, a typical E–5 will make $5,136 less, $2,292 in Federal taxes that must be paid and not getting the $2,844 separation ration if sent to Korea rather than the Balkans. Our men and women in the military do not serve to become rich, but people notice and morale suffers when one assignment means working in poor conditions for a year and taking a $5,000 pay-cut.

When I say the conditions are poor, I want people to know that I am not exaggerating. The quality of life in Korea is recognized as substantially lower than other overseas posts and far lower than within the United States. Consider that orders for Korea have the highest command declination rate and the highest "no show" rate in the Army.

Even worse, look at the housing situation. Only ten percent of the command sponsored service members serving in Korea can be housed, and that housing is generally substandard. Compare this to seventy-two percent of forces deployed to Japan and seventy-four percent of forces in Europe having housing available.

Let me explain what I mean by substandard housing in Korea. The same Quonset huts built in the 1950s as temporary structures are still being used in 2001 to house troops today. Those huts are being shared by 4 or more personnel, often at a level of Sergeant or higher, which is well below standard quarters for such rank.

I visited those Quonset huts when I traveled to Korea in August. I saw the sand bags they have to put out when it rains to prevent major flooding. I witnessed the cramped living quarters; even worse than my freshman college dorm room. I have heard that when winter comes, and Korean winters are famous for their severity, these buildings are much like living in an igloo.

Our troops make the best of this deplorable situation, but they deserve some relief. These are the men and women on whom we rely to deter North Korean aggression on a peninsula that is still technically in a state of war.

Because the tour of duty is unaccompanied for ninety-six percent of the service members there, most of the approximately 21,000 married military personnel in Korea are forced to maintain 2 households. The substandard accommodations available force significant out-of-pocket expenses for basic items like food for both households, phone access, transportation, and other items basic to other posts. The Command estimates that $3,000 to $5,000 per year are spent by deployed personnel on these "hidden costs." Any family that has had to budget knows that this is a significant economic burden at a time when these families are already enduring a year of separation.

It is no wonder that the Army has trouble filling billets in Korea. If you combine the tax disparity and the "hidden costs", a mid-level E–5 will make $8,000 to $10,000 less if deployed to Korea versus the Balkans or Kuwait. This is unacceptable, and it is something that we can fix now. The command estimates that granting pay equity would cost approximately $85 million a year. That is surely the least we owe the fine men and women serving in Korea today.

By Mr. CLELAND (for himself, Mr. ROCKEFELLER, and Mr. WYDEN):

S. 1820. A bill to enhance authorities relating to emergency preparedness grants; to the Committee on Commerce, Science, and Transportation.

Mr. CLELAND. Mr. President, the horrific events of September 11 underscore in red the heroism of the men and women who put their lives on the line every day, the courageous fire fighters and police officers of this Nation, the domestic defenders of America. Each and every day, fire fighters and police officers wake up knowing that they may have to run into burning buildings or respond to chemical or biological attacks. As thousands and thousands of people were running for their lives out of the World Trade Center and the Pentagon, police officers and fire fighters were running in the opposite direction, into the danger and toward the people who could not save themselves. Tragically, many of those first responders did not come out. Sixty police officers and 344 fire fighters are missing or have been declared dead in the World Trade Center attacks. The majority of the fire fighters who responded to the first five alarms of the terrorist attacks, including the city's entire search and rescue fleet of five squad companies, were in the Twin Towers when they collapsed. They are, by any definition, heroes.

We ask for a tremendous amount of responsibility from a small group of people. Fire fighters and police officers are the first responders to almost every tragedy imaginable. From car accidents to plane crashes, from kitchen fires to towering infernos, from domestic disputes to hazardous material spills, we depend upon their service and training each and every day. This Nation's fire fighters and police officers stand ready to respond to the needs of America. The terrible tragedy of September 11 is a daily reminder of how critical it is that America respond to the needs of its first responders.

For the last three months our Nation has focused on how we may best increase the security of our borders. During this time, experts on terrorism have warned us to think outside the box, that if we fail to do so, this Nation will put itself in the vulnerable position of forever responding to the last terrorist attack. The number of anthrax cases is a warning in red that biological and chemical agents are available as weapons of mass destruction. Given this fact, the capacity of our police officers and fire fighter to respond quickly to emergencies involving hazardous materials becomes more important than ever.

The U.S. Department of Transportation administers the Emergency Preparedness Grants Program, which helps State local governments train police and fire fighters to respond to hazmat emergencies. Currently that program is funded at $14 million, and the money comes from registration fees paid by certain hazmat carriers and shippers. Given the growing need for expertise in handling hazardous materials, the $14 million pot of money is clearly inadequate. It is estimated that current funding can provide training to only about 120,000 emergency personnel a year out of a pool of almost 3 million. Grants to local governments are small, ranging from $100,000 to $300,000 on average. In fact, a recent Washington Post article stated that Washington, D.C. is supposed to have a fire department team to respond to a chemical or biological attack, but according to the article, its members rarely train, and are used instead for routine fire-fighting.

Because money has never been fully allocated for hazmat training grants, there is a current $15 million surplus in the Emergency Preparedness Grants Program. This is $15 million which could be going for critical first responder training. Today I am joined by Senators ROCKEFELLER and WYDEN in introducing the Heroic Emergency Response Operations Act, the HERO bill, which would allow the Department of Transportation to access the $15 million in surplus funds, at no cost to the taxpayer, and disperse the lion's share of this money to State and local governments for hazmat training of the men and women who are at ground zero during emergencies involving hazardous materials.

Under our legislation, $1 million of the $15 million surplus would be authorized to go to the International Association of Fire Fighters, IAFF, which provides specialized hazmat training free of charge to local fire departments. According to the IAFF, funding of $1 million per year would quadruple the number of fire fighters who receive the necessary training to safeguard their health and safety as well as that of the citizens they protect during emergency response at or along our Nation's transportation corridor. In addition, the HERO bill would also require the Department of Transportation to develop national standards for security training related to the deliberate release of hazardous materials used as weapons of mass destruction. These standards would be in addition to the existing standards which address emergency response to accidental hazmat spills which may occur during the transportation of hazardous materials.

In this era of potential chemical and biological attacks, we need to do everything we can to ensure that our local police officers and fire fighters receive the proper training to do the difficult job we ask them to do. We in Congress must do all we can to help the first responders of this Nation because they do everything they can to help us, including giving their lives in the line of duty, as we are painfully reminded by the tragic events of September 11. Our legislation is endorsed by the International Association of Fire Fighters, IAFF, and the International Brotherhood of Police Officers, IBPO. I ask unanimous consent that the text of the HERO bill be printed in the RECORD.

There being no objection, the bill was ordered to the printed in the RECORD, as follows.

S. 1820

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Heroic Emergency Response Operations Act" or "HERO Act".

SEC. 2. ENHANCEMENT OF EMERGENCY PREPAREDNESS GRANTS.

(a) SECURITY TRAINING FOR TRANSPORTATION OF HAZARDOUS MATERIAL.—Subsection (i) of section 5116 of title 49, United States Code, is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) to develop minimum national standards for, and to develop and conduct, security training relating to the transportation of hazardous material in commerce, except that not more than 5 percent of the amount in the account available in any fiscal year may be used for activities under this paragraph.".

(b) AMOUNT AVAILABLE FOR SUPPLEMENTAL TRAINING GRANTS.—Subsection (j) of that section is amended by adding at the end the following new paragraph:

"(6) The amount made available each fiscal year from the account under subsection (i)(1) for grants under this subsection shall be $1,000,000.".

(c) AVAILABILITY OF FUNDS GENERALLY.—Notwithstanding any limitation in section 5127 of title 49, United States Code, or in any appropriations Act (including any appropriations Act enacted after the date of the enactment of this Act), all fees collected pursuant to section 5108 of that title, including any fees collected before the date of the enactment of this Act that remain available for obligation, shall be available for obligation, without further appropriation in accordance with section 5116(i) of that title, as amended by subsection (a).

Mr. ROCKEFELLER. Mr. President, it is my distinct pleasure to join my friend from Georgia, Senator CLELAND, in cosponsoring the Heroic Emergency Response Operations, or HERO, Act. The legislation we introduce today honors individuals whom the tragic events of the past few months have truly shown to be heroes, our firefighters and police officers. The HERO Act honors these men and women by providing grants to State and local governments to allow there dedicated public servants to be trained in the proper handling of hazardous materials emergencies.

The HERO Act expands upon the existing Department of Transportation, DOT, Hazardous Materials Emergency Preparedness Grants, which are intended to provide financial and technical assistance to enhance State and local hazardous materials planning and training. The program is authorized to distribute up to $14 million in fees that have been collected from shippers and carriers of hazardous materials to emergency responders for hazmat training. Unfortunately, this money has never been fully allocated to this important endeavor, and there is now a $15 million surplus.

The HERO Act will allow the Secretary of Transportation to access this $15 million in surplus funds and use it for its intended purpose. Additionally, the HERO Act authorizes that $1 million of the surplus funds go to the International Association of Fire Fighters, (IAFF), which offers a specialized program of hazmat training, free of charge, to firefighters across the country. The IAFF is the only organization currently offering this specialized hazmat training, and the additional funding will quadruple the number of firefighters with access to it.

In the course of learning some important, but painful, lessons during the past few months, our nation has had the opportunity to focus on some positives that we may have taken for granted. As surely as the epic tragedies of September 11 made us aware of the unspeakable evil in the world, it also gave us great pride in the heroes in our midst. When an anthrax-laden letter contaminated the offices of the Majority Leader and others, we came to understand our vulnerability to chemical and biological terrorism. At the same time, we came to more fully appreciate the dedication of the Capitol Police, and the highly trained biohazard units from several agencies of the Federal Government and the armed forces. I am among a group of displaced Senators and staff anxiously waiting for these experts to determine that the Hart Building is safe to re-enter, and I am confident that when we do go back in, the health of Senators and staff members will have been safeguarded by these brave men and women.

I believe it is our duty as members of Congress to see to it that when firefighters and police officers anywhere in the country respond to an accident, crime, or act of terrorism that has resulted in the release of hazardous materials, these heroes have the proper training to protect themselves and the general public. I further believe it is unconscionable that while hazmat teams in every State in the Union go without this much-needed training, this stockpile of money sits unused in the Treasury.

Even before the events of the past few months highlighted the need for enhanced and expanded hazardous materials training, DOT and the IAFF were training as many emergency personnel as possible. However, at its current level of funding, the Emergency Preparedness Grants Program can only provide hazmat training to approximately 120,000 of the nation's 3 million emergency workers each year. Given what has happened, it should be obvious that the need for specialized hazmat training has quickly outpaced the money currently available. This leaves emergency workers in big cities and small towns in the untenable situation of knowing the risks they face, but lacking the proper training to react appropriately.

The legislation I am cosponsoring with Senator CLELAND offers an excellent solution to this problem. At no cost to taxpayers, the HERO Act will allow many thousands of emergency personnel to receive hazardous materials training that they would not otherwise be able to receive. Further, it will require DOT to develop minimal national standards for providing security training to those who transport hazardous materials in commerce, which should reduce the likelihood that emergency personnel will have to put their lives at risk to protect us. I commend Senator CLELAND for his work on this issue, and I wholeheartedly recommend it to my colleagues. I believe the Congress should enact this bill at its earliest opportunity, and that the President should sign it into law.

By Mrs. BOXER (for herself, Mr. CRAIG, Mr. CRAPO, Mr. WYDEN, Mr. SMITH of Oregon, and Mrs. FEINSTEIN):

S. 1825. A bill to authorize the Secretary of Commerce to provide financial assistance to the States of Alaska, Washington, Oregon, California, and Idaho and tribes in the region for salmon habitat restoration projects in coastal waters and upland drainages, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. BOXER. Mr. President, I am very pleased to be introducing the Pacific Salmon Recovery Act to grant Federal funding for salmon recovery efforts in California, Idaho, Washington, Oregon, and Alaska. The Salmon Recovery Act authorizes the Secretary of Commerce to provide $350 million during each of the next six fiscal years to these five western States and the Tribes in that region.

In California, as in much of the West, wild salmon stocks have collapsed. Their precipitous decline is the result of habitat destruction, overfishing, pollution, and dams that block the passage of fish to and from their spawning areas. The results have been tragic. Fishermen have lost their jobs. Tribes have lost species that are their religious and cultural icons. And, the environment is suffering.

This bill would help to remedy these problems by investing in the restoration of these economic and culturally important fish. Specifically, it will provide funds to support projects in coastal waters and river habitats that will help restore and recover wild salmon. It directs that priority be given to the restoration of species listed as threatened or endangered under the Endangered Species Act. It establishes criteria to ensure that funds are not wasted on projects that will not benefit fish. It directs the Secretary of Commerce to develop a process for peer reviewing proposed projects to ensure that only scientifically sound projects receive funding. And, it requires States and Tribes to provide an annual spending plan to Congress as well as a onetime comprehensive plan for salmon restoration.

It is important to note that Idaho and the Tribes will finally be eligible for Pacific Salmon Recovery Fund dollars as a result of this bill. There is no justification for them to have been excluded in the past. Additionally, this bill requires that the funds be divided equally among the 5 States. This will ensure that the funding distribution is not distorted by political pressures.

I am particularly pleased that the supporters of this bill come from across the political spectrum. I am joined in the introduction of this bill by Senators CRAIG, R-ID, CRAPO, R-ID, WYDEN, D-OR, SMITH, R-OR, and FEINSTEIN, D-CA. We worked together for many months to craft this legislation. We were ultimately successful because we all share the same goal, saving wild salmon.

Finally, this bill illustrates clearly that our economy and our environment are linked. I have always said we cannot have a healthy economy without a healthy environment. In restoring the salmon, we will also be restoring the economy of many communities in the West that are, or were, dependent on healthy salmon runs.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pacific Salmon Recovery Act".

SEC. 2. SALMON CONSERVATION AND SALMON HABITAT RESTORATION ASSISTANCE.

(a) REQUIREMENT TO PROVIDE ASSISTANCE.—Subject to the availability of appropriations, the Secretary shall provide financial assistance in accordance with this Act to eligible States and eligible tribal governments for conservation of salmon and salmon habitat restoration activities.

(b) ALLOCATION.—Subject to section 3(f), of the amounts available to provide assistance under this section each fiscal year, the Secretary—

(1) shall allocate 85 percent among eligible States, in equal amounts; and

(2) shall allocate 15 percent among eligible tribal governments, in amounts determined by the Secretary.

(c) TRANSFER.—

(1) IN GENERAL.—The Secretary shall promptly transfer—

(A) to an eligible State that has submitted and had approved an annual spending plan under section 3(a) and a Salmon Conservation and Salmon Habitat Restoration Plan approved under section 3(b), amounts allocated to the eligible State under subsection (b)(1); and

(B) to an eligible tribal government that has submitted and had approved an annual spending plan under section 3(a) and a memorandum of understanding under section 3(c), amounts allocated to the eligible tribal government under subsection (b)(2).

(2) TRANSFERS TO ELIGIBLE STATES.—The Secretary shall make the transfer under paragraph (1)(A)—

(A) to the Washington State Salmon Recovery Board, in the case of amounts allocated to Washington;

(B) to the Oregon State Watershed Enhancement Board, in the case of amounts allocated to Oregon;

(C) to the California Department of Fish and Game for the California Coastal Salmon Recovery Program, in the case of amounts allocated to California;

(D) to the Governor of Alaska, in the case of amounts allocated to Alaska; and

(E) to the Office of Species Conservation, in the case of amounts allocated to Idaho.

(d) REALLOCATION.—

(1) AMOUNTS ALLOCATED TO ELIGIBLE STATES.—Amounts that are allocated to an eligible State for a fiscal year shall be reallocated under subsection (b)(1) among the other eligible States, if—

(A) the eligible State does not have an annual salmon spending plan approved under section 3(a);

(B) the eligible State does not have in effect at the end of the first fiscal year after the amounts have been allocated a Salmon Conservation and Salmon Habitat Restoration Plan approved under section 3(b); or

(C) the amounts allocated remain unobligated at the end of the year following the fiscal year for which the amounts were allocated.

(2) AMOUNTS ALLOCATED TO ELIGIBLE TRIBAL GOVERNMENTS.—Amounts that are allocated to an eligible tribal government for a fiscal year shall be reallocated under subsection (b)(2) to the other eligible tribal governments, if the eligible tribal government—

(A) does not have an annual salmon spending plan approved under section 3(a); or

(B) has not entered into a memorandum of understanding with the Secretary in accordance with section 3(c) at the end of the fiscal year following the fiscal year for which the amounts were allocated.

SEC. 3. RECEIPT AND USE OF ASSISTANCE.

(a) ANNUAL SALMON SPENDING PLAN.—In order to receive assistance under this Act, an eligible State or eligible tribe shall submit and have approved by the Secretary an annual salmon plan which shall include a description of the projects and programs that the State or tribe plans to implement with the funds allocated. The Secretary shall review a State or tribal plan within 90 days and provide a State or tribe an opportunity to resubmit the plan if necessary. Funds shall not be transferred to a State or tribe until an annual salmon plan is approved.

(b) ELIGIBLE STATE SALMON CONSERVATION AND RESTORATION PLAN.—

(1) IN GENERAL.—In order to receive assistance under this Act, an eligible State shall submit to the Secretary by the end of the first fiscal year after the amounts have been allocated, and, not later than 90 days after receipt of such a plan, the Secretary shall approve or deny, a Salmon Conservation and Salmon Habitat Restoration Plan that meets the requirements of paragraph (3).

(2) NEGATIVE DETERMINATION.—If the Secretary determines that a plan described in paragraph (1) submitted by an eligible State does not meet the requirements of paragraph (3), the Secretary shall inform the State of the deficiencies of the plan, and the State may resubmit the plan for review by the Secretary.

(3) CONTENTS.—Each Salmon Conservation and Salmon Habitat Restoration Plan shall, at a minimum—

(A) be consistent with all applicable Federal laws;

(B) promote the recovery of salmon;

(C) except as provided in subparagraph (D), give priority to use of assistance under this Act for projects that—

(i) provide a direct and demonstrable benefit to salmon or their habitat;

(ii) provide the greatest benefit to salmon conservation and salmon habitat restoration relative to the cost of the projects; and

(iii) conserve and restore habitat for—

(I) salmon that are listed as an endangered species or threatened species, proposed for such listing, or a candidate for such listing, under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); or

(II) salmon that are given special protection under the laws or regulations of the eligible State;

(D) in the case of a plan submitted by an eligible State in which, on the date of enactment of this Act, there is no area at which a salmon species referred to in subparagraph (C)(iii)(I) spawns—

(i) give priority to use of assistance for projects referred to in clauses (i) and (ii) of subparagraph (C) that contribute to programs that prevent the decline of unlisted species and that conserve species of salmon that intermingle with, or are otherwise related to, species referred to in subparagraph (C)(iii)(I), which may include (among other matters)—

(I) salmon habitat restoration;

(II) salmon supplementation and enhancement only for the purposes of restoring naturally reproducing salmon stocks and conserving salmon genetic diversity;

(III) salmon-related research, data collection, and monitoring; and

(IV) national and international cooperative habitat programs; and

(ii) provide for revision of the plan within 1 year after any date on which any salmon species that spawns in the eligible State—

(I) is listed as an endangered species or threatened species;

(II) is proposed for such listing; or

(III) becomes a candidate for such listing, under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(E) establish specific goals and time lines for activities funded with assistance under this Act;

(F) include measurable criteria by which such activities may be evaluated;

(G) require that activities carried out with such assistance shall—

(i) contribute to the conservation and recovery of salmon;

(ii) be scientifically based in accordance with the requirements prescribed by the Secretary under section 4;

(iii) be cost-effective; and

(iv) not be conducted on private land, except with the consent of the owner of the land; and

(H) consider whether activities funded under this Act will have long-term benefits based, in part, on consideration of upstream or downstream activities or activities occurring elsewhere in the watershed.

(4) SUBMISSION OF REGIONAL PLANS.—If the State is unable to complete a comprehensive statewide Salmon Conservation and Restoration Plan within the timeframe established in section 3(b) the State may submit 1 or more Plans covering distinct regions within the State. Funding shall only be available for States or regions within the State for which there is an approved Plan.

(c) MEMORANDUM OF UNDERSTANDING BETWEEN TRIBAL GOVERNMENT AND THE SECRETARY.—

(1) IN GENERAL.—To receive assistance under this Act, an eligible tribal government shall—

(A) have an approved annual spending plan; and

(B) enter into a memorandum of understanding with the Secretary regarding use of the assistance by the end of the second fiscal year after the amounts have been allocated.

(2) CONTENTS.—Each memorandum of understanding shall, at a minimum—

(A) be consistent with all applicable Federal laws;

(B) be consistent with the goal of recovering salmon;

(C) give priority to use of assistance under this Act for activities that—

(i) provide a direct and demonstrable benefit to salmon or their habitat;

(ii) provide the greatest benefit to salmon conservation and salmon habitat restoration relative to the cost of the projects; and

(iii) conserve and restore habitat for—

(I) salmon that are listed as an endangered species or threatened species, proposed for such listing, or a candidate for such listing, under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); or

(II) salmon that are given special protection under the resolutions, ordinances, or regulations of the eligible tribal government;

(D) in the case of a memorandum of understanding entered into by an eligible tribal government for an area in which, as of the date of enactment of this Act, there is no area at which a salmon species referred to in subparagraph (C)(iii)(I) spawns—

(i) give priority to use of assistance for projects referred to in clauses (i) and (ii) of subparagraph (C) that contribute to programs described in subsection (a)(3)(D)(i); and

(ii) include a requirement that the memorandum shall be revised within 1 year after any date on which any salmon species that spawns in the area—

(I) is listed as an endangered species or threatened species;

(II) is proposed for such listing; or

(III) becomes a candidate for such listing, under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(E) establish specific goals and time lines for activities funded with assistance under this Act;

(F) include measurable criteria by which such activities may be evaluated;

(G) establish specific requirements for reporting to the Secretary by the eligible tribal government; and

(H) require that activities carried out with such assistance shall—

(i) contribute to the conservation or recovery of salmon;

(ii) be scientifically based, in accordance with the requirements prescribed by the Secretary under section 4;

(iii) be cost-effective; and

(iv) not be conducted on private land, except with the consent of the owner of the land.

(d) ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—Assistance under section 2 may be used by an eligible State in accordance with a plan approved under section 3(b), or by an eligible tribal government in accordance with a memorandum of understanding entered into by the government under section 3(c), to carry out or make grants or provide loans to carry out, among other activities—

(A) protection and restoration of salmon habitat, including riparian areas;

(B) acquisition from willing sellers of conservation easements for riparian habitat protection;

(C) watershed evaluation, assessment, and planning necessary to develop a site-specific and clearly prioritized plan to implement watershed improvements, including for making multiyear grants;

(D) research and collection of data on salmon, and monitoring of salmon and salmon habitat;

(E) salmon supplementation and enhancement projects only for the purposes of restoring naturally reproducing salmon stocks and conserving salmon genetic diversity;

(F) maintenance and monitoring of projects completed with assistance under this Act;

(G) technical training and education projects, including teaching private landowners about practical means of improving land and water management practices to contribute to the conservation and restoration of salmon habitat; and

(H) other activities related to conservation of salmon and salmon habitat restoration.

(2) PEER REVIEW.—Eligible science-based activities in paragraph (1) shall be validated through a peer review process that satisfies the requirements prescribed by the Secretary under section 4.

(3) COLUMBIA RIVER BASIN.—Funds allocated to eligible States and tribal governments for projects or activities located within the Columbia River Basin shall be used in a manner consistent with the Northwest Power Planning Council's Columbia River Basin Fish and Wildlife Program.

(e) USE OF ASSISTANCE FOR ACTIVITIES OUTSIDE JURISDICTION OF RECIPIENT.—

(1) ASSISTANCE TO STATES.—Assistance under this Act provided to an eligible State only may be used for activities within that State's borders.

(2) ASSISTANCE TO TRIBAL GOVERNMENTS.—Assistance under this Act provided to an eligible tribal government may be used for activities conducted within the borders of its resident State (or States).

(f) COST-SHARING BY ELIGIBLE STATES.—

(1) IN GENERAL.—An eligible State shall provide 25 percent non-Federal match, in the aggregate, of any financial assistance provided to the eligible State for a fiscal year under this Act. The non-Federal match may be in the form of monetary contributions or in-kind contributions of services for projects carried out with assistance under this Act. For purposes of this paragraph, monetary contributions by the State shall not be considered to include funds received from other Federal sources.

(2) LIMITATION ON REQUIREMENT FOR MATCHING FUNDS.—The Secretary may not require an eligible State to provide matching funds for each project carried out with assistance under this Act.

(3) TREATMENT OF MONETARY CONTRIBUTIONS.—For purposes of subsection (a)(3)(H), the amount of monetary contributions by an eligible State under this subsection shall be treated as expenditures from non-Federal sources for salmon conservation and salmon habitat restoration programs.

(4) BONNEVILLE POWER ADMINISTRATION FISH AND WILDLIFE FUNDING.—Funds collected by the Bonneville Power Administration from electricity ratepayers and allocated to eligible States and tribal governments for fish and wildlife activities shall not be considered to be funds from a Federal source under this Act.

(g) SUPPLEMENTATION OF STATE AND TRIBAL FUNDING.—An eligible State or tribal government shall maintain its aggregate expenditures of funds from non-Federal sources for salmon and salmon habitat restoration programs at or above the average annual level of such expenditures in the 2 fiscal years preceding the date of enactment of this Act or $10,000,000 for each fiscal year, whichever is less.

(h) COORDINATION OF ACTIVITIES.—Each eligible State and each eligible tribal government receiving assistance under this Act is encouraged to carefully coordinate the salmon conservation activities of that State or tribal government to—

(1) eliminate duplicative and overlapping activities; and

(2) provide consideration of upstream or downstream activities or activities occurring elsewhere in the watershed that may impact the efficacy of restoration efforts.

(i) Limitations on Use of Funds.—

(1) Administrative expenses.—

(A) Federal administrative expenses.—Of the amounts available to carry out this Act for a fiscal year, not more than 1 percent may be used by the Secretary for administrative expenses incurred in carrying out this Act.

(B) State and tribal administrative expenses.—Of the amount allocated under this Act to an eligible State or eligible tribal government each fiscal year, not more than 3 percent may be used by the eligible State or eligible tribal government, respectively, for administrative expenses incurred in carrying out this Act.

(2) Activities required for environmental permit.—No funds available to carry out this Act may be used by a private entity for activities that would otherwise be required as a condition or requirement of a Federal, State, or local environmental permit.

SEC. 4. PEER REVIEW REQUIREMENTS.

(a) In General.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prescribe the requirements for expedited peer review of science-based activities contained in the annual spending plan for each eligible State or tribal government. In order to achieve salmon recovery throughout the coastal salmon's range, each plan shall be considered separately on its own merits.

(b) Content.—The requirements for expedited peer review shall include the following:

(1) Panels.—Establishment of sufficient peer review panels, as determined by the Secretary, to achieve timely peer review of activities contained in the annual spending plan. The of number of members, qualifications for membership, and procedure for selection of members for each panel shall be substantially in the same manner as the peer review panel provided for under section 4(h)(10)(D) of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839b(h)(10)(D)).

(2) Necessary information.—A description of the information that must be provided to the peer review panel in order to evaluate the activities. Each State's Salmon Conservation and Salmon Habitat Restoration Plan and each tribal government's memorandum of understanding shall establish the mechanism for providing needed information to the peer review panel.

(3) Review of proposed activities.—Review, by the panels, of activities proposed for funding with assistance under this Act, within the time prescribed by the Secretary.

(4) Determination and recommendations.—Submittal of the peer review panel's determinations and recommendations regarding the activities within each State's or tribe's annual spending plan to the Secretary, in order to be considered by the Secretary in approving or disapproving the annual spending plan, in accordance with the provisions of section 3(a). States or tribes shall be provided an opportunity to resubmit any plan, if necessary, or to propose alternative projects within their respective jurisdictions.

(c) Interim Funding.—An eligible State or tribal government may receive funding under this Act prior to the finalization by the Secretary of the peer review requirements under this section.

(d) Peer Review Funding.—The Secretary shall pay the expenses incurred by peer review panels in an amount not to exceed $500,000 a year from the administrative costs described in section 3(i)(1)(A).

SEC. 5. PUBLIC PARTICIPATION.

(a) Eligible States.—Each eligible State seeking assistance under this Act shall establish a citizen advisory committee or provide a similar forum for local governments and the public to participate in obtaining and using the assistance, as well as in the development of the State Salmon Conservation and Restoration Plan. Each eligible State receiving assistance under this Act shall hold public meetings to receive recommendations on the use of the assistance.

(b) Eligible Tribal Governments.—Each eligible tribal government receiving assistance under this Act shall hold public meetings to receive recommendations on the use of the assistance.

SEC. 6. CONSULTATION NOT REQUIRED.

Consultation under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) shall not be required based solely on the provision of financial assistance under this Act. Projects or activities that affect listed species shall remain subject to applicable provisions of the Endangered Species Act of 1973.

SEC. 7. REPORTS.

Each eligible State and tribal government shall, not later than December 31 of the second year in which amounts are available to carry out this Act, and every 2 years thereafter, submit to the Secretary a biennial report on the use of financial assistance received by the eligible State or tribal government under this Act. The report shall contain an evaluation of the success of that State or tribal government in meeting the criteria listed in section 3 (b) and (c), whichever is applicable.

SEC. 8. DEFINITIONS.

In this Act:

(1) Indian tribe.—The term "Indian tribe" has the meaning given that term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(2) Eligible state.—The term "eligible State" means each of the States of Alaska, Washington, Oregon, California, and Idaho.

(3) Eligible tribal government.—The term "eligible tribal government" means—

(A) a federally recognized tribal government of an Indian tribe in Alaska, Washington, Oregon, California, or Idaho that the Secretary, in consultation with the Secretary of the Interior, determines—

(i) is involved in salmon management and recovery activities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

(ii) has the management and organizational capability to maximize the benefits of assistance provided under this Act; or

(B) an Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), or a federally recognized tribe in Alaska, that the Secretary, in consultation with the Secretary of the Interior, determines—

(i) is involved in salmon conservation and management; and

(ii) has the management and organizational capability to maximize the benefits of assistance provided under this Act.

(4) Salmon.—The term "salmon" means any naturally produced salmonid or naturally produced trout of the following species:

(A) Coho salmon (oncorhynchus kisutch).

(B) Chinook salmon (oncorhynchus tshawytscha).

(C) Chum salmon (oncorhynchus keta).

(D) Pink salmon (oncorhynchus gorbuscha).

(E) Sockeye salmon (oncorhynchus nerka).

(F) Steelhead trout (oncorhynchus mykiss).

(G) Sea-run cutthroat trout (oncorhynchus clarki clarki).

(H) For purposes of applying this Act to Oregon, the term "salmon" also includes—

(i) lahontan cutthroat trout (oncorhnychus clarki henshawi); and

(ii) bull trout (salvelinus confluentus).

(I) For purposes of applying this Act to Washington and Idaho, the term "salmon" also includes bull trout (salvelinus confluentus).

(5) Secretary.—The term "Secretary" means the Secretary of Commerce.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $350,000,000 for each of the fiscal years 2002 through 2007 to carry out the provisions of this Act. Any funds appropriated pursuant to this Act shall remain available until expended.

By Mr. HARKIN (for himself, Mr. KENNEDY, and Mr. BAUCUS):

S. 1827. A bill to provide permanent authorization for International Labor Affairs Bureau to continue and enhance their work to alleviate child labor and improve respect for internationally recognized worker rights and core labor standards, and for other purposes; to the Committee on Foreign Relations.

Mr. HARKIN. Mr. President, laws are only as effective as their implementation and enforcement. That is why today I am introducing the Fair International Standards in Trade and Investment Act of 2001 along with my distinguished colleagues, Senator KENNEDY, chairman of the Senate Health, Education, Labor, and Pensions Committee, and Senator BAUCUS, chairman of the Senate Finance Committee.

This legislation will provide much-needed policy direction to the U.S. Labor Department DOL, and enhance the standing and capacity of the International Labor Affairs Bureau, ILAB, within that Department in the formulation and conduct of our nation's international economic policies. With these tools, ILAB can better inform and equip U.S. policy-makers in all three branches of our Federal Government to assist and induce our foreign trading partners to enforce their own national laws against abusive child labor and to comply with thirteen U.S. laws that have been enacted since 1983 which link U.S. trade, investment, and aid policies to the elimination of abusive child labor and growing international respect for the other internationally-recognized worker rights and core labor standards.

Currently, ILAB does not have any underlying, permanent statutory authority for any of its international activities. It simply operates as an adjunct to the personal office of the Secretary of Labor. Practically speaking, this gives ILAB very little clout in inter-agency policy-making and no real voice to insist on better enforcement of the child labor provisions and other worker rights provisions in U.S. law, international law, or any of the bilateral trade and investment agreements that America has with more than 150 foreign countries.

The time has come for better equipping our government and the rest of the world with urgently-needed tools to constructively link compliance with child labor laws and other basic worker rights to the conduct of continued trade and investment liberalization. We need new thinking and new resolve to crackdown on abusive child labor throughout the global economy and to beef up protection of internationally-recognized worker rights and core labor standards. If enacted, this legislation will lay a solid statutory foundation underneath ILAB. It will empower ILAB to help ensure that as our Nation enters into additional trade and investmennt agreements, that those new agreements as well as all of our pre-existing agreements serve to raise the living standards and protect the rights of working people as well as corporate managers and investors.

I have spent more than a decade in this Senate leading the charge against the commercial exploitation of children in the workplace at home and abroad. Just last year, the Congress enacted provisions I authored in the Trade and Development Act of 2000 which prohibit trade preferences and duty-free access to the U.S. marketplace for any trading nation that is not meeting its international legal obligations to eliminate the worst forms of child labor. Now we have to make certain that these new provisions and our other trade-linked worker rights laws are practically enforced and that means improving ILAB's capacity to meet this increasingly-immportant responsibility.

In the final analysis, increased trade and investment are not ends in themselves. They are means for achieving more broad-based, sustainable development and greater economic and social justice in the global economy. Our real choice is not between free trade or protectionism. Our policy challenge is to identify new and constructive ways in which the power of government can be used to manage globalization in ways that curb abusive child labor and protect worker rights as much as property rights. A well-grounded and enhanced ILAB within the one Cabinet department in our government that was created to advance the needs and protect the fundamental rights of working people everywhere can help us meet this challenge for the 21st century and beyond.

By Mr. LEAHY (for himself and Mr. HATCH):

S. 1828. A bill to amend subchapter III of chapter 83 and chapter 84 of title 5, United States Code, to include Federal prosecutors within the definition of a law enforcement officer, and for other purposes; to the Committee on Governmental Affairs.

Mr. LEAHY. Mr. President, I rise to introduce, with my good friend Senator HATCH, the Federal Prosecutors' Retirement Benefit Equity Act of 2001. This bill would correct an inequity that exists under current law, whereby Federal prosecutors receive substantially less favorable retirement benefits than other nearly all other people involved in the Federal criminal justice system. The bill would increase the retirement benefits given to Assistant United States Attorneys by including them as "law enforcement officers" "LEOs", under the Federal Employees' Retirement System and the Civil Service Retirement System. The bill would also allow the Attorney General to designate other attorneys employed by the Department of Justice who act primarily as criminal prosecutors as LEO's for purposes of receiving these retirement benefits.

The primary reason for granting enhanced retirement benefits to LEOs is the often dangerous work of law enforcement. Currently, Assistant United States Attorneys, "AUSAs", and other Federal prosecutors are not eligible for these enhanced benefits, which are enjoyed by the vast majority of other employees in the criminal justice system. This exclusion is unjustified. The relevant provisions of the United States Code dealing with retirement benefits define an LEO as an employee whose duties are, "primarily the investigation, apprehension, or detention" of individuals suspected or convicted of violating Federal law. See 5 U.S.C. §§8331(20) and 8401(17). AUSAs and other Federal prosecutors participate in planning investigations, interviewing witnesses both inside and outside of the office setting, debriefing defendants, obtaining warrants, negotiating plea agreements and representing the government at trials and sentencings, all of which fall within the definition of the duties performed by law enforcement officers. Indeed, once a defendant is brought into the criminal justice system, the person with whom they have the most fact-to-face contact, and often in an extremely confrontational environment, is the Federal prosecutor.

Although prosecutors do not personally execute arrests, searches and other physically dangerous activities, LEO status is accorded to many criminal justice employees who do not perform such tasks, such as pretrial services officers and probation officers and accountants, cooks and secretaries of the Bureau of Prisons. Moreover, because they are often the most conspicuous representatives of the government in the criminal justice system, Federal prosecutors are natural targets for threats of reprisals by vengeful criminals. Indeed, there are numerous incidents in which assaults and serious death threats have been made against Federal prosecutors, sometimes resulting in significant disruption of their personal and family lives.

Only recently a veteran Federal prosecutor in the Western District of Washington was murdered in his home, and, although the crime remains unsolved, based upon the facts of the case the authorities have referred to the crime as a hit. In addition, I have received many other accounts from Federal prosecutors regarding specific threats to which they and their families have been subjected because of the performance of their duties. Federal prosecutors have written to me that they have been forced to relocate themselves and their families due to death threats; that they have been assaulted; that they and their families have been followed by members of criminal organizations; that have been forced to install security systems at their homes and to change their routes to and from the office to protect their safety and the safety of their families.

As our war against terrorism continues, Federal prosecutors will be on the front lines once again as the symbols of our criminal justice system, and unfortunately therefore the targets of those who seek its downfall. Among other tasks, the Attorney General has designated AUSA's to play a major role working with police and Federal agents in forming each judicial district's Anti-Terrorism Task Force. One Federal prosecutors wrote to me stating that shortly after his name was in the local news as heading his district's Anti-Terrorism Task Force and he had spoken to his family about taking suitable precautions, that his young son came into his bedroom one night holding a hockey stick for protection asking about their safety. Thus, Federal prosecutors and their families will deal more than ever with a level of stress and danger that justifies their being treated as LEOs.

Enhanced retirement benefits are also justified by the Federal Government's need for experienced prosecutors to bring ever more sophisticated cases under increasingly complex Federal criminal laws. In recent years, we have seen the growth of complex Federal prosecutors to combat the threats posed by organized crime, drug cartels, terrorist groups and other sophisticated criminals. The prosecution of such difficult cases is best handled by experienced prosecutors. It is therefore in the public interest to provide reasonable financial incentives for talented, experienced prosecutors to remain in government service.

This bill would make Assistant United States Attorneys and other Federal prosecutors designated by the Attorney General eligible for immediate, unreduced retirement benefits at age 50 with 20 years of service. For example, prosecutors who are covered by the Civil Service Retirement System would receive 50 percent of the average of their three highest years' salary. At the same time, it would exempt prosecutors from the mandatory retirement provisions that require other law enforcement officers to retire at age 57. Because the loss of physical strength and agility does not adversely affect a person's ability to function as a prosecutor, there is no reason to mandate early retirement.

Two important features of this bill will contain its costs. First, the bill provides that incumbent Federal prosecutors are themselves responsible for making up the difference in individual contributions owed to the Civil Service Retirement and Disability Fund for their prior service. An incumbent has the choice of making up this difference either by making a payment up front or by accepting a reduction in retirement benefits. Second, government contributions for the prior service of incumbents are made ratably over a ten-year period under this bill. Thus, payments for prior government contributions are spread out to lessen the financial impact. These two provisions will insure that the cost of the bill is kept well within reasons.

This bill enjoys broad, grass root support. In the last month alone, I have received literally hundreds of letters supporting this bill, sent from over 40 States, District of Columbia and Puerto Rico. The bill also enjoys support in the law enforcement community. The National Association of Assistant United States Attorneys, the Federal Criminal Investigators Association, and the Southern States Police Benevolent Association have all written me to voice support for the inclusion of AUSAs in the definition of an LEO.

In addition, I know that other Senators, including Senator MIKULSKI, are considering additional measures to expand these same retirement benefits to other Federal employees who perform law enforcement functions, including IRS employees whose primary duty is to collect delinquent taxes. I support and commend their leadership in bringing these matters to the forefront.

For all of these reasons, I am pleased to introduce this legislation with Senator HATCH, and I urge its swift enactment into law.

I ask unanimous consent that the text of the bill be printed in the RECORD along with a sectional analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Prosecutors Retirement Benefit Equity Act of 2001".

SEC. 2. INCLUSION OF FEDERAL PROSECUTORS IN THE DEFINITION OF A LAW ENFORCEMENT OFFICER.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) IN GENERAL.—Paragraph (20) of section 8331 of title 5, United States Code, is amended by striking "position." and inserting "position and a Federal prosecutor.".

(2) FEDERAL PROSECUTOR DEFINED.—Section 8331 of title 5, United States Code, is amended—

(A) in paragraph (27), by striking "and" at the end;

(B) in paragraph (28), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(29) 'Federal prosecutor' means—

"(A) an assistant United States attorney under section 542 of title 28; or

"(B) an attorney employed by the Department of Justice and designated by the Attorney General of the United States.".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) IN GENERAL.—Paragraph (17) of section 8401 of title 5, United States Code, is amended—

(A) in subparagraph (C), by striking "and" at the end;

(B) in subparagraph (D), by adding "and" after the semicolon; and

(C) by adding at the end the following:

"(E) a Federal prosecutor;".

(2) FEDERAL PROSECUTOR DEFINED.—Section 8401 of title 5, United States Code, is amended—

(A) in paragraph (33), by striking "and" at the end;

(B) in paragraph (34), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(35) 'Federal prosecutor' means—

"(A) an assistant United States attorney under section 542 of title 28; or

"(B) an attorney employed by the Department of Justice and designated by the Attorney General of the United States.".

(c) TREATMENT UNDER CERTAIN PROVISIONS OF LAW (UNRELATED TO RETIREMENT) TO REMAIN UNCHANGED.—

(1) ORIGINAL APPOINTMENTS.—Subsections (d) and (e) of section 3307 of title 5, United States Code, are amended by adding at the end of each the following: "The preceding sentence shall not apply in the case of an original appointment of a Federal prosecutor as defined under section 8331(29) or 8401(35).".

(2) MANDATORY SEPARATION.—Sections 8335(b) and 8425(b) of title 5, United States Code, are amended by adding at the end of each the following: "The preceding provisions of this subsection shall not apply in the case of a Federal prosecutor as defined under section 8331(29) or 8401(35).".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first applicable pay period beginning on or after 120 days after the date of enactment of this Act.

SEC. 3. PROVISIONS RELATING TO INCUMBENTS.

(a) DEFINITIONS.—In this section, the term—

(1) "Federal prosecutor" means—

(A) an assistant United States attorney under section 542 of title 28, United States Code; or

(B) an attorney employed by the Department of Justice and designated by the Attorney General of the United States; and

(2) "incumbent" means an individual who is serving as a Federal prosecutor on the effective date of this section.

(b) DESIGNATED ATTORNEYS.—If the Attorney General of the United States makes any designation of an attorney to meet the definition under subsection (a)(1)(B) for purposes of being an incumbent under this section,—

(1) such designation shall be made before the effective date of this section; and

(2) the Attorney General shall submit to the Office of Personnel Management before that effective date—

(A) the name of the individual designated; and

(B) the period of service performed by that individual as a Federal prosecutor before that effective date.

(c) NOTICE REQUIREMENT.—Not later than 9 months after the date of enactment of this Act, the Department of Justice shall take measures reasonably designed to provide notice to incumbents on—

(1) their election rights under this Act; and

(2) the effects of making or not making a timely election under this Act.

(d) ELECTION AVAILABLE TO INCUMBENTS.—

(1) IN GENERAL.—An incumbent may elect, for all purposes, to be treated—

(A) in accordance with the amendments made by this Act; or

(B) as if this Act had never been enacted.

(2) FAILURE TO ELECT.—Failure to make a timely election under this subsection shall be treated in the same way as an election under paragraph (1)(A), made on the last day allowable under paragraph (3).

(3) TIME LIMITATION.—An election under this subsection shall not be effective unless the election is made not later than the earlier of—

(A) 120 days after the date on which the notice under subsection (c) is provided; or

(B) the date on which the incumbent involved separates from service.

(e) LIMITED RETROACTIVE EFFECT.—

(1) EFFECT ON RETIREMENT.—In the case of an incumbent who elects (or is deemed to have elected) the option under subsection (d)(1)(A), all service performed by that individual as a Federal prosecutor shall—

(A) to the extent performed on or after the effective date of that election, be treated in accordance with applicable provisions of subchapter III of chapter 83 or chapter 84 of title 5, United States Code, as amended by this Act; and

(B) to the extent performed before the effective date of that election, be treated in accordance with applicable provisions of subchapter III of chapter 83 or chapter 84 of such title, as if the amendments made by this Act had then been in effect.

(2) NO OTHER RETROACTIVE EFFECT.—Nothing in this Act (including the amendments made by this Act) shall affect any of the terms or conditions of an individual's employment (apart from those governed by subchapter III of chapter 83 or chapter 84 of title 5, United States Code) with respect to any period of service preceding the date on which such individual's election under subsection (d) is made (or is deemed to have been made).

(f) INDIVIDUAL CONTRIBUTIONS FOR PRIOR SERVICE.—

(1) IN GENERAL.—An individual who makes an election under subsection (d)(1)(A) may, with respect to prior service performed by such individual, contribute to the Civil Service Retirement and Disability Fund the difference between the individual contributions that were actually made for such service and the individual contributions that should have been made for such service if the amendments made by section 2 had then been in effect.

(2) EFFECT OF NOT CONTRIBUTING.—If no part of or less than the full amount required under paragraph (1) is paid, all prior service

of the incumbent shall remain fully creditable as law enforcement officer service, but the resulting annuity shall be reduced in a manner similar to that described in section 8334(d)(2) of title 5, United States Code, to the extent necessary to make up the amount unpaid.

(3) PRIOR SERVICE DEFINED.—For purposes of this section, the term "prior service" means, with respect to any individual who makes an election under subsection (d)(1)(A), service performed by such individual before the date as of which appropriate retirement deductions begin to be made in accordance with such election.

(g) GOVERNMENT CONTRIBUTIONS FOR PRIOR SERVICE.—

(1) IN GENERAL.—If an incumbent makes an election under subsection (d)(1)(A), the Department of Justice shall remit to the Office of Personnel Management, for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund, the amount required under paragraph (2) with respect to such service.

(2) AMOUNT REQUIRED.—The amount the Department of Justice is required to remit is, with respect to any prior service, the total amount of additional Government contributions to the Civil Service Retirement and Disability Fund (over and above those actually paid) that would have been required if the amendments made by section 2 had then been in effect.

(3) CONTRIBUTIONS TO BE MADE RATABLY.—Government contributions under this subsection on behalf of an incumbent shall be made by the Department of Justice ratably (on at least an annual basis) over the 10-year period beginning on the date referred to in subsection (f)(3).

(h) REGULATIONS.—Except as provided under section 4, the Office of Personnel Management shall prescribe regulations necessary to carry out this Act, including provisions under which any interest due on the amount described under subsection (f) shall be determined.

(i) EFFECTIVE DATE.—This section shall take effect 120 days after the date of enactment of this Act.

SEC. 4. DEPARTMENT OF JUSTICE ADMINISTRATIVE ACTIONS.

(a) DEFINITION.—In this section the term "Federal prosecutor" has the meaning given under section 3(a)(1).

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Attorney General of the United States shall—

(A) consult with the Office of Personnel Management on this Act (including the amendments made by this Act); and

(B) promulgate regulations for making designations of Federal prosecutors who are not assistant United States attorneys.

(2) CONTENTS.—Any regulations promulgated under paragraph (1) shall ensure that attorneys designated as Federal prosecutors who are not assistant United States attorneys have routine employee responsibilities that are substantially similar to those of assistant United States attorneys assigned to the litigation of criminal cases, such as the representation of the United States before grand juries and in trials, appeals, and related court proceedings.

(c) DESIGNATIONS.—The designation of any Federal prosecutor who is not an assistant United States attorney for purposes of this Act (including the amendments made by this Act) shall be at the discretion of the Attorney General of the United States.

FEDERAL PROSECUTORS RETIREMENT BENEFIT EQUITY ACT OF 2001—SECTION-BY-SECTION ANALYSIS

Sec. 1. Short title. Contains the short title, the "Federal Prosecutors Retirement Benefit Equity Act of 2001."

Sec. 2. Inclusion of Federal prosecutors in the definition of a law enforcement officer. Amends 5 U.S.C. §§8331 and 8401 to extend the enhanced law enforcement officer ("LEO") retirement benefits to Federal prosecutors, defined to include assistant United States attorneys ("AUSAs") and such other attorneys in the Department of Justice as are designated by the Attorney General of the United States. This section also exempts Federal prosecutors from mandatory retirement provisions for LEO's under the civil service laws.

Sec. 3. Provisions relating to incumbents. Governs the treatment of incumbent federal prosecutors who would be eligible for LEO retirement benefits under this Act. This section requires the Office of Personnel Management to provide notice to incumbents of their rights under this subtitle; allows incumbents to opt out of the LEO retirement program; governs the crediting of prior service by incumbents; and provides for make-up contributions for prior service of incumbents to the Civil Service Retirement and Disability Fund. The section gives incumbents the option of either contributing their own share of any make-up contributions or receiving a proportionally lesser retirement benefit. The section allows the government to contribute its share of any make-up contribution ratably over a ten year period.

Sec. 4. Department of Justice administrative actions. Allows the Attorney General to designate additional Department of Justice attorneys with substantially similar responsibilities, in addition to assistant United States attorneys, as Federal prosecutors for purposes of this Act and thus be eligible for the LEO retirement benefits.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 191—EXPRESSING THE SENSE OF THE SENATE COMMENDING THE INCLUSION OF WOMEN IN THE AFGHAN INTERIM ADMINISTRATION AND COMMENDING THOSE WHO MET AT THE HISTORIC AFGHAN WOMEN'S SUMMIT FOR DEMOCRACY IN BRUSSELS

Mrs. BOXER (for herself, Mr. BROWNBACK, Mr. WELLSTONE, and Ms. MIKULSKI) submitted the following resolution; which was considered and agreed to:

S. RES. 191

Whereas the U.N. sponsored talks in Bonn included the participation of three women delegates and three women advisers;

Whereas women will serve in the Afghan Interim Administration, including in the position of Vice-Chair;

Whereas on December 4–5, 2001, the Afghan Women's Summit for Democracy met at the European Commission in Brussels, Belgium;

Whereas fifty Afghan women leaders, broadly representative of women in Afghanistan, took part in the Summit, ensuring that the voices of Afghan women are heard;

Whereas the Afghan Women's Summit supports the implementation of United Nations Security Council Resolution 1325 on Women and Peace and Security;

Whereas United Nations Security Council Resolution 1325 reaffirms the importance of the equal participation and full involvement of women in all efforts for the maintenance and promotion of peace and security, and the need to increase their role in decision-making with regard to conflict prevention and resolution;

Whereas women under the rule of the Taliban in Afghanistan were denied their basic human rights;

Whereas the Senate has previously adopted a resolution insisting that Afghan women must be included in planning the future reconstruction of Afghanistan: Now, therefore, be it

Resolved, That it is the sense of the Senate that,

(1) it is critically important for the future of Afghanistan that women participated at the United Nations sponsored talks in Bonn and will be included in the Afghan interim administration; and

(2) the Afghan Women's Summit for Democracy recommendations for health, education, political participation, and refugee programs for women should be strongly considered when shaping the future of Afghanistan.

SENATE CONCURRENT RESOLUTION 93—RECOGNIZING AND HONORING THE NATIONAL GUARD ON THE OCCASION OF THE 365TH ANNIVERSARY OF ITS HISTORIC BEGINNING WITH THE FOUNDING OF THE MILITIA OF THE MASSACHUSETTS BAY COLONY

Mr. LEVIN (for himself, Mr. WARNER, Mr. KENNEDY, Mr. THURMOND, Mr. BYRD, Mr. MCCAIN, Mr. LIEBERMAN, Mr. SMITH of New Hampshire, Mr. CLELAND, Mr. INHOFE, Ms. LANDRIEU, Mr. SANTORUM, Mr. REED, Mr. ROBERTS, Mr. AKAKA, Mr. ALLARD, Mr. NELSON of Florida, Mr. HUTCHINSON, Mr. NELSON of Nebraska, Mr. SESSIONS, Mrs. CARNAHAN, Ms. COLLINS, Mr. DAYTON, Mr. BUNNING, Mr. BINGAMAN, Mr. DASCHLE, Mr. LOTT, Mr. LEAHY, Mr. BOND, and Mr. ROCKEFELLER) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 93

Whereas the National Guard is the oldest component of the Armed Forces of the United States, founded on December 13, 1636, as the militia of the Massachusetts Bay Colony;

Whereas the citizen soldiers and airmen of the National Guard have fought in every major American conflict, from the colonial wars of the 17th century to the ongoing operations against the al Qaeda terrorist network and the Taliban regime in Afghanistan that harbored those terrorists;

Whereas the National Guard traditionally has served with distinction as America's first line of defense against the consequences of natural and man-made disasters within the United States;

Whereas the men and women of the National Guard serve as an indispensable part of critical United States military operations around the world, including patrolling the no-fly zones over Iraq and peacekeeping in the Balkans;

Whereas headquarters elements of National Guard combat divisions lead the United States' participation in the multinational Stabilization Force in Bosnia;

Whereas the men and women of the National Guard were among the first to respond to the terrorist atrocities of September 11, 2001, including Air National Guard fighter crews who scrambled on that day and Army National Guard personnel who deployed to assist with rescue and recovery efforts in New York and Virginia;

Whereas the men and women of the National Guard, in keeping with the National Guard's historic mission of homeland defense, are flying combat air patrols to protect the safety of American airspace and are performing critical security roles in their State capacity at airports and other important sites around the Nation; and

Whereas the citizen soldiers and airmen of the National Guard serve a critical role in protecting the freedom of American citizens and the American ideals of justice, liberty, and freedom, both at home and abroad: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, on December 13, 2001, the occasion of the 365th anniversary of the founding of the militia of the Massachusetts Bay Colony that was the precursor to the force of citizen soldiers and airmen now proudly known as the National Guard, Congress—

(1) recognizes that anniversary of the National Guard as an important milestone in the military tradition of the United States;

(2) honors the commitment and sacrifices made by the 458,400 citizen soldiers and airmen of the National Guard, their families, their employers, and their communities;

(3) recognizes the critical importance of the National Guard, at home and abroad, to the national security of the United States;

(4) salutes the citizen soldiers and airmen of the National Guard for their service on September 11, 2001, and their continuing role in homeland defense and military operations against the al Qaeda terrorist network and the Taliban regime in Afghanistan that harbored those terrorists;

(5) supports a policy of providing the National Guard with resources necessary to ensure its continued readiness; and

(6) expresses the deep gratitude of the American people to the men and women of the National Guard for their dedication and commitment to the security and freedom of the United States.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2516. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2517. Mr. TORRICELLI submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2518. Mr. SMITH, of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2519. Mr. McCain (for himself, Mr. Gramm, and Mr. Kerry) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2520. Mr. LUGAR submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2521. Mr. LUGAR submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2522. Mr. FEINGOLD (for himself, Mr. Grassley, and Mr. Harkin) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra.

SA 2523. Ms. LANDRIEU submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2524. Mr. DORGAN (for himself, Mr. Grassley, Mr. Hagel, Mr. Lugar, Mr. Johnson, Mr. Nelson, of Nebraska, Mr. Torricelli, and Mr. Wellstone) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2525. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2526. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2527. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2528. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2529. Mrs. MURRAY (for herself, Mrs. Feinstein, Mr. Craig, Ms. Cantwell, and Mrs. Boxer) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2530. Mrs. MURRAY submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2531. Mrs. MURRAY submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2532. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2533. Mr. CRAPO (for himself and Mr. Craig) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2534. Mr. JOHNSON (for himself, Mr. Grassley, Mr. Wellstone, Mr. Harkin, Mr. Thomas, Mr. Dorgan, Mr. Feingold, and Mr. Daschle) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra.

SA 2535. Mr. TORRICELLI submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2536. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2537. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2538. Mr. THURMOND (for himself and Mr. Helms) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2539. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2540. Mr. NICKLES submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2541. Mr. SMITH, of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2542. Mr. SANTORUM (for himself, Mr. Durbin, Mr. Feingold, Mr. DeWine, Mr. Kohl, Mr. Hatch, Mrs. Clinton, and Mr. Jeffords) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2543. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2544. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2545. Mrs. FEINSTEIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2546. Mr. WYDEN (for himself and Mr. Brownback) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra.

SA 2547. Mr. WYDEN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2548. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2549. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2550. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2551. Mr. JOHNSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2552. Mr. CRAPO (for himself and Mr. Craig) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2553. Mr. CRAPO (for himself and Mr. Craig) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2554. Mr. CRAPO submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2555. Mr. CRAPO submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2556. Mr. SESSIONS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2557. Mr. ALLEN (for himself and Mr. Warner) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2558. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2559. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2560. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2561. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2562. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2563. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2564. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2565. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2566. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2567. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2568. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2569. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2570. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2571. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2572. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2573. Mr. BINGAMAN (for himself, Mr. Warner, and Mr. Allen) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2574. Mr. DORGAN (for himself, Mr. Grassley, Mr. Hagel, Mr. Lugar, Mr. Johnson, Mr. Nelson, of Nebraska, Mr. Torricelli, and Mr. Wellstone) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2575. Mr. BINGAMAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2576. Mr. DASCHLE (for himself and Mr. Lugar) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2577. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2578. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2579. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2580. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2581. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2582. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2583. Mr. BREAUX (for himself and Ms. Landrieu) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2584. Mr. BREAUX (for himself, Ms. Landrieu, and Mrs. Lincoln) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2585. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2586. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2587. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2588. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2589. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2590. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2591. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2592. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2593. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2594. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2595. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2596. Mr. SMITH, of New Hampshire (for himself, Mr. Torricelli, Mr. Graham, Mr. Allen, Mr. Ensign, Mr. Helms, Mr. Nelson, of Florida, Mr. Lieberman, and Mr. Smith, of Oregon) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra.

SA 2597. Mr. TORRICELLI (for himself, Mr. Nelson, of Florida, and Mr. Lieberman) proposed an amendment to amendment SA 2596 proposed by Mr. Smith of New Hampshire, to the amendment SA 2471 submitted by Mr. Smith of New Hampshire, and intended to be proposed to the bill (S. 1731) supra.

SA 2598. Mr. McCAIN (for himself, Mr. Gramm, and Mr. Kerry) proposed an amendment to the bill S. 1731, supra.

SA 2599. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2600. Mr. CARPER (for himself and Ms. Collins) submitted an amendment intended to be proposed by him to the bill H.R. 3090, to provide tax incentives for economic recovery; which was ordered to lie on the table.

SA 2601. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2516. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of title I and insert a period and the following:

Subtitle E—Payment Limitation Commission

SEC. 171. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Commission on the Application of Payment Limitations for Agriculture" (referred to in this subtitle as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of the following 7 members appointed by the Secretary of Agriculture (referred to in this subtitle as the "Secretary"):

(A) 2 members from land grant colleges or universities with expertise in agricultural economics.

(B) 5 members who shall be producers of agricultural commodities, each of whom shall represent 1 of the following regions, as determined by the Secretary:

(i) The Midwest.

(ii) The Great Plains.

(iii) The South.

(iv) The Northeast.

(v) The West.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(4) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(c) TERM; VACANCIES.—

(1) TERM.—A member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy on the Commission—

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet—

(1) on a regular basis, as determined by the Chairperson; and

(2) at the call of the Chairperson or a majority of the members of the Commission.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

SEC. 172. DUTIES.

(a) COMPREHENSIVE REVIEW.—The Commission shall conduct a comprehensive review of—

(1) the laws (including regulations) that apply or fail to apply payment limitations to agricultural commodity and conservation programs administered by the Secretary;

(2) the impact that failing to apply effective payment limitations have on—

(A) the agricultural producers that participate in the programs;

(B) overproduction of agricultural commodities; and

(C) the prices that agricultural producers receive for agricultural commodities in the marketplace;

(3) the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certificates and the forfeiture of loan collateral; and

(4) alternatives to payment limitation requirements in effect on the date of enactment of this Act that would apply meaningful limitations to improve the effectiveness and integrity of the requirements.

(b) RECOMMENDATIONS.—In carrying out the review under subsection (a), the Commission shall develop specific recommendations for modifications to applicable legislation and regulations that would improve payment limitation requirements.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the review conducted, and any recommendations developed, under this section.

SEC. 173. POWERS.

(a) HEARINGS.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subtitle.

(b) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subtitle.

(2) PROVISION OF INFORMATION.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) ASSISTANCE FROM SECRETARY.—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

SEC. 174. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(b) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

SEC. 175. FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 176. FUNDING.

Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $100,000 to carry out this subtitle.

SEC. 177. TERMINATION OF COMMISSION.

The Commission shall terminate on the day after the date on which the Commission submits the report of the Commission under section 172(c).

SA 2517. Mr. TORRICELLI submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 376, after line 24, insert the following:

(c) EFFECTIVE DATE.—The amendments made by this section shall not take effect until the President certifies to Congress that all convicted felons wanted by the Federal Bureau of Investigation who are currently living as fugitives in Cuba have been returned to the United States for incarceration.

SA 2518. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10. CROP INSURANCE AND NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are caused by direct federal action.

(b) PROVISIONS.—

(1) 7 U.S.C. 7333, as amended by P.L. 104-127, is amended—

(i) in Section (a)(3) by striking "or" and

(ii) in Section (a)(3) by striking "as determined by the Secretary." and inserting in lieu thereof "as determined by the Secretary, or disaster caused by direct federal regulatory implementation or resource management decision, action, or water allocation." and

(iii) in Section (c)(2) by striking "or other natural disaster, as determined by the Secretary." and inserting in lieu thereof "other natural disaster (as determined by the Secretary), or disaster caused by direct federal regulatory implementation or resource management decision, action, or water allocation,".

(2) 7 U.S.C. 1508 is amended—

(i) in Section (a)(1) by striking "or other natural disaster (as determined by the Secretary)." and inserting "natural disaster (as determined by the Secretary), or disaster caused by direct federal regulatory implementation or resource management decision, action, or water allocation." and

(ii) in Section (b)(1) by striking "or other natural disaster (as determined by the Secretary)," and inserting in lieu thereof "other natural disaster (as determined by the Secretary), or direct federal regulatory implementation or resource management decision, action, or water allocation,".

(c) ADMINISTRATIVE RULES.—The Secretary is encouraged to review and amend administrative rules and guidelines describing disaster conditions to accommodate situations where planting decisions are based on federal water allocations. The Secretary is further encouraged to review the level of disaster payments to irrigated agriculture producers in such cases where federal water allocations are withheld prior to the planting period.

(d) EFFECTIVENESS.—

(1) Subsections (a)(1) and (a)(2) of this section shall be made effective only upon:

(i) finding by the Secretary that implementation of subsections (a)(1) and (a)(2):

(A) do not affect the financial soundness of approved insurance providers or the integrity of the Federal crop insurance program, and

(B) additional authorities are not needed to achieve actuary soundness of implementing subsections (a)(1) and (a)(2).

SA 2519. Mr. MCCAIN (for himself, Mr. GRAMM, and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

At the appropriate place in subtitle C of title X, insert the following:

SEC. . LABELING OF FISH AS CATFISH.

Section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, is repealed.

SA 2520. Mr. LUGAR submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, which was ordered to lie on the table; as follows:

Beginning on page 762, strike line 16 and all that follows through page 763, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) FUNDING.—

"(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

"(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

"(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

"(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation."; and

(2) in subsection (e), by adding at the end the following:

"(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.".

SA 2521. Mr. LUGAR submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike title IV and insert the following:

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the "Food Stamp Simplification Act of 2001".

Subtitle A—Food Stamp Program

SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF CASH ASSISTANCE.

Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended—

(1) in the second sentence, by striking "receives benefits" and inserting "receives cash assistance"; and

(2) in the third sentence, by striking "receives benefits" and inserting "receives cash assistance".

SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICIPATED INCOME.

Section 5(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(2)) is amended by striking "$30" and inserting "$100".

SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: "including child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,".

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

"(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6)."; and

(2) by adding at the end the following:

"(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

"(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

"(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).".

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting "(15)"; and

(2) by inserting before the period at the end the following: ", (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants,

scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for, or the amount of, cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels".

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 414(2)) is amended by inserting before the period at the end the following: ", and (19) any interest or dividend income received by a member of the household".

SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

"(ii) not less than the minimum deduction specified in subparagraph (E).

"(B) GUAM.—The Secretary shall allow a standard deduction for each household in Guam that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

"(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for fiscal year 2002;

"(ii) 8.5 percent for each of fiscal years 2003 through 2005;

"(iii) 9 percent for each of fiscal years 2006 through 2008;

"(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

"(v) 10 percent for each fiscal year thereafter.

"(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.".

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

"(C) STANDARD DEPENDENT CARE ALLOWANCES.—

"(i) ESTABLISHMENT OF ALLOWANCES.—

"(I) IN GENERAL.—In determining the dependent care deduction under this paragraph, in lieu of requiring the household to establish the actual dependent care costs of the household, a State agency may use standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

"(II) AMENDMENT TO STATE PLAN.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the State plan of operation under section 11(d) that—

"(aa) describes the allowances that the State agency will use; and

"(bb) includes supporting documentation.

"(ii) HOUSEHOLD ELECTION.—

"(I) IN GENERAL.—Except as provided in clause (iii), a household may elect to have the dependent care deduction of the household based on actual dependent care costs rather that the allowances established under clause (i).

"(II) FREQUENCY.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

"(iii) MANDATORY DEPENDENT CARE ALLOWANCES.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.".

SEC. 418. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking "A household" and inserting the following:

"(i) IN GENERAL.—A household"; and

(B) by adding at the end the following:

"(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges."; and

(2) by adding at the end the following:

"(D) HOMELESS HOUSEHOLDS.—

"(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

"(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).".

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking "subsection (e)(7)" and inserting "subsection (e)(6)".

SEC. 419. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 418(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting "(without regard to subclause (III))" after "Secretary finds"; and

(2) by adding at the end the following:

"(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).".

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

"(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

"(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

"(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.".

SEC. 421. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 420) is amended by adding at the end the following:

"(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

"(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

"(I) any reported change of residence; or

"(II) under standards prescribed by the Secretary, any change in earned income.".

SEC. 422. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking "a member who is 60 years of age or older" and inserting "an elderly or disabled member".

SEC. 423. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding "and" at the end;

(B) by striking clause (iv); and

(C) by redesignating clause (v) as clause (iv);

(2) by striking subparagraph (C) and inserting the following:

"(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation."; and

(3) by striking subparagraph (D).

(b) Conforming Amendment.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 424. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) (as amended by section 423(a)(1)) is amended by striking clause (iv) and inserting the following:

"(iv) any savings account (other than a retirement account (including an individual account)).".

SEC. 425. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) Exclusion of types of financial resources not considered under certain other federal programs.—

"(A) In general.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

"(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1).

"(B) Limitations.—Subparagraph (A) does not authorize a State agency to exclude—

"(i) cash;

"(ii) amounts in any account in a financial institution that are readily available to the household; or

"(iii) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.".

SEC. 426. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting "issuance methods and" after "shall adjust"; and

(2) in the second sentence, by inserting ", any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable," after "personnel".

SEC. 427. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking "on a monthly basis"; and

(2) by adding at the end the following:

"(D) Frequency of reporting.—

"(i) In general.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

"(I) not less often than once each 6 months; but

"(II) not more often than once each month.

"(ii) Reporting by households with excess income.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).".

SEC. 428. SIMPLIFIED TIME LIMIT.

(a) In General.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking "36-month" and inserting "12-month";

(B) by striking "3" and inserting "6"; and

(C) in subparagraph (D), by striking "(4), (5), or (6)" and inserting "(4), or (5)";

(2) by striking paragraph (5);

(3) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding "and" at the end;

(B) in subclause (IV), by striking "; and" and inserting a period; and

(C) by striking subclause (V); and

(4) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) Implementation of Amendments.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 429. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) In General.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

"(E) Access to electronic benefit transfer systems.—

"(i) In general.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

"(ii) Notice to household.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

"(I) explains how to reactivate the benefits; and

"(II) offers assistance if the household is having difficulty accessing the benefits of the household.".

(b) Applicability.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 430. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 431. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) In General.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) Simplified Procedures for Residents of Certain Group Facilities.—

"(1) In general.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

"(2) Amount of allotment.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

"(3) Issuance of allotment.—

"(A) In general.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

"(B) Adjustment.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

"(4) Departures of covered residents.—

"(A) Notification.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

"(i) notify the State agency promptly on the departure of the resident; and

"(ii) notify the resident, before the departure of the resident, that the resident—

"(I) is eligible for continued benefits under the food stamp program; and

"(II) should contact the State agency concerning continuation of the benefits.

"(B) Issuance to departed residents.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

"(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

"(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

"(C) State option.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

"(D) Effect of reapplication.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.".

(b) Conforming Amendments.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking "(i) 'Household' means (1) an" and inserting the following:

"(i)(1) 'Household' means—

"(A) an";

(B) in the first sentence, by striking "others, or (2) a group" and inserting the following: "others; or

"(B) a group";

(C) in the second sentence, by striking "Spouses" and inserting the following:

"(2) Spouses";

(D) in the third sentence, by striking "Notwithstanding" and inserting the following:

"(3) Notwithstanding";

(E) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentences" and inserting "paragraphs (1) and (2)";

(F) in the fourth sentence, by striking "In no event" and inserting the following:

"(4) In no event";

(G) in the fifth sentence, by striking "For the purposes of this subsection, residents" and inserting the following:

"(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

"(A) Residents"; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking "Act, or are individuals" and inserting the following: "Act.

"(B) Individuals";

(ii) by striking "such section, temporary" and inserting the following: "that section.

"(C) Temporary";

(iii) by striking "children, residents" and inserting the following: "children.

"(D) Residents";

(iv) by striking "coupons, and narcotics" and inserting the following: "coupons.

"(E) Narcotics"; and

(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" each place it appears and inserting "section 3(i)(4)".

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)(5)".

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking "the last 2 sentences of section 3(i)" and inserting "paragraphs (4) and (5) of section 3(i)".

SEC. 432. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: "Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.".

SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

"(B) A redetermination under subparagraph (A) shall—

"(i) be based on information supplied by the household; and

"(ii) conform to standards established by the Secretary.

"(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;" and

(2) in paragraph (10)—

(A) by striking "within the household's certification period"; and

(B) by striking "or until" and all that follows through "occurs earlier".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking "Certification period" and inserting "Eligibility review period"; and

(B) by striking "certification period" each place it appears and inserting "eligibility review period".

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking "in the certification period which" and inserting "that"; and

(B) in subsection (e) (as amended by section 1218(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking "certification period" and inserting "eligibility review period"; and

(II) in subclause (III), by striking "has been anticipated for the certification period" and inserting "was anticipated when the household applied or at the most recent redetermination of eligibility for the household"; and

(ii) in paragraph (6)(C)(iii)(II), by striking "the end of a certification period" and inserting "each redetermination of the eligibility of the household".

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking "certification period" each place it appears and inserting "interval between required redeterminations of eligibility"; and

(B) in subsection (d)(1)(D)(v)(II), by striking "a certification period" and inserting "an eligibility review period".

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking "within a certification period"; and

(B) in paragraph (2)(B), by striking "expiration of" and all that follows through "during a certification period," and inserting "termination of benefits to the household,".

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking "the certification or recertification" and inserting "determining the eligibility".

SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR THE ELDERLY AND DISABLED.

(a) IN GENERAL.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) in paragraph (1)—

(A) by striking "income shall be informed" and inserting the following: "income shall be—

"(A) informed";

(B) by striking "program and be assisted" and inserting the following: "program;

"(B) assisted"; and

(C) by striking "office and be certified" and inserting the following: "office; and

"(C) certified"; and

(2) by adding at the end the following:

"(3) DUAL-PURPOSE APPLICATIONS.—

"(A) IN GENERAL.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memorandum of understanding with the Commissioner under which an application for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of applicants for or recipients of those benefits shall also be considered to be an application for benefits under the food stamp program.

"(B) CERTIFICATION; REPORTING REQUIREMENTS.—A household covered by a memorandum of understanding under subparagraph (A)—

"(i) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected under the terms of any memorandum of understanding under this paragraph; and

"(ii) shall not be subject to any reporting requirement under section 6(c).

"(C) EXCEPTIONS TO VALUE OF ALLOTMENT.—The Secretary shall provide by regulation for such exceptions to section 8(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subsection (e)(2).

"(D) COVERAGE.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

"(E) EXEMPTION FROM CERTAIN APPLICATION PROCEDURES.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

"(i) subparagraph (B) or (C) of paragraph (1); or

"(ii) subsection (j)(1)(B).

"(F) RIGHT TO APPLY UNDER REGULAR PROGRAM.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

"(i)(I) submit an application under subsection (e)(2); and

"(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or

"(ii) decline to participate in the food stamp program.

"(G) TRANSITION PROVISION.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a State agency to enter into a memorandum of understanding in accordance with this paragraph during the period—

"(i) beginning on the date of enactment of this paragraph; and

"(ii) ending on the earlier of—

"(I) the date of promulgation of the regulations; or

"(II) the date that is 3 years after the date of enactment of this paragraph.".

(b) CONFORMING AMENDMENTS.—Section 11(j)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is amended—

(1) by striking "shall be informed" and inserting the following: "shall be—

"(A) informed"; and

(2) by striking "program and informed" and inserting the following: "program; and

"(B) informed".

SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(s) TRANSITIONAL BENEFITS OPTION.—

"(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

"(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

"(A) the change in household income as a result of the termination of cash assistance; and

"(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

"(4) Determination of future eligibility.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

"(A) require the household to cooperate in a redetermination of eligibility; and

"(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

"(5) Limitation.—A household shall not be eligible for transitional benefits under this subsection if the household—

"(A) loses eligibility under section 6;

"(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

"(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.".

(b) Conforming Amendments.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: "The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).".

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking "No household" and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household".

SEC. 436. QUALITY CONTROL.

(a) In General.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1), by striking "enhances payment accuracy" and all that follows through "(A) the Secretary" and inserting the following: "enhances payment accuracy and that has the following elements:

"(A) Corrective action plans.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.

"(B) Investigation and initial sanctions.—

"(i) Investigation.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

"(ii) Initial sanctions.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

"(C) Additional sanctions.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

"(i) the value of all allotments issued by the State agency in the fiscal year;

"(ii) the lesser of—

"(I) the ratio that—

"(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

"(bb) 10 percent; or

"(II) 1; and

"(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.";

(2) in paragraph (2)(A), by inserting before the semicolon the following: ", as adjusted downward as appropriate under paragraph (10)";

(3) in the first sentence of paragraph (4), by striking ", enhanced administrative funding," and all that follows and inserting "under this subsection, high performance bonus payment under paragraph (11), or claim for payment error under paragraph (1).";

(4) in the first sentence of paragraph (5), by striking "to establish" and all that follows and inserting the following: "to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1).";

(5) in the first sentence of paragraph (6), by striking "incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C)," and inserting "claims under paragraph (1),"; and

(6) by adding at the end the following:

"(10) Adjustments of payment error rate.—

"(A) In general.—

"(i) Fiscal year 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency's serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be—

"(I) the percentage of households of the corresponding type that receive food stamps nationally; or

"(II) the percentage of—

"(aa) households with earned income that received food stamps in the State in fiscal year 1992; or

"(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

"(ii) Expanded applicability to State agencies subject to sanctions.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

"(B) Continuation or modification of adjustments.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A)(i) or the substitution of other adjustments is most consistent with achieving the purposes of this Act.".

(b) Conforming Amendment.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended by striking the last sentence.

(c) Applicability.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) In General.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking "180 days after the end of the fiscal year" and inserting "the first May 31 after the end of the fiscal year referred to in subparagraph (A)"; and

(2) in subparagraph (C), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)".

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) In General.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking "enhanced administrative funding to States with the lowest error rates." and inserting "bonus payments to States that demonstrate high levels of performance."; and

(2) by adding at the end the following:

"(11) High performance bonus payments.—

"(A) In general.—For each fiscal year, the Secretary shall—

"(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

"(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

"(B) Performance measures.—The performance measures specified in this subparagraph are—

"(i)(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

"(II) the greatest percentage point improvement under clause (i)(I) from the previous fiscal year to the fiscal year;

"(ii) the greatest improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—

"(I) the number of households in the State that—

"(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

"(bb) are eligible for food stamp benefits; and

"(cc) receive food stamps benefits; bears to

"(II) the number of households in the State that—

"(aa) have incomes less than 130 percent of the poverty line (as so defined); and

"(bb) are eligible for food stamp benefits;

"(iii) the lowest overpayment error rate;

"(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

"(v) the lowest negative error rate;

"(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

"(vii) the lowest underpayment error rate;

"(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

"(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and

"(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

"(C) HIGH PERFORMANCE BONUS PAYMENTS.—

"(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(5)(A).

"(ii) AMOUNT OF PAYMENTS.—

"(I) IN GENERAL.—For each fiscal year, the Secretary shall—

"(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and

"(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

"(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that—

"(aa) the caseload of each such State agency; bears to

"(bb) the caseloads of all such State agencies.

"(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under each of clauses (ii) through (x) of subparagraph (B) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

"(aa) the caseload of each such State agency; bears to

"(bb) the caseloads of all such State agencies.

"(iii) DETERMINATION OF HIGHEST PERFORMERS.—

"(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

"(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage.

"(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

"(i) the State agency shall not be eligible for a high performance bonus payment under clause (iii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; and

"(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

"(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ", to remain available until expended,"; and

(B) by striking clause (vii) and inserting the following:

"(vii) to remain available until expended—

"(I) for fiscal year 2002, $122,000,000;

"(II) for fiscal year 2003, $129,000,000;

"(III) for fiscal year 2004, $135,000,000;

"(IV) for fiscal year 2005, $142,000,000; and

"(V) for fiscal year 2006, $149,000,000.";

(2) by striking subparagraph (B) and inserting the following:

"(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

"(i) is determined and adjusted by the Secretary; and

"(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o)."; and

(3) by striking subparagraphs (E) through (G).

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking "$25 per month" and inserting "an amount not less than $25 per month".

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "$25" and inserting "the limit established by the State agency under section 6(d)(4)(I)(i)(I)".

SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "2002" and inserting "2006"; and

(2) in subparagraph (B)(ii), by striking "2002" and inserting "2006".

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2006".

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 441. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking ", by way of making contracts with or grants to public or private organizations or agencies," and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section to"; and

(2) by adding at the end the following: "The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.".

SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(E) COST NEUTRALITY.—

"(i) REQUIREMENTS FOR WAIVERS.—

"(I) ESTIMATION OF COSTS AND SAVINGS OF WAIVERS.—Before approving a waiver for any demonstration project proposed under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

"(II) APPROVAL OF WAIVERS.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

"(aa) exigent circumstances require the approval of the waiver;

"(bb) the increase in costs is insignificant; or

"(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii).

"(III) MULTIYEAR COST NEUTRALITY.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase costs to the Federal Government over any 3-fiscal year period that includes the fiscal year.

"(ii) EXEMPTION FROM COST-NEUTRALITY REQUIREMENT FOR CERTAIN PROJECTS.—

"(I) IN GENERAL.—For each fiscal year, the Secretary may designate research demonstration projects that—

"(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

"(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2002 through 2006.

"(II) EXEMPTION.—A project described in subclause (I) shall be exempt from clause (i).

"(iii) OFFSETS IN OTHER PROGRAMS.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

"(iv) NO LOOK-BACK.—The Secretary shall not be required to adjust any estimate made under this subparagraph to reflect the actual costs of a demonstration project as implemented by a State agency.".

SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.

(a) ENHANCED WAIVER AUTHORITY.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

"(e) PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.—

"(1) IN GENERAL.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.

"(2) TYPES OF DEMONSTRATION PROJECTS.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:

"(A)(i) Reporting requirements under section 6(c).

"(ii) Verification methods under section 11(e)(3) (including reliance on data from preceding periods that can be obtained or verified electronically).

"(iii) A combination of reporting requirements and verification methods.

"(B) The income standard of eligibility established under section 5(c)(1), deductions under section 5(e), and income budgeting procedures under section 5(f).

"(3) SELECTION OF DEMONSTRATION PROJECTS.—

"(A) IN GENERAL.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.

"(B) GOALS.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—

"(i) simplifying the food stamp program;

"(ii) reducing administrative burdens on State agencies, households, and other individuals and entities;

"(iii) providing nutrition assistance to individuals most in need; and

"(iv) improving access to nutrition assistance.

"(C) PROJECTS NOT ELIGIBLE FOR SELECTION.—The Secretary shall not select any demonstration project under this subsection that the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.

"(D) DIVERSITY OF APPROACHES AND AREAS.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—

"(i) projects that take diverse approaches;

"(ii) at least 1 project that will operate in an urban area; and

"(iii) at least 1 project that will operate in a rural area.

"(E) MAXIMUM AGGREGATE COST OF PROJECTS.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.

"(4) SIZE OF AREA.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—

"(A) one-third of the total households receiving allotments in the State; or

"(B) the minimum number of households needed to measure the effects of the demonstration projects.

"(5) EVALUATIONS.—

"(A) IN GENERAL.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.

"(B) MINIMUM REQUIREMENTS.—Each evaluation under subparagraph (A)—

"(i) shall include the study of control groups or areas; and

"(ii) shall analyze, at a minimum, the effects of the project design on—

"(I) costs of the food stamp program;

"(II) State administrative costs;

"(III) the integrity of the food stamp program, including errors as measured under section 16(c);

"(IV) participation by households in need of nutrition assistance; and

"(V) changes in allotment levels experienced by—

"(aa) households of various income levels;

"(bb) households with elderly, disabled, and employed members;

"(cc) households with high shelter costs relative to the incomes of the households; and

"(dd) households receiving subsidized housing, child care, or health insurance.

"(C) FUNDING.—From funds made available to carry out this Act, the Secretary shall reserve not more than $6,000,000 to conduct evaluations under this paragraph.

"(6) REPORT TO CONGRESS.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—

"(A) delivering nutrition assistance to households most at risk; and

"(B) reducing administrative burdens.".

(b) CONFORMING AMENDMENT.—Section 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking "paragraph" and inserting "section".

SEC. 444. CONSOLIDATED BLOCK GRANTS.

(a) CONSOLIDATED FUNDING.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "the Commonwealth of Puerto Rico" and inserting "governmental entities specified in subparagraph (D)";

(B) in clause (ii), by striking "and" at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

"(iii) for fiscal year 2002, $1,356,000,000; and

"(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).";

(2) in subparagraph (B), by inserting "of Puerto Rico" after "Commonwealth" each place it appears; and

(3) by adding at the end the following:

"(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96-597 (48 U.S.C. 1469d(c)).

"(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

"(i) the Commonwealth of Puerto Rico; and

"(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.".

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking "From amounts" and inserting the following:

"(1) IN GENERAL.—From amounts";

(B) by striking "for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of" and inserting "the Secretary shall use the amount specified in paragraph (2) to purchase"; and

(C) by adding at the end the following:

"(2) AMOUNTS.—The amounts specified in this paragraph are—

"(A) for each of fiscal years 1997 through 2001, $100,000,000; and

"(B) for each of fiscal years 2002 through 2006, $140,000,000."; and

(2) by adding at the end the following:

"(c) USE OF FUNDS FOR RELATED COSTS.—

"(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

"(A) commodities purchased by the Secretary under subsection (a); and

"(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100-435)).

"(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended in the first sentence by striking "2002" and inserting "2006".

(b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

"(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

"(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

"(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

"(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year."; and

(2) in subsection (d)(2), by striking "2002" each place it appears and inserting "2006".

(c) DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking "2002" and inserting "2006";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing,".

SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.

(a) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in paragraph (3)(B), 16)".

(b) CONFORMING AMENDMENTS.—

(1) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)), 16)".

(2) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

"(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).".

(3) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in section 402(a)(3)(B), 16)".

SEC. 453. QUALIFIED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more.".

SEC. 454. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking "2001" and inserting "2003".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

"(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking "basic allowance for housing" and inserting the following: "basic allowance—

"(I) for housing";

(2) by striking "and" at the end and inserting "or"; and

(3) by adding at the end the following:

"(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the "Congressional Hunger Fellows Act of 2001".

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term "Board" means the Board of Trustees of the Program.

(3) FUND.—The term "Fund" means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term "Program" means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the "Congressional Hunger Fellows Program".

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an "Emerson Fellow".

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a "Leland Fellow".

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the "Congressional Hunger Fellows Trust Fund", consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board

determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title (other than subtitle C) take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

Subtitle C—Commodity Progrrams

SEC. 471. INCOME PROTECTION PRICES FOR COUNTER-CYCLICAL PAYMENTS.

Section 114(c) of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 111) is amended by striking paragraph (2) and inserting the following:

"(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

"(A) Wheat, $3.39 per bushel.

"(B) Corn, $2.31 per bushel.

"(C) Grain sorghum, $2.31 per bushel.

"(D) Barley, $2.16 per bushel.

"(E) Oats, $1.52 per bushel.

"(F) Upland cotton, $0.669 per pound.

"(G) Rice, $9.16 per hundredweight.

"(H) Soybeans, $5.65 per bushel.

"(I) Oilseeds (other than soybeans), $0.103 per pound.".

SEC. 472. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 123(a)) is amended to read as follows:

"SEC. 132. LOAN RATES.

"The loan rate for a marketing assistance loan under section 131 for a loan commodity shall be—

"(1) in the case of wheat, $2.94 per bushel;

"(2) in the case of corn, $2.04 per bushel;

"(3) in the case of grain sorghum, $2.04 per bushel;

"(4) in the case of barley, $1.96 per bushel;

"(5) in the case of oats, $1.47 per bushel;

"(6) in the case of upland cotton, $0.539 per pound;

"(7) in the case of extra long staple cotton, $0.7965 per pound;

"(8) in the case of rice, $6.71 per hundredweight;

"(9) in the case of soybeans, $5.10 per bushel;

"(10) in the case of oilseeds (other than soybeans), $0.093 per pound;

"(11) in the case of graded wool, $1.00 per pound;

"(12) in the case of nongraded wool, $.40 per pound;

"(13) in the case of mohair, $2.00 per pound;

"(14) in the case of honey, $.60 per pound;

"(15) in the case of dry peas, $6.78 per hundredweight;

"(16) in the case of lentils, $12.79 per hundredweight;

"(17) in the case of large chickpeas, $17.44 per hundredweight; and

"(18) in the case of small chickpeas, $8.10 per hundredweight.".

(b) ADJUSTMENT OF LOANS.—

(1) IN GENERAL.—The amendment made by section 123(b) is repealed.

(2) APPLICABILITY.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) shall be applied and administered as if the amendment made by section 123(b) had not been enacted.

SEC. 473. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date of enactment of this Act.

SA 2522. Mr. FEINGOLD (for himself, Mr. GRASSLEY, and Mr. HARKIN) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Strike the period at the end of section 1021 and insert a period and the following:

SEC. 10 . ARBITRATION CLAUSES.

Title IV of the Packers and Stockyards Act, 1921, is amended by inserting after section 413 (7 U.S.C. 228b–4) the following:

"SEC. 413A. ARBITRATION CLAUSES.

"Notwithstanding any other provision of law, in the case of a contract for the sale or production of livestock or poultry under this Act that is entered into or renewed after the date of enactment of this section and that includes a provision that requires arbitration of a dispute arising from the contract, a person that seeks to resolve a dispute under the contract may, notwithstanding the terms of the contract, elect—

"(1) to arbitrate the dispute in accordance with the contract; or

"(2) to resolve the dispute in accordance with any other lawful method of dispute resolution, including mediation and civil action.".

SA 2523. Ms. LANDRIEU submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of chapter 1 of subtitle C of title I and insert a period and the following:

SEC. 1 . STANDARD OF IDENTITY FOR MILK.

Section 401 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341) is amended by adding at the end the following: "Not later than 180 days after the date of enactment of this sentence, the Secretary shall include in the standard of identity for fluid milk a required minimum protein content that is commensurate with the average protein content of bovine milk produced in the United States as of that date of enactment. In carrying out the preceding sentence, the Secretary shall use data collected by milk market administrators of the Department of Agriculture and State regulatory agencies, and any appropriate industry data that the Secretary determines to be necessary to establish the required minimum protein content.".

SA 2524. Mr. DORGAN (for himself, Mr. Lugar, Mr. Johnson, Mr. Nelson of Nebraska, Mr. Torricelli, Mr. Wellstone) submitted an amendment intended to be proposed by him to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 165 and insert the following:

SEC. 165. PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) Payment Limitations.—

(1) In general.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

"(1) Limitations on direct and counter-cyclical payments.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $75,000.

"(2) Limitations on marketing loan gains, loan deficiency payments, and commodity certificate transactions.—

"(A) In general.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $150,000.

"(B) Payments and benefits.—Subparagraph (A) shall apply to the following payments and benefits:

"(i) Marketing loan gains.—

"(I) Repayment gains.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

"(II) Forfeiture gains.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

"(ii) Loan deficiency payments.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

"(iii) Commodity certificates.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

"(3) Settlement of certain loans.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or 158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

"(4) Definitions.—In this section and sections 1001A through 1001F:

"(A) Counter-cyclical payment.—The term 'counter-cyclical payment" means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

"(B) Direct payment.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

"(C) Loan commodity.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

"(D) Secretary.—The term 'Secretary' means the Secretary of Agriculture.

"(5) Application of limitation.—

"(A) Married couples.—The total amount of payments and benefits described paragraphs (1) and (2) that a married couple may receive directly or indirectly may not exceed $275,000 during the fiscal or crop year (as appropriate).

"(B) Tenant rule.—

"(i) In general.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

"(I) 1000 hours; or

"(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

"(ii) Minimum number of labor hours.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

"(6) Public schools.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.".

(2) Substantive change.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking "**PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;" AND INSERTING "SUBSTANTIVE CHANGE;";**

(B) by striking "(a) Prevention" and all that follows through the end of paragraph (2) and inserting the following:

"(a) Substantive change.—

"(1) In general.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

"(2) Family members.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.";

(C) in the first sentence of paragraph (3)—

(i) by striking "as a separate person"; and

(ii) by inserting ", as determined by the Secretary" before the period at the end; and

(D) by striking paragraph (4).

(3) Actively engaged in farming.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) In general.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).";

(B) in paragraph (2), by adding at the end the following:

"(E) Active personal management.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

"(i) activities and labor involved in the farming operation; and

"(ii) on-site services that are directly related and necessary to the farming operation.";

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

"(A) Landowners.—An individual or entity that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

"(i) share rents the land; or

"(ii) makes a significant contribution of active personal management."; and

(ii) in subparagraph (B), by striking "persons" and inserting "individuals and entities"; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES";

(ii) in the matter preceding subparagraph (A), by striking "persons" and inserting "individuals and entities"; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES"; and

(II) by striking "person, or class of persons" and inserting "individual or entity, or class of individuals or entities";

(E) by striking paragraph (5);

(F) in paragraph (6), by striking "a person" and inserting "an individual or entity"; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

"(c) ADMINISTRATION.—

"(1) REVIEWS.—

"(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

"(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

"(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

"(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

"(A) shall initiate a training program regarding the payment limitation requirements; and

"(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.".

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking "person" each place it appears and inserting "individual or entity".

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking "considered a person that is".

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking "5 persons" and inserting "5 individuals or entities".

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

"SEC. 1001F. NET INCOME LIMITATION.

"Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000.".

(c) FOOD STAMP PROGRAM.—

(1) INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

"(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

"(ii) the minimum deduction specified in subparagraph (E).

"(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

"(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for each of fiscal years 2002 through 2004;

"(ii) 8.25 percent for each of fiscal years 2005 and 2006;

"(iii) 8.5 percent for each of fiscal years 2007 and 2008;

"(iv) 8.75 percent for fiscal year 2009; and

"(v) 9 percent for each of fiscal years 2010 and 2011.

"(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.".

(2) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ", except that the State agency may limit such reimbursement to each participant to $25 per month".

(3) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and" and inserting "the amount of the reimbursement for dependent care expenses shall not exceed".

(4) EFFECTIVENESS OF CERTAIN PROVISIONS.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

"(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

"(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

"(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.".

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking "A producer" and inserting "Effective for the 2001 through 2006 crops, a producer".

(e) COST OF PRODUCTION INSURANCE.—

(1) IN GENERAL.—Section 523 of the Federal Crop Insurance Act (7 U.S.C.1523) by adding at the end the following:

"(e) COST OF PRODUCTION INSURANCE PROGRAM.—

"(1) PILOT PROGRAM.—

"(A) IN GENERAL.—During each of the 2003 through 2006 reinsurance years, the Corporation shall carry out a pilot program throughout the United States under which cost of production crop insurance is made available to producers of agricultural commodities.

"(B) PRIORITY.—Subject to subparagraph (C), in carrying out subparagraph (A), the Corporation shall offer coverage on at least—

"(i) for the 2003 reinsurance year, 20 agricultural commodities;

"(ii) for the 2004 and 2005 reinsurance years, in addition to the agricultural commodities described in clause (i), apples, asparagus, blueberries (wild and domestic), cabbage, canola, carrots, cherries, Christmas trees, citrus, cucumbers, dry beans, eggplant, floriculture, grapes, greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes; and

"(iii) for the 2006 reinsurance year, in addition to the agricultural commodities described in clauses (i) and (ii), 10 additional commodities, as determined by the Corporation.

"(C) ACREAGE LIMITATION.—For each of the 2003 through 2006 reinsurance years, the Corporation may not extend coverage under this paragraph in excess of 40 percent of the acreage planted to any agricultural commodity included under the pilot program.

"(2) PERMANENT PROGRAM.—For the 2007 and subsequent reinsurance years, the Corporation shall convert the cost of production insurance program into a permanent program unless the Corporation determines that—

"(A) the program could not be conducted on an actuarially sound basis; or

"(B) the expansion of the coverage would cause increased risk for fraud, waste, or abuse of the program.".

(2) ADDITIONAL PAYMENT OF PREMIUM.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

"(6) BONUS PAYMENT.—

"(A) IN GENERAL.—Subject to subparagraph (C), in addition to any other payment authorized under this subsection, the Corporation shall pay an additional part of the premium for crop insurance policies described in subsection (a) as determined by this Corporation for producers that—

"(i) are small or moderate in size;

"(ii) adopt innovative risk management strategies and increase the level of coverage;

"(iii) are producers of a specialty crop and increase the level of coverage; or

"(iv) are located in an underserved area.

"(B) AMOUNT PER POLICY.—A payment under this paragraph shall not exceed $850 per crop insurance policy.

"(C) FUNDING LIMITATION.—The amount of funds of the Corporation that may be used to carry out this paragraph may not exceed—

"(i) $45,000,000 for fiscal year 2003;

"(ii) $50,000,000 for fiscal year 2004; and

"(iii) $61,000,000 for fiscal year 2005 and each subsequent fiscal year.

"(D) RESERVE.—

"(i) IN GENERAL.—Subject to clause (ii), of the funds made available to carry out this paragraph, the Corporation shall reserve for payments to producers that obtain cost of production policies described in section 523(e)—

"(I) $10,400,000 for fiscal year 2003;

"(II) $36,000,000 for fiscal year 2004; and

"(III) $50,000,000 for fiscal year 2005.

"(ii) UNUSED FUNDS.—Any funds made reserved under clause (i) that are not obligated by June 1 of the fiscal year shall be used to provide payments to producers that obtain any type of crop insurance made available under this Act.".

(3) RESEARCH AND DEVELOPMENT FUNDING.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) by striking paragraph (1) and inserting the following:

"(1) REIMBURSEMENTS.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to provide reimbursements under subsection (b) not more than—

"(A) $32,000,000 for fiscal year 2002;

"(B) $22,500,000 for each of fiscal years 2003 and 2004;

"(C) $25,000,000 for fiscal year 2005; and

"(D) $15,000,000 for fiscal year 2006 and each subsequent fiscal year.".

(4) EDUCATION AND INFORMATION FUNDING.—Section 524(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(4)) is amended by striking subparagraph (A) and inserting the following:

"(A) for the education and information program established under paragraph (2)—

"(i) $10,000,000 for each of fiscal years 2002 through 2005; and

"(ii) $5,000,000 for fiscal year 2006 and each subsequent fiscal year; and".

(5) REPORTS.—

(A) PLAN.—Not later than September 30, 2002, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains an implementation plan for this subsection and the amendments made by this subsection.

(B) IMPLEMENTATION.—Not later than 2 years after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the implementation of this subsection and the amendments made by this subsection.

(f) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 401) is amended—

(1) in subparagraph (A), by striking "$120,000,000" and inserting "$130,000,000"; and

(2) in subparagraph (B), by striking "$145,000,000" and inserting "$225,000,000".

SA 2525. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 123, line 2, strike the period at the end and insert a period and the following:

SEC. 162. LIMITATIONS.

(a) INCOME LIMITATION.—Subtitle E of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amended by adding at the end the following:

"SEC. 167. INCOME LIMITATION.

"Notwithstanding any other provision of this Act, an individual or entity shall not receive, directly or indirectly, a payment, loan, or other assistance under this Act if the qualifying gross revenues (as defined in section 196(i)(1)) during a taxable year (as determined by the Secretary) attributable, directly or indirectly, to the individual or entity is in excess of $500,000.".

(b) ACTIVE FARMERS.—Section 1001A(b)(3) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)(3)) is amended by striking subparagraph (A) and inserting the following:

"(A) LANDOWNERS.—A person that is a landowner contributing the owned land to the farming operation if the landowner—

"(i) receives rent or income for such use of the land based on the land's production or the operation's operating results;

"(ii) meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A); and

"(iii) has owned the land for at least 3 years.".

Subchapter B—Food Stamp Program

SEC. 147. MAXIMUM EXCESS SHELTER EXPENSE DEDUCTION.

(a) FISCAL YEARS 2002 THROUGH 2004.—

(1) IN GENERAL.—Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended—

(A) in clause (v), by striking "and" at the end; and

(B) by striking clause (vi) and inserting the following:

"(vi) for fiscal year 2002, $354, $566, $477, $416, and $279 per month, respectively;

"(vii) for fiscal year 2003, $390, $602, $513, $452, and $315 per month, respectively; and

"(viii) for fiscal year 2004, $425, $637, $548, $487, and $350 per month, respectively.".

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act.

(b) FISCAL YEAR 2005 AND THEREAFTER.—

(1) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended by striking subparagraph (B).

(2) EFFECTIVE DATE.—The amendment made by this subsection takes effect on October 1, 2004.

SA 2526. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 123, line 2, strike the period at the end and insert a period and the following:

SEC. 162. LIMITATIONS.

(a) INCOME LIMITATION.—Subtitle E of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amended by adding at the end the following:

"SEC. 167. INCOME LIMITATION.

"Notwithstanding any other provision of this Act, an individual or entity shall not receive, directly or indirectly, a payment, loan, or other assistance under this Act if the qualifying gross revenues (as defined in section 196(i)(1)) during a taxable year (as determined by the Secretary) attributable, directly or indirectly, to the individual or entity is in excess of $2,500,000.".

(b) ACTIVE FARMERS.—Section 1001A(b)(3) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)(3)) is amended by striking subparagraph (A) and inserting the following:

"(A) LANDOWNERS.—A person that is a landowner contributing the owned land to the farming operation if the landowner—

"(i) receives rent or income for such use of the land based on the land's production or the operation's operating results;

"(ii) meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A); and

"(iii) has owned the land for at least 3 years.".

Subchapter B—Food Stamp Program

SEC. 147. MAXIMUM EXCESS SHELTER EXPENSE DEDUCTION.

(a) FISCAL YEARS 2002 THROUGH 2004.—

(1) IN GENERAL.—Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended—

(A) in clause (v), by striking "and" at the end; and

(B) by striking clause (vi) and inserting the following:

"(vi) for fiscal year 2002, $354, $566, $477, $416, and $279 per month, respectively;

"(vii) for fiscal year 2003, $390, $602, $513, $452, and $315 per month, respectively; and

"(viii) for fiscal year 2004, $425, $637, $548, $487, and $350 per month, respectively.".

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act.

(b) FISCAL YEAR 2005 AND THEREAFTER.—

(1) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended by striking subparagraph (B).

(2) EFFECTIVE DATE.—The amendment made by this subsection takes effect on October 1, 2004.

SA 2527. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 123, line 2, strike the period at the end and insert a period and the following:

SEC. 162. LIMITATIONS.

(a) INCOME LIMITATION.—Subtitle E of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amended by adding at the end the following:

"SEC. 167. INCOME LIMITATION.

"Notwithstanding any other provision of this Act, an individual or entity shall not receive, directly or indirectly, a payment, loan, or other assistance under this Act if the qualifying gross revenues (as defined in section 196(i)(1)) during a taxable year (as determined by the Secretary) attributable, directly or indirectly, to the individual or entity is in excess of $5,000,000.".

(b) ACTIVE FARMERS.—Section 1001A(b)(3) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)(3)) is amended by striking subparagraph (A) and inserting the following:

"(A) LANDOWNERS.—A person that is a landowner contributing the owned land to the farming operation if the landowner—

"(i) receives rent or income for such use of the land based on the land's production or the operation's operating results;

"(ii) meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A); and

"(iii) has owned the land for at least 3 years.".

Subchapter B—Food Stamp Program

SEC. 147. MAXIMUM EXCESS SHELTER EXPENSE DEDUCTION.

(a) FISCAL YEARS 2002 THROUGH 2004.—

(1) IN GENERAL.—Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended—

(A) in clause (v), by striking "and" at the end; and

(B) by striking clause (vi) and inserting the following:

"(vi) for fiscal year 2002, $354, $566, $477, $416, and $279 per month, respectively;

"(vii) for fiscal year 2003, $390, $602, $513, $452, and $315 per month, respectively; and

"(viii) for fiscal year 2004, $425, $637, $548, $487, and $350 per month, respectively.".

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act.

(b) FISCAL YEAR 2005 AND THEREAFTER.—

(1) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended by striking subparagraph (B).

(2) EFFECTIVE DATE.—The amendment made by this subsection takes effect on October 1, 2004.

SA 2528. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 123, line 2, strike the period at the end and insert a period and the following:

SEC. 162. LIMITATIONS.

(a) INCOME LIMITATION.—Subtitle E of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amended by adding at the end the following:

"SEC. 167. INCOME LIMITATION.

"Notwithstanding any other provision of this Act, an individual or entity shall not receive, directly or indirectly, a payment, loan, or other assistance under this Act if the qualifying gross revenues (as defined in section 196(i)(1)) during a taxable year (as determined by the Secretary) attributable, directly or indirectly, to the individual or entity is in excess of $5,000,000.".

(b) ACTIVE FARMERS.—Section 1001A(b)(3) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)(3)) is amended by striking subparagraph (A) and inserting the following:

"(A) LANDOWNERS.—A person that is a landowner contributing the owned land to the farming operation if the landowner—

"(i) receives rent or income for such use of the land based on the land's production or the operation's operating results;

"(ii) meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A); and

"(iii) has owned the land for at least 3 years.".

Subchapter B—Food Stamp Program

SEC. 147. MAXIMUM EXCESS SHELTER EXPENSE DEDUCTION.

(a) FISCAL YEARS 2002 THROUGH 2004.—

(1) IN GENERAL.—Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended—

(A) in clause (v), by striking "and" at the end; and

(B) by striking clause (vi) and inserting the following:

"(vi) for fiscal year 2002, $354, $566, $477, $416, and $279 per month, respectively;

"(vii) for fiscal year 2003, $390, $602, $513, $452, and $315 per month, respectively; and

"(viii) for fiscal year 2004, $425, $637, $548, $487, and $350 per month, respectively.".

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act.

(b) FISCAL YEAR 2005 AND THEREAFTER.—

(1) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended by striking subparagraph (B).

(2) EFFECTIVE DATE.—The amendment made by this subsection takes effect on October 1, 2004.

SA 2529. Mrs. MURRAY (for herself, Mrs. FEINSTEIN, Mr. CRAIG, Ms. CANTWELL, and Mrs. BOXER) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 342, strike line 3 and all that follows 373, line 8, and insert the following:

"(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than $105,000,000 for fiscal year 2002, $180,000,000 for fiscal year 2003, and $200,000,000 for each of fiscal years 2004 through 2006, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation, except that this paragraph shall not apply to section 203(h); and"; and

(4) by adding at the end the following:

"(2) PROGRAM PRIORITIES.—Of funds made available under paragraph (1)(A) in excess of $90,000,000 for any fiscal year, priority shall be given to proposals—

"(A) made by eligible trade organizations that have never participated in the market access program under this title; or

"(B) for market access programs in emerging markets.".

(b) UNITED STATES QUALITY EXPORT INITIATIVE.—

(1) FINDINGS.—Congress finds that—

(A) the market access program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) and foreign market development cooperator program established under title VII of that Act (7 U.S.C. 7251 et seq.) target generic and value-added agricultural products, with little emphasis on the high quality of United States agricultural products; and

(B) new promotional tools are needed to enable United States agricultural products to compete in higher margin, international markets on the basis of quality.

(2) INITIATIVE.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

"(h) UNITED STATES QUALITY EXPORT INITIATIVE.—

"(1) IN GENERAL.—Subject to the availability of appropriations, using the authorities under this section, the Secretary shall establish a program under which, on a competitive basis, using practical and objective criteria, several agricultural products are selected to carry the 'U.S. Quality' seal.

"(2) PROMOTIONAL ACTIVITIES.—Agricultural products selected under paragraph (1) shall be promoted using the 'U.S. Quality' seal at trade fairs in key markets through electronic and print media.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.".

SEC. 323. EXPORT ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking "fiscal year 2002" and inserting "each of fiscal years 2002 through 2006".

(b) UNFAIR TRADE PRACTICES.—Section 102(5)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(5)(A)) is amended—

(1) in clause (i), by striking "or" at the end;

(2) in clause (ii), by striking the period at the end and inserting ", including, in the case of a state trading enterprise engaged in the export of an agricultural commodity, pricing practices that are not consistent with sound commercial practices conducted in the ordinary course of trade; or"; and

(3) by adding at the end the following:

"(iii) changes United States export terms of trade through a deliberate change in the dollar exchange rate of a competing exporter.".

SEC. 324. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended to read as follows:

"SEC. 703. FUNDING.

"(a) In General.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the following amounts:

"(1) For fiscal year 2002, $37,500,000.

"(2) For fiscal year 2003, $40,000,000.

"(3) For fiscal year 2004 and each subsequent fiscal year, $42,500,000.

"(b) Program Priorities.—Of funds or commodities provided under subsection (a) in excess of $35,000,000 for any fiscal year, priority shall be given to proposals—

"(1) made by eligible trade organizations that have never participated in the program established under this title; or

"(2) for programs established under this title in emerging markets.".

SEC. 325. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

(a) In General.—The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VIII—FOOD FOR PROGRESS AND EDUCATION PROGRAMS

"SEC. 801. DEFINITIONS.

"In this title:

"(1) Cooperative.—The term 'cooperative' means a private sector organization the members of which—

"(A) own and control the organization;

"(B) share in the profits of the organization; and

"(C) are provided services (such as business services and outreach in cooperative development) by the organization.

"(2) Corporation.—The term 'Corporation' means the Commodity Credit Corporation.

"(3) Developing country.—The term 'developing country' means a foreign country that has—

"(A) a shortage of foreign exchange earnings; and

"(B) difficulty meeting all of the food needs of the country through commercial channels and domestic production.

"(4) Eligible commodity.—The term 'eligible commodity' means an agricultural commodity (including vitamins and minerals) acquired by the Secretary or the Corporation for disposition in a program authorized under this title through—

"(A) commercial purchases; or

"(B) inventories of the Corporation.

"(5) Eligible organization.—The term 'eligible organization' means a private voluntary organization, cooperative, nongovernmental organization, or foreign country, as determined by the Secretary.

"(6) Emerging agricultural country.—The term 'emerging agricultural country' means a foreign country that—

"(A) is an emerging democracy; and

"(B) has made a commitment to introduce or expand free enterprise elements in the agricultural economy of the country.

"(7) Food security.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(8) Nongovernmental organization.—

"(A) In general.—The term 'nongovernmental organization' means an organization that operates on a local level to solve development problems in a foreign country in which the organization is located.

"(B) Exclusion.—The term 'nongovernmental organization' does not include an organization that is primarily an agency or instrumentality of the government of a foreign country.

"(9) Private voluntary organization.—The term 'private voluntary organization' means a nonprofit, nongovernmental organization that—

"(A) receives—

"(i) funds from private sources; and

"(ii) voluntary contributions of funds, staff time, or in-kind support from the public;

"(B) is engaged in or is planning to engage in nonreligious voluntary, charitable, or development assistance activities; and

"(C) in the case of an organization that is organized under the laws of the United States or a State, is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

"(10) Program.—The term 'program' means a food or nutrition assistance or development initiative proposed by an eligible organization and approved by the Secretary under this title.

"(11) Recipient country.—The term 'recipient country' means an emerging agricultural country that receives assistance under a program.

"SEC. 802. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

"(a) In General.—To provide agricultural commodities to support the introduction or expansion of free trade enterprises in national economies in recipient countries, and to provide food or nutrition assistance in recipient countries, the Secretary shall establish food for progress and education programs under which the Secretary may enter into agreements (including multiyear agreements and for programs in more than 1 country) with—

"(1) the governments of emerging agricultural countries;

"(2) private voluntary organizations;

"(3) nonprofit agricultural organizations and cooperatives;

"(4) nongovernmental organizations; and

"(5) other private entities.

"(b) Considerations.—In determining whether to enter into an agreement to establish a program under subsection (a), the Secretary shall take into consideration whether an emerging agricultural country is committed to carrying out, or is carrying out, policies that promote—

"(1) economic freedom;

"(2) private production of food commodities for domestic consumption; and

"(3) the creation and expansion of efficient domestic markets for the purchase and sale of those commodities.

"(c) International Food for Education and Nutrition Program.—

"(1) In general.—In cooperation with other countries, the Secretary shall establish an initiative within the food for progress and education programs under this title to be known as the 'International Food for Education and Nutrition Program', through which the Secretary may provide to eligible organizations agricultural commodities and technical and nutritional assistance in connection with education programs to improve food security and enhance educational opportunities for preschool age and primary school age children in recipient countries.

"(2) Agreements.—In carrying out this subsection, the Secretary—

"(A) shall administer the programs under this subsection in manner that is consistent with this title; and

"(B) may enter into agreements with eligible organizations—

"(i) to purchase, acquire, and donate eligible commodities to eligible organizations to carry out agreements in recipient countries; and

"(ii) to provide technical and nutritional assistance to carry out agreements in recipient countries.

"(3) Other donor countries.—The Secretary shall encourage other donor countries, directly or through eligible organizations—

"(A) to donate goods and funds to recipient countries; and

"(B) to provide technical and nutritional assistance to recipient countries.

"(4) Private sector.—The President and the Secretary are urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs and activities assisted under this subsection.

"(5) Graduation.—An agreement with an eligible organization under this subsection shall include provisions—

"(A)(i) to sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under the program under this subsection terminates; and

"(ii) to estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this subsection; or

"(B) to provide other long-term benefits to targeted populations of the recipient country.

"(6) Annual report.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes—

"(A) the results of the implementation of this subsection during the year covered by the report, including the impact on the enrollment, attendance, and performance of children in preschools and primary schools targeted under the program under this subsection; and

"(B) the level of commitments by, and the potential for obtaining additional goods and assistance from, other countries for subsequent years.

"(d) Terms.—

"(1) In general.—The Secretary may provide agricultural commodities under this title on—

"(A) a grant basis; or

"(B) subject to paragraph (2), credit terms.

"(2) Credit terms.—Payment for agricultural commodities made available under this title that are purchased on credit terms shall be made on the same basis as payments made under section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703).

"(3) No effect on domestic programs.—The Secretary shall not make an agricultural commodity available for disposition under this section in any amount that will reduce the amount of the commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the Secretary.

"(e) Reports.—Each eligible organization that enters into an agreement under this title shall submit to the Secretary, at such time as the Secretary may request, a report containing such information as the Secretary may request relating to the use of agricultural commodities and funds provided to the eligible organization under this title.

"(f) Coordination.—To ensure that the provision of commodities under this section is coordinated with and complements other foreign assistance provided by the United States, assistance under this section shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(g) QUALITY ASSURANCE.—

"(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that each eligible organization participating in 1 or more programs under this section—

"(A) uses eligible commodities made available under this title—

"(i) in an effective manner;

"(ii) in the areas of greatest need; and

"(iii) in a manner that promotes the purposes of this title;

"(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

"(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized in subsection (h)(2)(C)(i);

"(D) monitors and reports on the distribution or sale of eligible commodities provided under this title using methods that, as determined by the Secretary, facilitate accurate and timely reporting;

"(E) periodically evaluates the effectiveness of the program of the eligible organization, including, as applicable, an evaluation of whether the development or food and nutrition purposes of the program can be sustained in a recipient country if the assistance provided to the recipient country is reduced and eventually terminated; and

"(F) considers means of improving the operation of the program of the eligible organization.

"(2) CERTIFIED INSTITUTIONAL PARTNERS.—

"(A) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

"(B) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that describes—

"(i) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

"(ii) the capacity of the organization or cooperative to carry out projects in particular countries.

"(C) MULTICOUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

"(i) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

"(ii) receive expedited review and approval of the proposal; and

"(iii) request commodities and assistance under this section for use in 1 or more countries.

"(D) MULTIYEAR AGREEMENTS.—In carrying out this title, on request and subject to the availability of commodities, the Secretary is encouraged to approve agreements that provide for commodities to be made available for distribution on a multiyear basis, if the agreements otherwise meet the requirements of this title.

"(h) TRANSSHIPMENT AND RESALE.—

"(1) IN GENERAL.—The transshipment or resale of an eligible commodity to a country other than a recipient country shall be prohibited unless the transshipment or resale is approved by the Secretary.

"(2) MONETIZATION.—

"(A) IN GENERAL.—Subject to subparagraphs (B) through (D), an eligible commodity provided under this section may be sold for foreign currency or United States dollars or bartered, with the approval of the Secretary.

"(B) SALE OR BARTER OF FOOD ASSISTANCE.—The sale or barter of eligible commodities under this title may be conducted only within (as determined by the Secretary)—

"(i) a recipient country or country nearby to the recipient country; or

"(ii) another country, if—

"(I) the sale or barter within the recipient country or nearby country is not practicable; and

"(II) the sale or barter within countries other than the recipient country or nearby country will not disrupt commercial markets for the agricultural commodity involved.

"(C) HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary may authorize the use of proceeds or exchanges to reimburse, within a recipient country or other country in the same region, the costs incurred by an eligible organization for—

"(i)(I) programs targeted at hunger and malnutrition; or

"(II) development programs involving food security or education;

"(ii) transportation, storage, and distribution of eligible commodities provided under this title; and

"(iii) administration, sales, monitoring, and technical assistance.

"(D) EXCEPTION.—The Secretary shall not approve the use of proceeds described in subparagraph (C) to fund any administrative expenses of a foreign government.

"(E) PRIVATE SECTOR ENHANCEMENT.—As appropriate, the Secretary may provide eligible commodities under this title in a manner that uses commodity transactions as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing, and distribution of commodities.

"(i) DISPLACEMENT OF COMMERCIAL SALES.—In carrying out this title, the Secretary shall, to the maximum extent practicable consistent with the purposes of this title, avoid—

"(1) displacing any commercial export sale of United States agricultural commodities that would otherwise be made;

"(2) disrupting world prices of agricultural commodities; or

"(3) disrupting normal patterns of commercial trade of agricultural commodities with foreign countries.

"(j) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—

"(1) IN GENERAL.—Before the beginning of the applicable fiscal year, the Secretary shall, to the maximum extent practicable—

"(A) make all determinations concerning program agreements and resource requests for programs under this title; and

"(B) announce those determinations.

"(2) REPORT.—Not later than November 1 of the applicable fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and commodities, and the total amount of funds for transportation and administrative costs, approved to date under this title.

"(k) MILITARY DISTRIBUTION OF ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that agricultural commodities made available under this title are provided without regard to—

"(A) the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient; or

"(B) any other extraneous factors, as determined by the Secretary.

"(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall not enter into an agreement under this title to provide agricultural commodities if the agreement requires or permits the distribution, handling, or allocation of agricultural commodities by the military forces of any foreign government or insurgent group.

"(B) EXCEPTION.—The Secretary may authorize the distribution, handling, or allocation of commodities by the military forces of a country in exceptional circumstances in which—

"(i) nonmilitary channels are not available for distribution, handling, or allocation;

"(ii) the distribution, handling, or allocation is consistent with paragraph (1); and

"(iii) the Secretary determines that the distribution, handling, or allocation is necessary to meet the emergency health, safety, or nutritional requirements of the population of a recipient country.

"(3) ENCOURAGEMENT OF SAFE PASSAGE.—In entering into an agreement under this title that involves 1 or more areas within a recipient country that is experiencing protracted warfare or civil unrest, the Secretary shall, to the maximum extent practicable, encourage all parties to the conflict to—

"(A) permit safe passage of the commodities and other relief supplies; and

"(B) establish safe zones for—

"(i) medical and humanitarian treatment; and

"(ii) evacuation of injured persons.

"(l) LEVEL OF ASSISTANCE.—The cost of commodities made available under this title, and the expenses incurred in connection with the provision of those commodities shall be in addition to the level of assistance provided under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(m) COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to paragraphs (6) through (8), the Secretary may use the funds, facilities, and authorities of the Corporation to carry out this title.

"(2) MINIMUM TONNAGE.—Subject to paragraphs (5) and (7)(B), not less than 400,000 metric tons of commodities may be provided under this title for each of fiscal years 2002 through 2006.

"(3) AUTHORIZATION OF APPROPRIATIONS.—In addition to tonnage authorized under paragraph (2), there are authorized to be appropriated such sums as are necessary to carry out this title.

"(4) TITLE I FUNDS.—In addition to tonnage and funds authorized under paragraphs (2), (3), and (7)(B), the Corporation may use funds appropriated to carry out title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.)) in carrying out this section with respect to commodities made available under this title.

"(5) INTERNATIONAL FOOD FOR EDUCATION AND NUTRITION PROGRAM.—

"(A) IN GENERAL.—Of the funds that would be available to carry out paragraph (2), the Secretary may use not more than $200,000,000 for each fiscal year to carry out the initiative established under subsection (c).

"(B) REALLOCATION.—Tons not allocated under subsection (c) by June 30 of each fiscal year shall be made available for proposals submitted under the food for progress and education programs under subsection (a).

"(6) LIMITATION ON PURCHASES OF COMMODITIES.—The Corporation may purchase agricultural commodities for disposition under this title only if Corporation inventories are insufficient to satisfy commitments made in agreements entered into under this title.

"(7) ELIGIBLE COSTS AND EXPENSES.—

"(A) IN GENERAL.—Subject to subparagraph (B), with respect to an eligible commodity made available under this title, the Corporation may pay—

"(i) the costs of acquiring the eligible commodity;

"(ii) the costs associated with packaging, enriching, preserving, and fortifying of the eligible commodity;

"(iii) the processing, transportation, handling, and other incidental costs incurred before the date on which the commodity is delivered free on board vessels in United States ports;

"(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

"(v) the costs associated with transporting the eligible commodity from United States ports to designated points of entry abroad in a case in which—

"(I) a recipient country is landlocked;

"(II) ports of a recipient country cannot be used effectively because of natural or other disturbances;

"(III) carriers to a specific country are unavailable; or

"(IV) substantial savings in costs or time may be gained by the use of points of entry other than ports;

"(vi) the transportation and associated distribution costs incurred in moving the commodity (including repositioned commodities) from designated points of entry or ports of entry abroad to storage and distribution sites;

"(vii) in the case of an activity under subsection (c), the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that payment of the costs is appropriate and that the recipient country is a low income, net food-importing country that—

"(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

"(II) has a national government that is committed to or is working toward, through a national action plan, the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum in 2000;

"(viii) the charges for general average contributions arising out of the ocean transport of commodities transferred; and

"(ix) the costs, in addition to costs authorized by clauses (i) through (viii), of providing—

"(I) assistance in the administration, sale, and monitoring of food assistance activities under this title; and

"(II) technical assistance for monetization programs.

"(B) FUNDING.—Except for costs described in subparagraph (A)(i), not more than $80,000,000 of funds that would be made available to carry out paragraph (2) may be used to cover costs under this paragraph unless authorized in advance in an appropriation Act.

"(8) PAYMENT OF ADMINISTRATIVE COSTS.—An eligible organization that receives payment for administrative costs through monetization of the eligible commodity under subsection (h)(2) shall not be eligible to receive payment for the same administrative costs through direct payments under paragraph (7)(A)(ix)(I).".

(b) CONFORMING AMENDMENTS.—

(1) Section 416(b)(7)(D)(iii) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)(iii)) is amended by striking "the Food for Progress Act of 1985" and inserting "title VIII of the Agricultural Trade Act of 1978".

(2) The Act of August 19, 1958 (7 U.S.C. 1431 note; Public Law 85-683) is amended by striking "the Food for Progress Act of 1985" and inserting "title VIII of the Agricultural Trade Act of 1978".

(3) Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is repealed.

SEC. 326. EXPORTER ASSISTANCE INITIATIVE.

(a) FINDINGS.—Congress find that—

(1) information in the possession of Federal agencies other than the Department of Agriculture that is necessary for the export of agricultural commodities and products is available only from multiple disparate sources; and

(2) because exporters often need access to information quickly, exporters lack the time to search multiple sources to access necessary information, and exporters often are unaware of where the necessary information can be located.

(b) INITIATIVE.—Title I of the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"SEC. 107. EXPORTER ASSISTANCE INITIATIVE.

"(a) IN GENERAL.—In order to create a single source of information for exports of United States agricultural commodities, the Secretary shall develop a website on the Internet that collates onto a single website all information from all agencies of the Federal Government that is relevant to the export of United States agricultural commodities.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a)—

"(1) $1,000,000 for each of fiscal years 2002 through 2004; and

"(2) $500,000 for each of fiscal years 2005 and 2006.".

Subtitle C—Miscellaneous Agricultural Trade Provisions

SEC. 331. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended by striking "2002" each place it appears in subsection (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h) and inserting "2006".

SEC. 332. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by striking "2002" each place it appears in subsections (a) and (d)(1)(A)(i) and inserting "2006".

SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by adding at the end the following:

"(g) BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.—

"(1) IN GENERAL.—The Secretary of Agriculture shall establish a program to enhance foreign acceptance of agricultural biotechnology and United States agricultural products developed through biotechnology.

"(2) FOCUS.—The program shall address the continuing and increasing market access, regulatory, and marketing issues relating to export commerce of United States agricultural biotechnology products.

"(3) EDUCATION AND OUTREACH.—

"(A) FOREIGN MARKETS.—Support for United States agricultural market development organizations to carry out education and other outreach efforts concerning biotechnology shall target such educational initiatives directed toward—

"(i) producers, buyers, consumers, and media in foreign markets through initiatives in foreign markets; and

"(ii) government officials, scientists, and trade officials from foreign countries through exchange programs.

"(B) FUNDING FOR EDUCATION AND OUTREACH.—Funding for activities under subparagraph (A) may be—

"(i) used through—

"(I) the emerging markets program under this section; or

"(II) the Cochran Fellowship Program under section 1543; or

"(ii) applied directly to foreign market development cooperators through the foreign market development cooperator program established under section 702.

"(4) RAPID RESPONSE.—

"(A) IN GENERAL.—The Secretary shall assist exporters of United States agricultural commodities in cases in which the exporters are harmed by unwarranted and arbitrary barriers to trade due to—

"(i) marketing of biotechnology products;

"(ii) food safety;

"(iii) disease; or

"(iv) other sanitary or phytosanitary concerns.

"(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $1,000,000 for each of fiscal years 2002 through 2006.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection (other than paragraph (4)) $15,000,000 for each of fiscal years 2002 through 2006.".

SA 2530. Mrs. MURRAY submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title III and insert a period and the following:

SEC. 3 . REPORT ON USE OF PERISHABLE COMMODITIES.

Not later than 120 days after the date of enactment of this Act, the Secretary of Agriculture shall develop and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on deficiencies in transportation and storage infrastructure and deficiencies in funding that have limited the use, and expansion of use, of highly perishable and semiperishable commodities in international food aid programs of the Department of Agriculture.

SA 2531. Mrs. MURRAY submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 1028 and insert a period and the following:

SEC. 1029. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

Section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a) is amended—

(1) in subsection (a), by striking "$20,000,000" and inserting "40,000,000"; and

(2) by striking subsection (c) and inserting the following:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $40,000,000 for each of fiscal years 2002 through 2006.".

SA 2532. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food an fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 80, line 21, strike the quotation marks and the following period and interest the following:

"(iii) INTEGRATED FACILITIES—

"(I) DEFINITION OF INTEGRATED FACILITY.—In this clause, the term 'integrated facility' means a sugar processing facility that is capable or processing both sugar beets and sugarcane.

"(II) USE OF ALLOCATIONS.—Nothwithstanding any other provision of law, an allocation made to sugar beet processors and growers in a State in which the ability to grow sugarcane is demonstrated may be used by sugarcane processors and growers to process sugarcane at an integrated facility.

"(III) AVAILABIITY OF ALLOCATIONS.— A beet sugar allocation of 100,000 short tons shall be reserved for sugarcane processing at an integrated facility in 2004 and shall be increased to 175,000 short tons in 2005 and each year beyond for the duration of this Act. Such beet sugar allocation shall be in addition to the allocation made to the processor for best sugar processing. The Secretary may temporarily reassign such allotments in such amounts and for such periods as is not needed by the integrated facility.

"(IV) MARKETING ALLOTMENT.—Notwithstanding paragrah (1) of section 359c(d), sugar processed at an integrated facility may be used to fill a marketing allocation under that paragraph.

"(V) NO CHARGE TOWARD ALLOTMENT.—Sugarcane processed under the allocation established in subclause (III) shall not be charged toward the overall sugarcane allotment under section 359c.

"(VI) ELIGIBILITY FOR LOANS.—The sugarcane processing operation at an integrated facility shall be eligible for loans under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272), as amended by this Act at the rate applicable to sugarcane."

SA 2533. Mr. CRAPO (for himself and Mr. CRAIG) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 215.

SA 2534. Mr. JOHNSON (for himself, Mr. GRASSLEY, Mr. WELLSTONE, Mr. HARKIN, Mr. THOMAS, Mr. DORGAN, Mr. FEINGOLD, and Mr. DASCHLE) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

On page 886, strike line 5 and insert the following:

Subtitle C—General Provisions

SEC. 1021. PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(2) by inserting after subsection (e) the following:

"(f) Own, feed, or control livestock intended for slaughter (for more than 14 days prior to slaughter and acting through the packer or a person that directly or indirectly controls, or is controlled by or under common control with, the packer), except that this subsection shall not apply to—

"(1) a cooperative or entity owned by a cooperative, if a majority of the ownership interest in the cooperative is held by active cooperative members that—

"(A) own, feed, or control livestock; and

"(B) provide the livestock to the cooperative for slaughter; or

"(2) a packer that is owned or controlled by producers of a type of livestock, if during a calendar year the packer slaughters less than 2 percent of the head of that type of livestock slaughtered in the United States; or"; and

(3) in subsection (h) (as so redesignated), by striking "or (e)" and inserting "(e), or (f)".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) take effect on the date of enactment of this Act.

(2) TRANSITION RULES.—In the case of a packer that on the date of enactment of this Act owns, feeds, or controls livestock intended for slaughter in violation of section 202(f) of the Packers and Stockyards Act, 1921 (as amended by subsection (a)), the amendments made by subsection (a) apply to the packer—

(A) in the case of a packer of swine, beginning on the date that is 18 months after the date of enactment of this Act; and

(B) in the case of a packer of any other type of livestock, beginning as soon as practicable, but not later than 180 days, after the date of enactment of this Act, as determined by the Secretary of Agriculture.

SA 2535. Mr. TORRICELLI submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 376, after line 24, insert the following:

(c) EFFECTIVE DATE.—The amendments made by this section shall not take effect until the President certifies to Congress that all convicted felons wanted by the Federal Bureau of Investigation who are currently living as fugitives in Cuba have been returned to the United States for incarceration.

SA 2536. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 743 and insert the following:

SEC. 743. PRECISION AGRICULTURE.

Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)—

(A) in paragraph (3)—

(i) in subparagraph (A), inserting "or horticultural" following "agronomic"; and

(ii) in subparagraph (C), by striking "or" at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(iv) by adding at the end the following:

"(E) using such information to enable intelligent mechanized harvesting and sorting systems for horticultural crops.";

(B) in paragraph (4)—

(i) in subparagraph (C), by striking "or" at the end;

(ii) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(E) robotic and other intelligent machines for use in horticultural cropping systems."; and

(C) in paragraph (5)(F), by inserting "(including improved use of energy inputs)" after "farm production efficiencies";

(2) in subsection (b)(1) by striking "may" and inserting "shall";

(3) in subsection (c)(2)—

(A) by inserting "or horticultural" after "agronomic"; and

(B) by striking "and meteorological variability" and inserting "product variability, and meteorological variability";

(4) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) Improve farm energy use efficiencies.";

(5) in subsection (e), by inserting "the amount that is equal to 3 times" before "the amount that"; and

(6) in subsection (i)(1), by striking "2002" and inserting "2006".

SA 2537. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1731 to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 53, line 24, strike the period at the end and insert a period and the following:

SEC. 1 . EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.

(a) In General.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(M) Exemption of milk handlers from minimum price requirements.—Notwithstanding any other provision of this section, no handler that sells Class I milk in a marketing area shall be exempt during any month from any minimum milk price requirement established under paragraph (A) if the total distribution of Class I milk produced on the farm of the handler in the marketing area during the preceding month exceeds the lesser of—

"(i) 3 percent of the total quantity of Class I milk distributed in the marketing area; or

"(ii) 5,000,000 pounds.".

(b) Effective Date.—The amendment made by subsection (a) takes effect on January 1, 2002.

SA 2538. Mr. THURMOND (for himself and Mr. HELMS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 40, line 8, strike the period at the end and insert a period and the following:

SEC. 1 . LEASE AND TRANSFER OF CERTAIN ALLOTMENTS AND QUOTAS.

(a) In General.—Section 316(a)(1)(A)(i) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)(1)(A)(i)) is amended in the last sentence by inserting "(other than the 2002 and 2003 crops)" after "crops".

(b) Study.—

(1) In general.—The Secretary of Agriculture shall conduct a study of the effects of the prohibition provided under the last sentence of section 316(a)(1)(A)(i) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)(1)(A)(i)).

(2) Report.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the study.

SA 2539. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731 to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) In General.—Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) Funding.—

"(1) In general.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

"(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

"(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

"(2) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation."; and

(2) in subsection (e), by adding at the end the following:

"(3) Minority-serving institutions.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.".

(b) Offset.—Section 158G of the Federal Agriculture Improvement and Reform Act of 1996 (as added by section 151(a)) shall have no effect.

SA 2540. Mr. NICKLES submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 165 and insert the following:

SEC. 165. PAYMENT LIMITATIONS AND GROSS INCOME LIMITATION.

(a) Payment Limitation.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) Limitations on payment under contract commodity contracts.—Subject to paragraph (3), the total amount of contract payments made under title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) to a person under 1 or more contracts during any fiscal year may not exceed $100,000.

"(2) Limitations on marketing loan gains, loan deficiency payments, and commodity certificate transactions.—

"(A) In general.—Subject to paragraph (3), the total amount of the payments and benefits specified in subparagraph (B) that a person shall be entitled to receive during any crop year may not exceed $150,000, with a separate limitation for—

"(i) all loan commodities (other than wool, mohair, and honey);

"(ii) wool and mohair

"(iii) honey; and

"(iv) peanuts.

"(B) Payments.—The payments referred to in subparagraph (A) are the following:

"(i) Marketing loan gains.—Any gain realized from repaying a marketing assistance loan under sections 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity under sections 132 or 158G(d) of the Act, respectively.

"(ii) Loan deficiency payments.—Any loan deficiency payment received for a loan commodity under sections 135 or 158G(e) of that Act, respectively.

"(iii) Commodity certificates.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of marketing assistance loan under section 134 or 158G(d), respectively, of that Act.

"(3) Overall limitation.—The total amount of payments described in paragraph (1) and (2) made to a person during any fiscal year may not exceed $150,000.".

SA 2541. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . OPERATION AND MAINTENANCE OF WHITE MOUNTAIN NATIONAL FOREST.

For a program under which the Secretary of Agriculture shall employ former employees of the American Tissue Mills in the cities of Berlin and Gorham in the State of New Hampshire to carry out operation and maintenance projects at White Mountain National Forest in the State of New Hampshire, there is appropriated $1,750,000, to remain available until expended.

SA 2542. Mr. SANTORUM (for himself, Mr. DURBIN, Mr. FEINGOLD, Mr. DEWINE, Mr. KOHL, Mr. HATCH, Mrs. CLINTON, and Mr. JEFFORDS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 945, line 5, strike the period at the end and insert a period and the following:

SEC. 1024. IMPROVED STANDARDS FOR THE CARE AND TREATMENT OF CERTAIN ANIMALS.

(a) SOCIALIZATION PLAN; BREEDING RESTRICTIONS.—Section 13(a)(2) of the Animal Welfare Act (7 U.S.C. 2143(a)(2)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) for the socialization of dogs intended for sale as pets with other dogs and people, through compliance with a standard developed by the Secretary based on the recommendations of animal welfare and behavior experts that—

"(i) prescribes a schedule of activities and other requirements that dealers and inspectors shall use to ensure adequate socialization; and

"(ii) identifies a set of behavioral measures that inspectors shall use to evaluate adequate socialization; and

"(D) for addressing the initiation and frequency of breeding of female dogs so that a female dog is not—

"(i) bred before the female dog has reached at least 1 year of age; and

"(ii) whelped more frequently than 3 times in any 24-month period.".

(b) SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.—Section 19 of the Animal Welfare Act (7 U.S.C. 2149) is amended—

(1) by striking "SEC. 19. (a) If the Secretary" and inserting the following:

"SEC. 19. SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.

"(a) SUSPENSION OR REVOCATION OF LICENSE.—

"(1) IN GENERAL.—If the Secretary";

(2) in subsection (a)—

(A) in paragraph (1) (as designated by paragraph (1)), by striking "if such violation" and all that follows and inserting "if the Secretary determines that 1 or more violations have occurred."; and

(B) by adding at the end the following:

"(2) LICENSE REVOCATION.—If the Secretary finds that any person licensed as a dealer, exhibitor, or operator of an auction sale subject to section 12, has committed a serious violation (as determined by the Secretary) of any rule, regulation, or standard governing the humane handling, transportation, veterinary care, housing, breeding, socialization, feeding, watering, or other humane treatment of dogs under section 12 or 13 on 3 or more separate inspections within any 8-year period, the Secretary shall—

"(A) suspend the license of the person for 21 days; and

"(B) after providing notice and a hearing not more than 30 days after the third violation is noted on an inspection report, revoke the license of the person unless the Secretary makes a written finding that—

"(i) the violations were minor and inadvertent;

"(ii) the violations did not pose a threat to the dogs; or

"(iii) revocation is inappropriate for other good cause.";

(3) in subsection (b), by striking "(b) Any dealer" and inserting "(b) CIVIL PENALTIES.—Any dealer";

(4) in subsection (c), by striking "(c) Any dealer" and inserting "(c) JUDICIAL REVIEW.—Any dealer"; and

(5) in subsection (d), by striking "(d) Any dealer" and inserting "(d) CRIMINAL PENALTIES.—Any dealer".

(c) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this section, including development of the standards required by the amendments made by subsection (a).

SA 2543. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumer abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 178, strike line 22 and all that follows through page 182, line 24, and insert the following:

"(f) CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, subject to paragraphs (2), (3), and (4), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary by—

"(A) integrating the use of third party technical assistance providers (including farmers and ranchers) into the technical assistance delivery system; and

"(B) using, to the maximum extent practicable, private, third party providers.

"(2) PURPOSE.—To achieve the timely completion of conservation plans and other technical assistance functions, third party providers described in paragraph (1)(A) shall be used to—

"(A) prepare conservation plans, including agronomically sound nutrient management plans;

"(B) design, install and certify conservation practices;

"(C) train producers; and

"(D) carry out such other activities as the Secretary determines to be appropriate.

"(3) OUTSIDE ASSISTANCE.—

"(A) IN GENERAL.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

"(B) PAYMENT BY SECRETARY.—

"(i) IN GENERAL.—The Secretary shall provide a payment or voucher to an owner or operator enrolled in a conservation program administered by the Secretary if the owner or operator elects to obtain technical assistance from a person certified to provide technical assistance under this subsection.

"(ii) DETERMINATION.—In determining whether to provide a payment or voucher under clause (i), the Secretary shall seek to maximize the assistance received from qualified persons to most expeditiously and efficiently achieve the objectives of this title.

"(4) CERTIFICATION OF PUBLIC AND PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

"(A) ESTABLISHMENT OF PROCEDURES.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and capability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, or seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

"(B) PUBLIC AND PRIVATE PROVIDERS.—Certified technical assistance providers shall include—

"(i) agricultural producers;

"(ii) agribusiness representatives;

"(iii) representatives from agricultural cooperatives;

"(iv) agricultural input retail dealers;

"(v) certified crop advisers;

"(vi) employees of the Department; or

"(vii) any group recognized by a Memorandum of Understanding with the Department relating to certification.

"(C) EQUIVALENCE.—The Secretary shall ensure that any certification program of the Department for public and private technical service providers shall meet or exceed the testing and continuing education standards of the Certified Crop Adviser program.

"(D) STANDARDS.—The Secretary shall establish standards for the conduct of—

"(i) the certification process conducted by the Secretary; and

"(ii) periodic recertification by the Secretary of providers.

"(E) CERTIFICATION REQUIRED.—A provider may not provide to any producer technical assistance described in subparagraph (B) unless the provider is certified by the Secretary.

"(F) NONDUPLICATION OF PREVIOUS CERTIFICATION.—The Secretary shall consider a certified provider to have skills and qualifications in a particular area of technical expertise if the skills and qualifications of the provider have been certified by another entity the certification program of which meets nationally recognized and accepted standards for training, testing and otherwise establishing professional qualifications (including the Certified Crop Adviser program).

"(G) FEE.—

"(i) PAYMENT.—

"(I) IN GENERAL.—Except as provided in subclause (II), in exchange for certification or recertification, a private provider shall pay to the Secretary a fee in an amount determined by the Secretary.

"(II) PRIOR CERTIFICATION.—The Secretary shall not require a provider to pay a fee under subclause (I) for the certification of skills and qualifications that have already been certified by another entity under this subsection.

“(ii) Account.—A fee paid to the Secretary under clause (i) shall be—

“(I) credited to the account in the Treasury that incurs costs relating to implementing this subsection; and

“(II) made available to the Secretary for use for conservation programs administered by the Secretary, without further appropriation, until expended.

“(H) National training centers.—

“(i) In general.—The Secretary, acting in close cooperation with the Certified Crop Adviser program, shall establish training centers to facilitate the training and certification of technical assistance providers under this subsection.

“(ii) Authorization of appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this subparagraph.

“(I) Other requirements.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this subsection.

“(J) Regulations.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this subsection.

SA 2544. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumer abundant food and fiber, and for other purposes: which was ordered to lie on the table; as follows:

Beginning on page 39, strike line 5 and all that follows through page 40, line 8, and insert the following:

SEC. 126. LOAN DEFICIENCY PAYMENTS.

Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) is amended to read as follows:

“SEC. 135. LOAN DEFICIENCY PAYMENTS.

“(a) In General.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—

“(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the loan commodity in return for payments under this section; and

“(2) effective only for each of the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.

“(b) Computation.—A loan deficiency payment under this section shall be computed by multiplying—

“(1) the loan payment rate determined under subsection (c) for the loan commodity; by

“(2) the quantity of the loan commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 131.

“(c) Loan Payment Rate.—For purposes of this section, the loan payment rate shall be the amount by which—

“(1) the loan rate established under section 132 for the loan commodity; exceeds

“(2) the rate at which a loan for the commodity may be repaid under section 134.

“(d) Exception for Extra Long Staple Cotton.—This section shall not apply with respect to extra long staple cotton.

“(e) Time for Payment.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a loan commodity as of the earlier of—

“(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity, as determined by the Secretary; or

“(2) the date the producers on the farm request the payment.

“(f) Lost Beneficial Interest.—Effective for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the loan commodity, the producer shall be eligible for the payment determined as of the date the producer lost beneficial interest in the loan commodity, as determined by the Secretary.”.

SEC. 127. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

“SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

“(a) In General.—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

“(b) Payment Amount.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

“(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

“(2) the payment quantity obtained by multiplying—

“(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

“(B) the payment yield for that contract commodity on the farm.

“(c) Time, Manner, and Availability of Payment.—

“(1) Time and manner.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

“(2) Availability.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

“(d) Prohibition on Crop Insurance or Noninsured Crop Assistance.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a 2002 through 2006 crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.”.

SA 2545. Mrs. FEINSTEIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumer abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In section , at the end of subsection ( ), add the following:

“( ) Availability.—Of amounts made available under paragraph ( ) for a fiscal year, $2,000,000 shall be made available to the Center for Dairy Herd Health of the University of California at Davis for—

(A) research on Johne's disease and other major diseases of dairy cows;

(B) outreach and education to dairy producers regarding testing;

(C) testing for dairy herds;

(D) development of best management practices and biosecurity plans to reduce, eliminate, and prevent disease; and

(E) other appropriate activities to support the animal health of dairy operations, including food safety management practices.

SA 2546. Mr. WYDEN (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumer abundant food and fiber, and for other purposes; as follows:

Beginning in section 902, strike chapter 3 of subtitle L of the Consolidated Farm and Rural Development Act (as added by that section) and all that follows through section 905 and insert the following:

“CHAPTER 3—CARBON SEQUESTRATION RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM

“SEC. 388J. RESEARCH.

“(a) Basic Research.—

“(1) In general.—Subject to the availability of appropriations, the Secretary shall carry out research to promote understanding of—

“(A) the net sequestration of organic carbon in soils and plants (including trees); and

“(B) net emissions of other greenhouse gases from agriculture.

“(2) Agricultural research service.—The Secretary, acting through the Agricultural Research Service, shall collaborate with other Federal agencies in developing data and carrying out research addressing carbon losses and gains in soils and plants (including trees) and net emissions of methane and nitrous oxide from cultivation and animal management activities.

“(3) Cooperative state research, education, and extension service.—

"(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a competitive grant program to carry out research on the matters described in paragraph (1) by eligible entities.

"(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

"(i) a Federal research agency;

"(ii) a national laboratory;

"(iii) a college or university or a research foundation maintained by a college or university;

"(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

"(v) a State agricultural experiment station;

"(vi) a State forestry agency that has developed or is developing a forest carbon sequestration program; or

"(vii) an individual.

"(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for basic research under paragraph (1), the Cooperative State Research, Education, and Extension Service shall consult with the Agricultural Research Service and the Forest Service to ensure that proposed research areas are complementary with and do not duplicate other research projects funded by the Department or other Federal agencies.

"(D) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

"(b) APPLIED RESEARCH.—

"(1) IN GENERAL.—The Secretary shall carry out applied research in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to—

"(A) promote understanding of—

"(i) how agricultural and forestry practices affect the sequestration of organic and inorganic carbon in soils and plants (including trees) and net emissions of other greenhouse gases;

"(ii) how changes in soil carbon pools in soils and plants (including trees) are cost-effectively measured, monitored, and verified; and

"(iii) how public programs and private market approaches can be devised to incorporate carbon sequestration in a broader societal greenhouse gas emission reduction effort;

"(B) develop methods for establishing baselines for measuring the quantities of carbon and other greenhouse gases sequestered; and

"(C) evaluate leakage and performance issues.

"(2) REQUIREMENTS.—To the maximum extent practicable, applied research under paragraph (1) shall—

"(A) use existing technologies and methods; and

"(B) provide methodologies that are accessible to a nontechnical audience.

"(3) MINIMIZATION OF ADVERSE ENVIRONMENTAL IMPACTS.—All applied research under paragraph (1) shall be conducted with an emphasis on minimizing adverse environmental impacts.

"(4) NATURAL RESOURCES AND THE ENVIRONMENT.—The Secretary, acting through the Natural Resources Conservation Service and the Forest Service, shall collaborate with other Federal agencies in developing new measuring techniques and equipment or adapting existing techniques and equipment to enable cost-effective and accurate monitoring and verification, for a wide range of agricultural and forestry practices, of—

"(A) changes in carbon content in soils and plants (including trees); and

"(B) net emissions of other greenhouse gases.

"(5) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

"(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service and the Forest Service, shall establish a competitive grant program to encourage research on the matters described in paragraph (1) by eligible entities.

"(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

"(i) a Federal research agency;

"(ii) a national laboratory;

"(iii) a college or university or a research foundation maintained by a college or university;

"(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

"(v) a State agricultural experiment station;

"(vi) a State forestry agency that has developed or is developing a forest carbon sequestration program; or

"(vii) an individual.

"(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for applied research under paragraph (1), the Cooperative State Research, Education, and Extension Service and the Forest Service shall consult with the Natural Resources Conservation Service and the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate research projects funded by the Department of Agriculture or other Federal agencies.

"(D) ADMINISTRATIVE EXPENSES.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

"(c) RESEARCH CONSORTIA.—

"(1) IN GENERAL.—The Secretary may designate not more than 2 research consortia to carry out research projects under this section, with the requirement that the consortia propose to conduct basic research under subsection (a) and applied research under subsection (b) . .

"(2) SELECTION.—The consortia shall be selected on a competitive basis by the Cooperative State Research, Education, and Extension Service.

"(3) ELIGIBLE CONSORTIUM PARTICIPANTS.—Entities eligible to participate in a consortium include—

"(A) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));

"(B) a private research institution;

"(C) a State agency;

"(D) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

"(E) an agency of the Department of Agriculture;

"(F) a research center of the National Aeronautics and Space Administration, the Department of Energy, or any other Federal agency;

"(G) an agricultural business or organization with demonstrated expertise in areas covered by this section; and

"(H) a representative of the private sector with demonstrated expertise in the areas.

"(4) RESERVATION OF FUNDING.—If the Secretary designates 1 or 2 consortia, the Secretary shall reserve for research projects carried out by the consortium or consortia not more than 25 percent of the amounts made available to carry out this section for a fiscal year.

"(d) STANDARDS FOR MEASURING CARBON AND OTHER GREENHOUSE GAS CONTENT.—

"(1) CONFERENCE.—Not later than 3 years after the date of enactment of this subtitle, the Secretary shall convene a conference of key scientific experts on carbon sequestration from various sectors (including the government, academic, and private sectors) to—

"(A) discuss and establish benchmark standards for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases;

"(B) propose techniques and modeling approaches for measuring carbon content with a level of precision that is agreed on by the participants in the conference; and

"(C) evaluate results of analyses on baseline, permanence, and leakage issues.

"(2) REPORT.—Not later than 180 days after the conclusion of the conference under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the conference.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

"(2) ALLOCATION.—

"(A) IN GENERAL.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for competitive grants by the Cooperative State Research, Education, and Extension Service.

"(B) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

"SEC. 388K. DEMONSTRATION PROJECTS AND OUTREACH.

"(a) DEMONSTRATION PROJECTS.—

"(1) DEVELOPMENT OF MONITORING PROGRAMS.—

"(A) IN GENERAL.—The Secretary, in cooperation with local extension agents, experts from land grant universities, and other local agricultural or conservation organizations, shall develop user-friendly programs that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and net changes in greenhouse gas emissions.

"(B) BENCHMARK LEVELS OF PRECISION.—The Secretary shall administer programs developed under subparagraph (A) in a manner that achieves, to the maximum extent practicable, benchmark levels of precision in the measurement, in a cost-effective manner, of benefits and changes described in subparagraph (A).

"(2) PROJECTS.—

"(A) IN GENERAL.—The Secretary shall establish a program under which the monitoring programs developed under paragraph (1) are used in projects to demonstrate the feasibility of methods of measuring, verifying, and monitoring—

"(i) changes in organic carbon content and other carbon pools in soils and plants (including trees); and

"(ii) net changes in emissions of other greenhouse gases.

"(B) EVALUATION OF IMPLICATIONS.—The projects under subparagraph (A) shall include evaluation of the implications for reassessed baselines, carbon or other greenhouse gas leakage, and the permanence of sequestration.

"(C) SUBMISSION OF PROPOSALS.—Proposals for projects under subparagraph (A) shall be submitted by the appropriate agency of each State, in consultation with interested local jurisdictions and State agricultural and conservation organizations.

"(D) LIMITATION.—Not more than 10 projects under subparagraph (A) may be approved in conjunction with applied research projects under section 388J(b) until benchmark measurement and assessment standards are established under section 388J(d).

"(b) OUTREACH.—

"(1) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall widely disseminate information about the economic and environmental benefits that can be generated by adoption of conservation practices that increase sequestration of carbon and reduce emission of other greenhouse gases.

"(2) PROJECT RESULTS.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall provide for the dissemination to farmers, ranchers, private forest landowners, and appropriate State agencies in each State of information concerning—

"(A) the results of demonstration projects under subsection (a)(2); and

"(B) the manner in which the methods demonstrated in the projects might be applicable to the operations of the farmers and ranchers.

"(3) POLICY OUTREACH.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall disseminate information on the connection between global climate change mitigation strategies and agriculture and forestry, so that farmers and ranchers may better understand the global implications of the activities of farmers and ranchers.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.

"(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for demonstration projects under subsection (a)(2).".

SEC. 903. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

(a) FUNDING.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

"SEC. 310. FUNDING.

"(a) IN GENERAL.—Not later than 30 days after the date of enactment of this subsection, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this title $15,000,000, to remain available until expended.

"(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this title the funds transferred under subsection (a), without further appropriation.".

(b) TERMINATION OF AUTHORITY.—Section 311 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) (as redesignated by subsection (a)) is amended by striking "December 31, 2005" and inserting "September 30, 2006".

SEC. 904. RURAL ELECTRIFICATION ACT OF 1936.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) (as amended by section 661) is amended by adding at the end the following:

"SEC. 21. FINANCIAL AND TECHNICAL ASSISTANCE FOR RENEWABLE ENERGY PROJECTS.

"(a) DEFINITION OF RENEWABLE ENERGY.—In this section, the term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

"(b) LOANS, LOAN GUARANTEES, AND GRANTS.—The Secretary shall make loans, loan guarantees, and grants to rural electric cooperatives and other rural electric utilities to promote the development of economically and environmentally sustainable renewable energy projects to serve the needs of rural communities or for rural economic development.

"(c) INTEREST RATE.—A loan made or guaranteed under subsection (b) shall bear interest at a rate not exceeding 4 percent.

"(d) USE OF FUNDS.—

"(1) GRANTS.—A recipient of a grant under subsection (a) may use the grant funds to pay up to 75 percent of the cost of an economic feasibility study or technical assistance for a renewable energy project.

"(2) LOANS.—If a renewable energy project is determined to be economically feasible, a recipient of a loan or loan guarantee under subsection (a) may use the loan funds to pay a percentage of the cost of the project determined by the Secretary.

"(e) FUNDING.—

"(1) IN GENERAL.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $9,000,000, to remain available until expended.

"(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

"(3) LOAN AND INTEREST SUBSIDIES.—In the case of a loan or loan guarantee under subsection (a), the Secretary shall use funds under paragraph (1) to pay the cost of loan and interest subsidies necessary to carry out this section.".

SEC. 905. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) greenhouse gas emissions resulting from human activity present potential risks and potential opportunities for agricultural and forestry production;

(2) there is a need to identify cost-effective methods that can be used in the agricultural and forestry sectors to reduce the threat of climate change;

(3) deforestation and other land use changes account for approximately 1,600,000,000 of the 7,900,000,000 metric tons of the average annual worldwide quantity of carbon emitted during the 1990s;

(4) ocean and terrestrial systems each sequestered approximately 2,300,000,000 metric tons of carbon annually, resulting in a sequestration of 60 percent of the annual human-induced emissions of carbon during the 1990s;

(5) there are opportunities for increasing the quantity of carbon that can be stored in terrestrial systems through improved, human-induced agricultural and forestry practices;

(6) increasing the carbon content of soil helps to reduce erosion, reduce flooding, minimize the effects of drought, prevent nutrients and pesticides from washing into water bodies, and contribute to water infiltration, air and water holding capacity, and good seed germination and plant growth;

(7) tree planting and wetland restoration could play a major role in sequestering carbon and reducing greenhouse gas concentrations in the atmosphere;

(8) nitrogen management is a cost-effective method of addressing nutrient overenrichment in the estuaries of the United States and of reducing emissions of nitrous oxide;

(9) animal feed and waste management can be cost-effective methods to address water quality issues and reduce emissions of methane; and

(10) there is a need to—

(A) demonstrate that carbon sequestration in soils, plants, and forests and reductions in greenhouse gas emissions through nitrogen and animal feed and waste management can be measured and verified; and

(B) develop and refine quantification, verification, and auditing methodologies for carbon sequestration and greenhouse gas emission reductions on a project by project basis.

(b) PROGRAM.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

"SEC. 409. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE PROJECT.—The term 'eligible project' means a project that is likely to result in—

"(A) demonstrable reductions in net emissions of greenhouse gases; or

"(B) demonstrable net increases in the quantity of carbon sequestered in soils and forests.

"(2) ENVIRONMENTAL TRADE.—The term 'environmental trade' means a transaction between an emitter of a greenhouse gas and an agricultural producer or farmer-owned cooperative under which the emitter pays to the agricultural producer or farmer-owned cooperative a fee to sequester carbon or otherwise reduce emissions of greenhouse gases.

"(3) PANEL.—The term 'panel' means the panel of experts established under subsection (b)(4)(A).

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting in consultation with—

"(A) the Under Secretary of Agriculture for Natural Resources and Environment;

"(B) the Under Secretary of Agriculture for Research, Education, and Economics;

"(C) the Chief Economist of the Department; and

"(D) the panel.

"(b) DEMONSTRATION PROGRAM.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall establish a program to provide grants, on a competitive, cost-shared basis, to agricultural producers, nonindustrial private forest owners and farmer-owned cooperatives to assist in paying the costs incurred in measuring, estimating, monitoring, verifying, auditing, and testing methodologies involved in environmental trades (including costs incurred in employing certified independent third persons to carry out those activities).

"(2) CONDITIONS FOR RECEIPT OF GRANT.—As a condition of the acceptance of a grant under paragraph (1), an agricultural producer, nonindustrial forest owner and farmer-owned coopertves shall—

"(A) establish a carbon and greenhouse gas monitoring, verification, and reporting system that meets such requirements as the Secretary shall prescribe; and

"(B) under the system and through the use of an independent third party for any necessary monitoring, verifying, reporting, and auditing, measure and report to the Secretary the quantity of carbon sequestered, or the quantity of greenhouse gas emissions reduced, as a result of the conduct of an eligible project.

"(3) CRITERIA FOR AWARD OF GRANT.—

"(A) IN GENERAL.—In awarding a grant for an eligible project under paragraph (1), the Secretary shall take into consideration—

"(i) the likelihood of the eligible project in succeeding in achieving greenhouse gas emissions reductions and net carbon sequestration increases; and

"(ii) the usefulness of the information to be obtained from the eligible project in determining how best to quantify, monitor, and verify sequestered carbon or reductions in greenhouse gas emissions.

"(B) PRIORITY CRITERIA.—The Secretary shall give priority in awarding a grant under paragraph (1) to an eligible project that—

"(i) involves multiple parties, a whole farm approach, or any other approach, such as the aggregation of land areas, that would—

"(I) increase the environmental benefits or reduce the transaction costs of the eligible project; and

"(II) reduce the costs of measuring, monitoring, and verifying any net sequestration of carbon or net reduction in greenhouse gas emissions;

"(ii) is designed to achieve long-term sequestration of carbon or long-term reductions in greenhouse gas emissions;

"(iii) is designed to address concerns concerning leakage;

"(iv) provides certain other benefits, such as improvements in—

"(I) soil fertility;

"(II) wildlife habitat;

"(III) water quality;

"(IV) soil erosion management;

"(V) the use of renewable resources to produce energy;

"(VI) the avoidance of ecosystem fragmentation; and

"(VII) the promotion of ecosystem restoration with native species; or

"(v) does not involve—

"(I) the reforestation of land that has been deforested since 1990; or

"(II) the conversion of native grassland.

"(4) PANEL.—

"(A) IN GENERAL.—The Secretary shall establish a panel to provide advice and recommendations to the Secretary with respect to criteria for awarding grants under this subsection.

"(B) COMPOSITION.—The panel shall be composed of the following representatives, to be appointed by the Secretary:

"(i) Experts from each of—

"(I) the Department;

"(II) the Environmental Protection Agency; and

"(III) the Department of Energy.

"(ii) Experts from nongovernmental and academic entities.

"(5) PAYMENT OF GRANT FUNDS.—The Secretary shall provide a grant awarded under this section in such number of installments as is necessary to ensure proper implementation of an eligible project.

"(c) METHODOLOGY GRANT PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary shall establish a program to provide grants to determine the best methodologies for estimating and measuring increases or decreases in—

"(A) agricultural greenhouse gas emissions; and

"(B) the quantity of carbon sequestered in soils, forests, and trees.

"(2) ELIGIBLE RECIPIENTS.—The Secretary shall award a grant under paragraph (1), on a competitive basis, to a college or university, or other research institution, that seeks to demonstrate the viability of a methodology described in paragraph (1).

"(d) DISSEMINATION OF INFORMATION.—As soon as practicable after the date of enactment of this section, the Secretary shall establish an Internet site through which agricultural, nonindustrial private forest owners and farmer-owned cooperatives, producers may obtain information concerning—

"(1) potential environmental trades; and

"(2) activities of the Secretary under this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006, of which $1,000,000 for each of fiscal years 2002 through 2006 shall be made available to carry out farmer-owned cooperative carbon environmental trade pilot projects in accordance with this section.".

SA 2547. Mr. WYDEN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumer abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 321, strike line 15 and all that follows through page 328, line 6, and insert the following:

SEC. 262. KLAMATH BASIN.

(a) DEFINITIONS.—In this section:

(1) TASK FORCE.—The term "Task Force" means the Klamath Basin Interagency Task Force established under subsection (b).

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) INTERAGENCY TASK FORCE.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary of Agriculture shall establish the Klamath Basin Interagency Task Force.

(B) APPROVAL OF MEMBER.—A decision of the Task Force that affects any area under the jurisdiction of a member of the Task Force described in paragraph (2) shall not be implemented without the consent of the member.

(2) MEMBERSHIP.—The Task Force shall include representatives of—

(A) the Natural Resources Conservation Service;

(B) the Farm Services Agency;

(C) the United States Fish and Wildlife Service;

(D) the Bureau of Reclamation;

(E) the National Marine Fisheries Service;

(F) the Council on Environmental Quality;

(G) the Bureau of Indian Affairs;

(H) the Federal Energy Regulatory Commission;

(I) the Environmental Protection Agency; and

(J) the United States Geological Survey.

(3) DUTIES.—The Task Force shall use conservation programs of the Department of Agriculture and other Federal programs in the Klamath Basin in Oregon and California for the purposes of—

(A) development of a coordinated Federal effort for the management of water resources throughout the Klamath Basin;

(B) water conservation and improved agricultural practices;

(C) aquatic ecosystem restoration;

(D) improvement of water quality and quantity;

(E) recovery and enhancement of endangered species, including anadromous fish species and resident fish species; and

(F) restoration of the national wildlife refuges.

(4) COOPERATIVE AGREEMENT.—The Secretary of Agriculture, Secretary of the Interior, and Secretary of Commerce shall enter into a cooperative agreement to—

(A) provide funding to the Task Force; and

(B) use conservation programs administered by the Secretary of Agriculture and other Federal programs administered by the Secretary of the Interior and Secretary of Commerce in carrying out the purposes described in subsection (b)(3).

(5) GRANT PROGRAM.—The Task Force shall establish a grant program (including appropriate cost-share, monitoring, and enforcement requirements) under which the Secretary of Agriculture, Secretary of the Interior, or Secretary of Commerce may enter into 1 or more agreements or contracts with non-Federal entities, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), environmental organizations, and water districts in the Klamath Basin to carry out the purposes described in subsection (b)(3).

(c) PLAN.—

(1) DEVELOPMENT.—

(A) DRAFT PLAN.—Not later than 180 days after the date of enactment of this Act, the Task Force shall develop, and provide public notice of and an opportunity for comment on, a draft 5-year plan to perform the duties of the Task Force under subsection (b)(3).

(B) FINAL PLAN.—Not later than 1 year after the date of enactment of this Act, the Task Force shall finalize the plan described in subparagraph (A).

(2) MATTERS TO BE CONSIDERED.—In developing the plan under paragraph (1), the Task Force shall consider—

(A) the purchase of water conservation easements;

(B) purchase of agricultural land from willing sellers, with priority given to land that will enhance water storage capabilities;

(C) benefits to the agricultural economy through incentives for the use of irrigation efficiency, water conservation, or other agricultural practices;

(D) wetland restoration;

(E) feasibility studies for alternative water storage, water conservation, demand reduction, and restoration of endangered species;

(F) improvement of upper Klamath Basin watershed and water quality;

(G) improvement of habitat on the Tule Lake National Wildlife Refuge, the Lower Klamath National Wildlife Refuge, and the Upper Klamath Lake National Wildlife Refuge;

(H) fish screening and water metering;

(I) other activities in the Basin that may significantly affect water resources in the Basin, as determined by the Task Force; and

(J) other matters that the Task Force considers appropriate.

(d) COOPERATION WITH NON-FEDERAL ENTITIES.—In carrying out the duties of the Task Force under this section, the Task Force shall—

(1) consult with—

(A) environmental, fishing, and agricultural interests; and

(B) on a government-to-government basis, the Klamath, Hoopa, Yurok, and Karuk Tribes; and

(2) provide appropriate opportunities for public participation.

(e) FUNDING.—

(1) IN GENERAL.—To carry out the purposes and activities described in subsection (b)(3), the Secretary shall use $175,000,000 of the funds of the Commodity Credit Corporation for the period of fiscal years 2003 through 2006, of which—

(A) $15,000,000 shall be made available to the Klamath, Yurok, Hoopa, and Karuk Tribes for use in the State of California; and

(B) $15,000,000 shall be made available to those Tribes for use in the State of Oregon.

(2) OTHER FUNDS.—The funds made available under subparagraphs (A) and (B) of paragraph (1) shall be in addition to funds available to the States of California and Oregon under other provisions of this Act (including amendments made by this Act).

(3) EXPIRATION OF AUTHORITY TO OBLIGATE FUNDS.—The Secretary may not obligate funds made available under this paragraph after September 30, 2006.

(4) UNUSED FUNDING.—Any funds made available for a fiscal year under paragraph (1) that are not obligated by April 1 of the fiscal year may be used to carry out other activities under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

(f) SAVINGS PROVISION.—Nothing in this section regarding the Klamath Basin affects any right or obligation of any party under any treaty or any provision of Federal or State law.

(g) COOPERATIVE AGREEMENTS.—Notwithstanding the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.), the Secretary may enter into cooperative agreements under this section.

SA 2548. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

SEC. . SALE OF INVENTORY OWNED BY THE COMMODITY CREDIT CORPORATION.

Notwithstanding any other provisions of law the Commodity Credit Corporation, where practicable, shall utilize private sector entities to sell inventory to which the Corporation holds title.

SA 2549. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PREVENTING AGROTERRORISM.

(a) ENHANCED PENALTIES FOR ANIMAL AND PLANT ENTERPRISE TERRORISM.—Section 43 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "one year" and inserting "5 years"; and

(2) in subsection (b)—

(A) by redesignating paragraph (2) as paragraph (3);

(B) by inserting after paragraph (1) the following new paragraph (2):

"(2) EXPLOSIVES OR ARSON.—Whoever in the course of a violation of subsection (a) maliciously damages or destroys, or attempts to damage or destroy, by means of fire or an explosive, any building, vehicle, or other real or personal property used by the animal or plant enterprise shall be imprisoned for not less than 5 years and not more than 20 years, fined under this title, or both."; and

(C) in paragraph (3), as redesignated, by striking "under this title and" and all that follows through the period and inserting "under this title, imprisoned for life or for any term of years, or sentenced to death.".

(b) NATIONAL AGROTERRORISM INCIDENT CLEARINGHOUSE.—

(1) IN GENERAL.—The Director shall establish and maintain a national clearinghouse for information on incidents of crime and terrorism—

(A) committed against or directed at any animal or plant enterprise;

(B) committed against or directed at any commercial activity because of the perceived impact or effect of such commercial activity on the environment; or

(C) committed against or directed at any person because of such person's perceived connection with or support of any enterprise or activity described in subparagraph (A) or (B).

(2) CLEARINGHOUSE.—The clearinghouse established under subsection (a) shall—

(A) accept, collect, and maintain information on incidents described in paragraph (1) that is submitted to the clearinghouse by Federal, State, and local law enforcement agencies, by law enforcement agencies of foreign countries, and by victims of such incidents;

(B) collate and index such information for purposes of cross-referencing; and

(C) upon request from a Federal, State, or local law enforcement agency, or from a law enforcement agency of a foreign country, provide such information to assist in the investigation of an incident described in paragraph (1).

(3) SCOPE OF INFORMATION.—The information maintained by the clearinghouse for each incident shall, to the extent practicable, include—

(A) the date, time, and place of the incident;

(B) details of the incident;

(C) any available information on suspects or perpetrators of the incident; and

(D) any other relevant information.

(4) DESIGN OF CLEARINGHOUSE.—The clearinghouse shall be designed for maximum ease of use by participating law enforcement agencies.

(5) PUBLICITY.—The Director shall publicize the clearinghouse to law enforcement agencies.

(6) RESOURCES.—In establishing and maintaining the clearinghouse, the Director may—

(A) through the Attorney General, utilize the resources of any other department or agency of the Federal Government; and

(B) accept assistance and information from private organizations or individuals.

(7) COORDINATION.—The Director shall carry out the Director's responsibilities under this subsection in cooperation with the Director of the Bureau of Alcohol, Tobacco, and Firearms.

(8) DEFINITIONS.—In this subsection—

(A) the term "animal or plant enterprise" has the same meaning as in section 43 of title 18, United States Code; and

(B) the term "Director" means the Director of the Federal Bureau of Investigation.

(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2002 through 2007 such sums as are necessary to carry out this subsection.

SA 2550. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in Title II add the following:

SEC. . GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date enactment of the Farm Security Act of 2001, operates a wellhead or groundwater protection program in the State.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year.".

SA 2551. Mr. JOHNSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 39, strike lines 14 through 17 and insert the following:

"to forgo obtaining the loan for the loan commodity in return for payments under this section.";

(2) by striking subsection (c) and inserting the following:

"(c) LOAN PAYMENT RATE.—

"(1) IN GENERAL.—Subject to paragraph (2), for purposes of this section, the loan payment rate shall be the amount by which—

"(A) the loan rate established under section 132 for the loan commodity; exceeds

"(B) the rate at which a loan for the commodity may be repaid under section 134.

"(2) PRE-HARVEST ELECTION.—

"(A) IN GENERAL.—During the period beginning on the first day of the applicable marketing year and ending prior to harvest of a loan commodity, the producer may elect to have the loan payment rate for the loan commodity on a farm under paragraph (1) established at the then-applicable rate for the loan commodity.

"(B) SINGLE ELECTION.—The producers on a farm shall have 1 opportunity each marketing year for each loan commodity on a farm to make an irrevocable election under subparagraph (A).

"(C) LIMITATION.—The election described in subparagraph (A) may be made shall apply to not more than 50 percent of the expected production of a loan commodity on a farm, as determined by the Secretary.

"(D) TIMING OF PAYMENT.—Producers on a farm that make a pre-harvest election under this paragraph shall receive the loan payment applicable to the quantity of the loan commodity subject to the election only after—

"(i) the quantity of the loan commodity on the farm is harvested; and

"(ii) sufficient documentation regarding the quantity of the loan commodity harvested on the farm has been provided to the Secretary."; and

(3) by striking subsections (e) and (f) and inserting the following:

SA 2552. Mr. CRAPO (for himself and Mr. CRAIG) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 248, strike lines 9 and all that follows through page 249 line 15 and insert the following:

"(b) EXCEPTIONS.—For states in which the Governor has elected not to participate in the program, acreage under this program shall be available for enrollment under the conditions of subchapter B of chapter 1."

"(c) ENROLLMENT OF ELIGIBLE LAND.—

"(1) CRP ACREAGE LIMIT.—The Secretary shall enroll in the program not more than 1,100,000 acres, which shall count against the number of acres enrolled in the conservation reserve program under section 1231(d).

"(2) TIMING.—To the maximum extent practicable, an enrollment under paragraph (1) shall occur during the enrollment period for the conservation reserve program.

"(3) PRIORITY IN ENROLLMENT.—In enrolling eligible land in the program, the Secretary shall give priority to land with associated water or water rights that—

"(A) could be used to significantly advance the goals of Federal, State, Tribal and local fish, wildlife, and plant conservation plans, including—

"(i) plans that address multiple endangered species, sensitive species, or threatened species; or

"(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A) of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1529(a)(2)(A)), respectively; or

"(B) would benefit fish, wildlife, or plants of 1 or more refuges within the National Wildlife Refuge System.

"(4) NONPARTICIPATING STATES.—In the case of a State that elects not to participate in the program, the Secretary shall give, to applications from landowners in the State to enroll land in the conservation reserve program under subchapter B of chapter 1, priority that is equal to the priority given under paragraph (3) to applications from landowners in States participating in the program.

"(5) ENROLLMENT AUTHORITY.—The priority".

SA 2553. Mr. CRAPO (for himself and Mr. CRAIG) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 215.

SA 2554. Mr. CRAPO submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 249, strike line 14 and insert the following:

"(4) NONPARTICIPATING STATES.—In the case of a State that elects not to participate in the program—

"(A) the Secretary shall give, to applications from landowners in the State to enroll land in the conservation reserve program under subchapter B of chapter 1, priority that is equal to the priority given under paragraph (3) to applications from landowners in States participating in the program; and

"(B) notwithstanding paragraph (1), landowners in the State may enroll in the conservation reserve program under subchapter B of chapter 1 such acreage as the landowners in the State would have enrolled in the program if the State had elected to participate in the program.

"(5) ENROLLMENT AUTHORITY.—The priority".

SA 2555. Mr. CRAPO submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 132 and insert the following:

SEC. 132. DAIRY COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

"SEC. 119. DAIRY COUNTER-CYCLICAL SAVINGS ACCOUNTS.

"(a) DEFINITIONS.—In this section:

"(1) ADJUSTED GROSS REVENUE.—The term 'adjusted gross revenue' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

"(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

"(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

"(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

"(D) as represented on—

"(i) a schedule F of the Federal income tax returns of the producer; or

"(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

"(2) AGRICULTURAL ENTERPRISE.—The term 'agricultural enterprise' means the production and marketing of—

"(A) milk regardless of the utilization of the milk for the applicable year; or

"(B)(i) milk regardless of the utilization of the milk for the applicable year; and

"(ii) other agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

"(3) AVERAGE ADJUSTED GROSS REVENUE.—The term 'average adjusted gross revenue' means—

"(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

"(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

"(4) PRODUCER.—The term 'producer' means an individual or entity, as determined by the Secretary for an applicable year, that—

"(A) shares in the risk of producing, or provides a material contribution in producing—

"(i) milk regardless of the utilization of the milk for the applicable year; or

"(ii) milk regardless of the utilization of the milk for the applicable year and other agricultural commodities (including livestock but excluding tobacco) on a farm or ranch;

"(B) has a substantial beneficial interest in the production of the milk and other agricultural commodities on the farm of the producer;

"(C)(i) during each of the preceding 5 taxable years, has filed—

"(I) a schedule F of the Federal income tax returns; or

"(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

"(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

"(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

"(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

"(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

"(b) Establishment.—A producer may establish a dairy counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

"(c) Dairy Account Capitalization Payments.—

"(1) In general.—The Secretary shall in fiscal year 2002 provide a capitalization payment to the account of an eligible producer—

"(A) in the same manner as supplemental payments for dairy producers were administered by the Secretary pursuant to section 805 of Pub. L. 106–387;

"(B) for the average of the production of the producer for the years 1998, 1999, and 2000, not to exceed 39,000 cwt. for a year; and

"(C) at the same per unit rate as provided by the Secretary in section 805 of Pub. L. 106–387.

"(2) Limitation.—Capitalization payments under this subsection shall not exceed $500,000,000 in fiscal year 2002, and shall not be made available in subsequent fiscal years.

"(3) A capitalization payment under this subsection may only be provided to an account of a producer in a bank or savings institution approved by the Secretary.

"(d) Content of Account.—A dairy counter-cyclical savings account shall consist—

"(1) of contributions of the producer;

"(2) for fiscal year 2002, the amount of the capitalization fund for which the producer is eligible, as determined by the Secretary; and

"(2) for fiscal years 2003–2005, matching contributions of the Secretary.

"(e) Producer Contributions.—

"(1) In general.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

"(2) Maximum account balance.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer.

"(f) Matching Contributions.—

"(1) In general.—Subject to paragraphs (2) through (4), the Secretary shall provide to the account of the producer a matching contribution that is equal to, and may not exceed, the amount deposited by the producer into the account.

"(2) Maximum contributions for all producers.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection in addition to the capitalization payments under subsection (c) shall not exceed $1,400,000,000 during the period covering fiscal years 2003 through 2005.

"(3) Date for matching contributions.—The Secretary shall provide the matching contributions for an applicable year required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

"(g) Interest.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

"(h) Use.—Funds credited to the account—

"(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

"(2) may be used for purposes determined by the producer.

"(i) Withdrawal.—

"(1) In general.—Subject to paragraph (2), a producer may withdraw funds from the account if the estimated adjusted gross revenue of the producer for the applicable year is less than the average adjusted gross revenue of the producer.

"(2) Retirement.—A producer that ceases to be actively engaged in farming, as determined by the Secretary—

"(A) may withdraw the full balance from, and close, the account; and

"(B) may not establish another account.

"(j) Funding.—From the funds of the Commodity Credit Corporation, the Secretary shall make available—

"(1) $500,000,000 under subsection (c) for the capitalization payments in fiscal year 2002; and

"(2) $1,400,000,000 for matching contributions under subsection (f)(2)(A) for the period covering fiscal years 2003–2005.".

SA 2556. Mr. SESSIONS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes which was ordered to lie on the table; as follows:

At the end of subtitle C of title X, add the following:

SEC. . ANIMAL DRUGS.

(a) Short Title.—This section may be cited as the "Minor Use and Minor Species Animal Health Act of 2001".

(b) Findings.—Congress makes the following findings:

(1) There is a severe shortage of approved new animal drugs for use in minor species.

(2) There is a severe shortage of approved new animal drugs for treating animal diseases and conditions that occur infrequently or in limited geographic areas.

(3) Because of the small market shares, low-profit margins involved, and capital investment required, it is generally not economically feasible for new animal drug sponsors to pursue approvals for these species, diseases, and conditions.

(4) Because the populations for which such new animal drugs are intended may be small and conditions of animal management may vary widely, it is often difficult to design and conduct studies to establish drug safety and effectiveness under traditional new animal drug approval processes.

(5) It is in the public interest and in the interest of animal welfare to provide for special procedures to allow the lawful use and marketing of certain new animal drugs for minor species and minor uses that take into account these special circumstances and that ensure that such drugs do not endanger animal or public health.

(6) Exclusive marketing rights and tax credits for clinical testing expenses have helped encourage the development of "orphan" drugs for human use, and comparable incentives should encourage the development of new animal drugs for minor species and minor uses.

(c) Definitions.—Section 201 of the Federal, Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended by adding at the end the following:

"(kk) The term 'major species' means cattle, horses, swine, chickens, turkeys, dogs, and cats, except that the Secretary may revise this definition by regulation.

"(ll) The term 'minor species' means animals other than humans that are not major species.

"(mm) The term 'minor use' means the intended use of a drug in a major species for an indication that occurs infrequently or in limited geographical areas.".

(d) Three-Year Exclusivity for Minor Use and Minor Species Approvals.—Section 512(c)(2)(F) (ii), (iii), and (v) of the Federal Food, Drug, and Cosmetic Act is amended by striking "(other than bioequivalence or residue studies)" and inserting "(other than bioequivalence studies or final residue depletion studies, except final residue depletion studies for minor uses or minor species)" every place it appears.

(e) Scope of Review for Minor Use and Minor Species Applications.— Section 512(d) of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new paragraph:

"(5) In reviewing an application that proposes a change to add an intended use for a minor use or a minor species to an approved new animal drug application, the Secretary shall reevaluate only the relevant information in the approved application to determine whether the application for the minor use or minor species can be approved. A decision to approve the application for the minor use or minor species is not, implicitly or explicitly, a reaffirmation of the approval of the original application.".

(f) Minor Use and Minor Species New Animal Drugs.—Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end the following:

"Subchapter F—New Animal Drugs For Minor Use And Minor Species

"SEC. 571. CONDITIONAL APPROVAL OF NEW ANIMAL DRUGS FOR MINOR USE AND MINOR SPECIES.

"(a)(1) Except as provided in paragraph (3) of this section, any person may file with the Secretary an application for conditional approval of a new animal drug intended for a minor use or a minor species. Such an application may not be a supplement to an application approved under section 512. Such application must comply in all respects with the provisions of section 512 of this Act except sections 512(b)(2), 512(c)(1), 512(c)(2), 512(c)(3), 512(d)(1), 512(e), 512(h), and 512(n) unless otherwise stated in this section, and any additional provisions of this section.

"(2) The applicant shall submit to the Secretary as part of an application for the conditional approval of a new animal drug—

"(A) all information necessary to meet the requirements of section 512(b)(1) except section 512(b)(1)(A);

"(B) full reports of investigations which have been made to show whether or not such drug is safe and there is a reasonable expectation of effectiveness for use;

"(C) data for establishing a conditional dose;

"(D) projections of expected need and the justification for that expectation based on the best information available;

"(E) information regarding the quantity of drug expected to be distributed on an annual basis to meet the expected need; and

"(F) a commitment that the applicant will conduct additional investigations to meet the requirements for the full demonstration of effectiveness under section 512(d)(1)(E) within 5 years.

"(3) A person may not file an application under paragraph (1) if without adequate justification—

"(A) the person has previously filed an application for conditional approval under paragraph (1) for the same drug, conditions of use, and dosage form whether or not subsequently conditionally approved by the Secretary under subsection (b), or

"(B) the person obtained the application, or data or other information contained therein, directly or indirectly from the person who filed for conditional approval under paragraph (1) for the same drug and conditions of use whether or not subsequently conditionally approved by the Secretary under subsection (b).

"(b) Within 180 days after the filing of an application pursuant to subsection (a), or such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

"(1) issue an order, effective for one year, conditionally approving the application if the Secretary finds that none of the grounds for denying conditional approval, specified in subsection (c) of this section applies, or

"(2) give the applicant notice of an opportunity for an informal hearing on the question whether such application can be conditionally approved.

"(c) If the Secretary finds, after giving the applicant notice and an opportunity for an informal hearing, that—

"(1) any of the provisions of section 512(d)(1) (A) through (D) or (F) through (I) are applicable;

"(2) the information submitted to the Secretary as part of the application and any other information before the Secretary with respect to such drug, is insufficient to show that there is a reasonable expectation that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof; or

"(3) another person has received approval under section 512 for a drug with the same active ingredient or ingredients, the same conditions of use, and the same dosage form and that person is able to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended;

the Secretary shall issue an order refusing to conditionally approve the application.

If, after such notice and opportunity for an informal hearing, the Secretary finds that paragraphs (1) through (3) do not apply, the Secretary shall issue an order conditionally approving the application effective for one year. Any order issued under this subsection refusing to conditionally approve an application shall state the findings upon which it is based.

"(d) A conditional approval under this section is effective for a 1-year period and is thereafter renewable by the Secretary annually for up to 4 additional 1-year terms. A conditional approval shall be in effect for no more than 5 years from the date of approval under subsection (b)(1) or (c) of this section unless extended as provided for in subsection (h) of this section. The following shall also apply:

"(1) No later than 90 days from the end of the 1-year period for which the original or renewed conditional approval is effective, the applicant may submit a request to renew a conditional approval for an additional 1-year term.

"(2) If the renewal request is submitted no later than 90 days from the end of the 1-year period, a conditional approval shall be deemed renewed at the end of the 1-year period, or at the end of an additional 90-day extension when deemed necessary to complete review of an application, unless the Secretary makes a written determination before the expiration of the 1-year period or the 90-day extension that—

"(A) the request fails to contain sufficient information to show that—

"(i) the applicant is making sufficient progress toward meeting approval requirements under section 512(d)(1)(E), and is likely to be able to fulfill those requirements and obtain an approval under section 512 before the expiration of the 5-year maximum term of the conditional approval;

"(ii) the quantity of the drug that has been distributed is consistent with the intended use, unless there is adequate explanation that ensures that the drug is only used for its intended purpose; or

"(iii) no other drug with the same active ingredient or ingredients, for the same conditions of use, and dosage form has received approval under section 512, or if such a drug has been approved, that the holder of the approved application is unable to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended; or

"(B) 1 or more of the conditions of section 512(e)(1) (A) through (B) and (D) through (F) are met.

"(3) If the Secretary makes a timely written determination that a conditional approval should not be renewed, or the applicant fails to submit a timely renewal request, the Secretary shall issue an order refusing to renew the conditional approval, and such conditional approval shall be deemed withdrawn and no longer in effect. The Secretary shall thereafter provide an opportunity for an informal hearing to the applicant on the issue whether the conditional approval shall be reinstated.

"(e)(1) The Secretary shall issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds that another person has received approval under section 512 for a drug with the same active ingredient or ingredients, the same conditions of use, and dosage form, and that person is able to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended.

"(2) The Secretary shall, after due notice and opportunity for an informal hearing to the applicant, issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds that—

"(A) any of the provisions of section 512(e)(1) (A) through (B) or (D) through (F) are applicable; or

"(B) on the basis of new information before the Secretary with respect to such drug, evaluated together with the evidence available to the Secretary when the application was conditionally approved, that there is not a reasonable expectation that such drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

"(3) The Secretary may also, after due notice and opportunity for an informal hearing to the applicant, issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds that any of the provisions of section 512(e)(2) are applicable.

"(f)(1) The label and labeling of a new animal drug with a conditional approval under this section shall—

"(A) bear the statement, 'conditionally approved by FDA pending a full demonstration of effectiveness under application [number]'; and

"(B) contain such other information as prescribed by the Secretary.

"(2) An intended use that is the subject of a conditional approval under this section shall not be included in the same product label with any intended use approved under section 512.

"(g) A conditionally-approved new animal drug application may not be amended or supplemented to add indications for use.

"(h) 180 days prior to the termination date established under subsection (d)(1) of this section, a sponsor shall have submitted all the information necessary to support a complete new animal drug application in accordance with section 512(b)(1) or the conditional approval issued under this section is no longer in effect. Upon receipt of this information, the Secretary shall either—

"(1) issue an order approving the application if the Secretary finds that none of the grounds for denying approval specified in section 512(d)(1) applies, or

"(2) give the sponsor an opportunity for a hearing before the Secretary under section 512(d) on the question whether such application can be approved.

Upon issuance of an order approving the application, product labeling and administrative records of approval shall be modified accordingly. If the Secretary has not issued an order under section 512(c) approving such application prior to the termination date established under subsection (d)(1) of this section, the conditional approval issued under this section is no longer in effect unless the Secretary grants an extension of an additional 180-day period so that the Secretary can complete review of the application. The decision to grant an extension is committed to Agency discretion and not subject to judicial review.

"(i) The decision of the Secretary under subsection (c), (d), or (e) of this section, refusing or withdrawing conditional approval of an application shall constitute final agency action subject to judicial review.

"SEC. 572. INDEX OF LEGALLY-MARKETED UNAPPROVED NEW ANIMAL DRUGS FOR MINOR SPECIES.

"(a) The Secretary shall establish an index of unapproved minor species new animal drugs that may be lawfully marketed for use in minor species. The index shall be limited to—

"(1) new animal drugs intended for use in a minor species for which there is a reasonable certainty that the animal or edible products from the animal will not be consumed by humans, and

"(2) new animal drugs intended for use in an early life stage of a food-producing minor species where human food safety can be demonstrated in accordance with the standard of section 512(d) by showing that—

“(A) there is no significant likelihood that harmful residues will be present in the animal presented as food for humans as a result of treatment at the early life stage;

“(B) there is no significant likelihood that harmful residues will be present in the animal presented as food for food-producing animals as a result of treatment at the early life stage; and

“(C) there are no concerns about the use of the drug at later life stages because a tolerance and regulatory method to test for the drug at later life stages are available or there is no practical use for the drug in later life stages.

“(b) Any person intending to file a request under this section shall be entitled to one or more conferences to discuss the requirements for indexing a new animal drug.

“(c)(1) Any person may submit a request to the Secretary for a determination whether a new animal drug may be eligible for inclusion in the index. Such a request shall include—

“(A) information regarding the need for the new animal drug, the species for which the new animal drug is intended, the proposed intended use and conditions of use, and anticipated annual distribution;

“(B) information to support the conclusion that the proposed use meets the conditions of subsection (a)(1) or (a)(2) of this section;

“(C) information regarding the components and composition of the new animal drug;

“(D) a description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such new animal drug;

“(E) an environmental assessment or information to support a categorical exclusion from the requirement to prepare an environmental assessment;

“(F) information sufficient to support the conclusion that the proposed use of the new animal drug does not present a threat to the safety of individuals exposed to the new animal drug through its manufacture or use; and

“(G) such other information as the Secretary may deem necessary to make this eligibility determination.

“(2) Within 90 days after the submission of a request for a determination of eligibility for indexing based on subsection (a)(1) of this section, or 180 days for a request submitted based on subsection (a)(2) of this section, the Secretary shall grant or deny the request, and notify the person who requested such determination of the Secretary's decision. The Secretary shall grant the request if the Secretary finds that—

“(A) no new animal drug, including the same active ingredient or any salt or ester thereof is approved or conditionally approved in the same dosage form for the same intended use;

“(B) the proposed use does not raise concerns related to safety; and

“(C) the person requesting the determination has established appropriate specifications for the manufacture and control of the new animal drug and has demonstrated an understanding of the requirements of current good manufacturing practices.

If the Secretary denies the request, the Secretary shall thereafter provide due notice and an opportunity for an informal conference. The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(d)(1) With respect to a new animal drug for which the Secretary has made a determination of eligibility under subsection (b), the person who made such a request may ask that the Secretary add the new animal drug to the index established under subsection (a). The request for addition to the index shall include—

“(A) a copy of the Secretary's determination of eligibility issued under subsection (b);

“(B) a written report that meets the requirements in subsection (d)(2) of this section;

“(C) a proposed index entry;

“(D) facsimile labeling;

“(E) anticipated annual distribution of the new animal drug;

“(F) a written commitment to manufacture the new animal drug according to current good manufacturing practices;

“(G) a written commitment to label, distribute, and promote the new animal drug only in accordance with the index entry;

“(H) upon specific request of the Secretary, information submitted to the expert panel described in paragraph (3); and

“(I) any additional requirements that the Secretary may prescribe by general regulation or specific order.

“(2) The report required in paragraph (1) shall—

“(A) be authored by a qualified expert panel;

“(B) include an evaluation of all available target animal safety and effectiveness information, including anecdotal information;

“(C) state the expert panel's opinion regarding whether the benefits of using the new animal drug for the proposed use in a minor species outweigh its risks, taking into account the harm being caused by the absence of an approved or conditionally-approved new animal drug for the minor species in question;

“(D) include information upon which labeling can be written; and

“(E) include a recommendation regarding whether the new animal drug should be limited to use under the professional supervision of a licensed veterinarian.

“(3) A qualified expert panel, as used in this section, is a panel that—

“(A) is composed of experts qualified by scientific training and experience to evaluate the target animal safety and effectiveness of the new animal drug under consideration;

“(B) operates external to FDA; and

“(C) is not subject to the Federal Advisory Committee Act, 5 U.S.C. App.2.

The Secretary shall define the criteria for selection of a qualified expert panel and the procedures for the operation of the panel by regulation.

“(4) Within 180 days after the receipt of a request for listing a new animal drug in the index, the Secretary shall grant or deny the request. The Secretary shall grant the request if the request for indexing continues to meet the eligibility criteria in subsection (a) and the Secretary finds, on the basis of the report of the qualified expert panel and other information available to the Secretary, that the benefits of using the new animal drug for the proposed use in a minor species outweigh its risks, taking into account the harm caused by the absence of an approved or conditionally-approved new animal drug for the minor species in question. If the Secretary denies the request, the Secretary shall thereafter provide due notice and the opportunity for an informal conference. The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(e)(1) The index established under subsection (a) shall include the following information for each listed drug—

“(A) the name and address of the person who holds the index listing;

“(B) the name of the drug and the intended use and conditions of use for which it is being indexed;

“(C) product labeling; and

“(D) conditions and any limitations that the Secretary deems necessary regarding use of the drug.

“(2) The Secretary shall publish the index, and revise it periodically.

“(3) The Secretary may establish by regulation a process for reporting changes in the conditions of manufacturing or labeling of indexed products.

“(f)(1) If the Secretary finds, after due notice to the person who requested the index listing and an opportunity for an informal conference, that—

“(A) the expert panel failed to meet the requirements as set forth by the Secretary by regulation;

“(B) on the basis of new information before the Secretary, evaluated together with the evidence available to the Secretary when the new animal drug was listed in the index, the benefits of using the new animal drug for the indexed use do not outweigh its risks;

“(C) the conditions of subsection (c)(2) of this section are no longer satisfied;

“(D) the manufacture of the new animal drug is not in accordance with current good manufacturing practices;

“(E) the labeling, distribution, or promotion of the new animal drug is not in accordance with the index entry;

“(F) the conditions and limitations of use associated with the index listing have not been followed; or

“(G) the request for indexing contains any untrue statement of material fact,

the Secretary shall remove the new animal drug from the index. The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(2) If the Secretary finds that there is a reasonable probability that the use of the drug would adversely affect the health of humans or other animals, the Secretary may—

“(A) suspend the listing of such drug immediately;

“(B) give the person listed in the index prompt notice of the Secretary's action; and

“(C) afford that person the opportunity for an informal conference.

The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(g) For purposes of indexing new animal drugs under this section, to the extent consistent with the public health, the Secretary shall promulgate regulations for exempting from the operation of section 512 minor species new animal drugs and animal feeds bearing or containing new animal drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and effectiveness of minor species animal drugs. Such regulations may, at the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such article, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of such article, as the Secretary finds will enable the

Secretary to evaluate the safety and effectiveness of such article in the event of the filing of a request for an index listing pursuant to this section.

"(h) The labeling of a new animal drug that is the subject of an index listing shall state, prominently and conspicuously—

"(1) 'NOT APPROVED BY FDA.—Legally marketed as an FDA indexed product. Extra-label use is prohibited.';

"(2) except in the case of new animal drugs indexed for use in an early life stage of a food producing animal, 'This product is not to be used in animals intended for use as food for humans or other animals.'; and

"(3) such other information as may be prescribed by the Secretary in the index listing.

"(i)(1) In the case of any new animal drug for which an index listing pursuant to subsection (a) is in effect, the person who has an index listing shall establish and maintain such records, and make such reports to the Secretary, of data relating to experience, and other data or information, received or otherwise obtained by such person with respect to such drug, or with respect to animal feeds bearing or containing such drug, as the Secretary may by general regulation, or by order with respect to such listing, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (f). Such regulation or order shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulation or order is applicable, of similar information received or otherwise obtained by the Secretary.

"(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

"(j)(1) Safety and effectiveness data and information which has been submitted in support of a request for a new animal drug to be indexed under this section and which has not been previously disclosed to the public shall be made available to the public, upon request, unless extraordinary circumstances are shown—

"(A) if no work is being or will be undertaken to have the drug indexed in accordance with the request,

"(B) if the Secretary has determined that such drug cannot be indexed and all legal appeals have been exhausted,

"(C) if the indexing of such drug is terminated and all legal appeals have been exhausted, or

"(D) if the Secretary has determined that such drug is not a new animal drug.

"(2) Any request for data and information pursuant to paragraph (1) shall include a verified statement by the person making the request that any data or information received under such paragraph shall not be disclosed by such person to any other person—

"(A) for the purpose of, or as part of a plan, scheme, or device for, obtaining the right to make, use, or market, or making, using, or marketing, outside the United States, the drug identified in the request for indexing; and

"(B) without obtaining from any person to whom the data and information are disclosed an identical verified statement, a copy of which is to be provided by such person to the Secretary, which meets the requirements of this paragraph.

"SEC. 573. DESIGNATED NEW ANIMAL DRUGS FOR MINOR USE OR MINOR SPECIES.

"(a) DESIGNATION.—

"(1) The manufacturer or the sponsor of a new animal drug for a minor use or use in a minor species may request that the Secretary declare that drug a 'designated new animal drug'. A request for designation of a new animal drug shall be made before the submission of an application under section 512(b) or section 571 for the new animal drug.

"(2) The Secretary may declare a new animal drug a 'designated new animal drug' for an intended use if—

"(A) it is intended for a minor use or use in a minor species; and

"(B) a new animal drug containing the same active ingredient, including any salt or ester of the active ingredient, for the same intended use, in the same species, and in the same dosage form is not approved under section 512 or section 571 or designated for the intended use at the time the request is made.

"(3) Regarding the termination of a designation—

"(A) the sponsor of a new animal drug shall notify the Secretary of any decision to discontinue active pursuit of approval under section 512 or 571 of an application for a designated new animal drug. The Secretary shall terminate the designation upon such notification;

"(B) the Secretary may also terminate designation if the Secretary independently determines that the sponsor is not actively pursuing approval under section 512 or 571 with due diligence;

"(C) the sponsor of an approved designated new animal drug shall notify the Secretary of any discontinuance of the manufacture of such new animal drug at least one year before discontinuance. The Secretary shall terminate the designation upon such notification; and

"(D) the designation shall terminate upon the expiration of any applicable exclusivity period under subsection (c).

"(4) Notice respecting the designation or termination of designation of a new animal drug shall be made available to the public.

"(b) GRANTS AND CONTRACTS FOR DEVELOPMENT OF DESIGNATED NEW ANIMAL DRUGS.—

"(1) The Secretary may make grants to and enter into contracts with public and private entities and individuals to assist in defraying the costs of qualified safety and effectiveness testing expenses and manufacturing expenses incurred in connection with the development of designated new animal drugs.

"(2) For purposes of paragraph (1) of this section—

"(A) The term 'qualified safety and effectiveness testing' means testing—

"(i) which occurs after the date such new animal drug is designated under this section and before the date on which an application with respect to such drug is submitted under section 512 or 571; and

"(ii) which is carried out under an investigational exemption under section 512(j).

"(B) The term 'manufacturing expenses' means expenses incurred in developing processes and procedures associated with manufacture of the designated new animal drug which occur after the new animal drug is designated under this section and before the date on which an application with respect to such new animal drug is submitted under section 512 or section 571.

"(3) There is authorized to be appropriated to carry out this subsection $1,000,000 for the fiscal year following publication of final implementing regulations, $2,000,000 for the subsequent fiscal year and such sums as may be necessary for each fiscal year thereafter.

"(c) EXCLUSIVITY FOR DESIGNATED NEW ANIMAL DRUGS.—

"(1) Except as provided in subsection (c)(2), if the Secretary—

"(A) approves or conditionally approves an application for a designated new animal drug, and no active ingredient (including any salt or ester of the active ingredient) of that designated new animal drug has been approved or conditionally approved previously, the Secretary may not approve or conditionally approve another application submitted for a new animal drug with the same active ingredient and intended use as the designated new animal drug for another applicant before the expiration of ten years from the date of the approval or conditional approval of the application.

"(B) approves or conditionally approves an application for a designated new animal drug, and an active ingredient (including an ester or salt of the active ingredient) of that designated new animal drug has been approved or conditionally approved previously, the Secretary may not approve or conditionally approve another application submitted for a new animal drug with the same active ingredient and intended use as the designated new animal drug for another applicant before the expiration of seven years from the date of approval or conditional approval of the application.

"(2) If an application filed pursuant to section 512 or section 571 is approved for a designated new animal drug, the Secretary may, during the 10-year or 7-year exclusivity period beginning on the date of the application approval or conditional approval, approve or conditionally approve another application under section 512 or section 571 for such drug for such minor use or minor species for another applicant if—

"(A) the Secretary finds, after providing the holder of such an approved application notice and opportunity for the submission of views, that in the granted exclusivity period the holder of the approved application cannot assure the availability of sufficient quantities of the drug to meet the needs for which the drug was designated; or

"(B) such holder provides written consent to the Secretary for the approval or conditional approval of other applications before the expiration of such exclusivity period.".

(g) CONFORMING AMENDMENTS.—

(1) Section 201(u) of the Federal Food, Drug, and Cosmetic Act is amended by striking "512" and inserting "512, 571".

(2) Section 201(v) of the Federal Food, Drug, and Cosmetic Act is amended by inserting the following after paragraph (2): "Provided that any drug intended for minor use or use in a minor species that is not the subject of a final regulation published by the Secretary through notice and comment rulemaking finding that the criteria of paragraphs (1) and (2) or of section 108 of Public Law 90-399 have been met is a new animal drug.".

(3) Section 301(e) of the Federal Food, Drug, and Cosmetic Act is amended by striking "512(a)(4)(C), 512(j), (l) or (m)" and inserting "512(a)(4)(C), 512 (j), (l) or (m), 572(i)."

(4) Section 301(j) of the Federal Food, Drug, and Cosmetic Act is amended by deleting "520" and inserting "520, 571, 572, 573."

(5) Section 502 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new subsection:

"(u) If it is a new animal drug—

"(1) that is conditionally approved under section 571 and its labeling does not conform with the approved application or section 571(f), or that is not conditionally approved under section 571 and its label bears the statement set forth in section 571(f)(1)(A); or

"(2) that is indexed under section 572 and its labeling does not conform with the index listing under section 572(e) or 572(h), or that has not been indexed under section 572 and its label bears the statement set forth in section 572(h).".

(6) Section 503(f) of the Federal Food, Drug, and Cosmetic Act is amended by—

(A) in paragraph (1)(A)(ii) by striking "512" and inserting "512, a conditionally-approved application under section 571, or an index listing under section 572"; and

(B) in paragraph (3) by striking "section 512" and inserting "section 512, 571, or 572".

(7) Section 504(a)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking "512(b)" and inserting "512(b), a conditionally-approved application filed pursuant to section 571, or an index listing pursuant to section 572".

(8) Sections 504(a)(2)(B) and 504(b) of the Federal Food, Drug, and Cosmetic Act are amended by striking "512(i)" each place it appears and inserting "512(i), or the index listing pursuant to section 572(e)".

(9) Section 512(a) of the Federal Food, Drug, and Cosmetic Act is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) A new animal drug shall, with respect to any particular use or intended use of such drug, be deemed unsafe for purposes of section 501(a)(5) and section 402(a)(2)(C)(ii) unless—

"(A) there is in effect an approval of an application filed pursuant to subsection (b) with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such approved application;

"(B) there is in effect a conditional approval of an application filed pursuant to section 571 with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such conditionally-approved application; or

"(C) there is in effect an index listing pursuant to section 572 with respect to such use or intended use of such drug in a minor species, and such drug, its labeling, and such use conform to such index listing.

A new animal drug shall also be deemed unsafe for such purposes in the event of removal from the establishment of a manufacturer, packer, or distributor of such drug for use in the manufacture of animal feed in any State unless at the time of such removal such manufacturer, packer, or distributor has an unrevoked written statement from the consignee of such drug, or notice from the Secretary, to the effect that, with respect to the use of such drug in animal feed, such consignee (i) holds a license issued under subsection (m) and has in its possession current approved labeling for such drug in animal feed; or (ii) will, if the consignee is not a user of the drug, ship such drug only to a holder of a license issued under subsection (m).

"(2) An animal feed bearing or containing a new animal drug shall, with respect to any particular use or intended use of such animal feed be deemed unsafe for purposes of section 501(a)(6) unless—

"(A) there is in effect—

"(i) an approval of an application filed pursuant to subsection (b) with respect to such drug, as used in such animal feed, and such animal feed and its labeling, distribution, holding, and use conform to such approved application;

"(ii) a conditional approval of an application filed pursuant to section 571 with respect to such drug, as used in such animal feed, and such animal feed and its labeling, distribution, holding, and use conform to such conditionally-approved application; or

"(iii) an index listing pursuant to section 572 with respect to such drug, as used in such animal feed, and such animal feed and its labeling, distribution, holding, and use conform to such index listing; and

"(B) such animal feed is manufactured at a site for which there is in effect a license issued pursuant to subsection (m)(1) to manufacture such animal feed.".

(10) Section 512(b)(3) of the Federal Food, Drug, and Cosmetic Act is amended by striking "under paragraph (1) or a request for an investigational exemption under subsection (j)" and inserting "under paragraph (1), section 571, or a request for an investigational exemption under subsection (j)".

(11) Section 512(d)(4) of the Federal Food, Drug, and Cosmetic Act is amended by striking "have previously been separately approved" and inserting "have previously been separately approved pursuant to an application submitted under section 512(b)(1)".

(12) Section 512(f) of the Federal Food, Drug, and Cosmetic Act is amended by striking "subsection (d), (e), or (m)" and inserting "subsection (d), (e), or (m), or section 571 (c), (d), or (e)".

(13) Section 512(g) of the Federal Food, Drug, and Cosmetic Act is amended by striking "this section" and inserting "this section, or section 571".

(14) Section 512(i) of the Federal Food, Drug, and Cosmetic Act is amended by striking "subsection (b)" and inserting "subsection (b) or section 571" and by inserting "or upon failure to renew a conditional approval under section 571" after "or upon its suspension".

(15) Section 512(l)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking "subsection (b)" and inserting "subsection (b) or section 571".

(16) Section 512(m)(1)(C) of the Federal Food, Drug, and Cosmetic Act is amended by striking "applicable regulations published pursuant to subsection (i)" and inserting "applicable regulations published pursuant to subsection (i) or for indexed new animal drugs in accordance with the index listing published pursuant to section 572(e)(2) and the labeling requirements set forth in section 572(h)".

(17) Section 512(m)(3) of the Federal Food, Drug, and Cosmetic Act is amended by inserting "or an index listing pursuant to section 572(e)" after "subsection (i)".

(18) Section 512(p)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking "subsection (b)(1)" and inserting "subsection (b)(1) or section 571(a)".

(19) Section 512(p)(2) of the Federal Food, Drug, and Cosmetic Act is amended by striking "subsection (b)(1)" and inserting "subsection (b)(1) or section 571(a)".

(h) REGULATIONS.—Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services shall issue proposed regulations to implement section 572 of the Federal Food, Drug, and Cosmetic Act (as added by this Act), and not later than 36 months after the date of enactment of this Act, the Secretary shall issue final regulations implementing such amendments. Not later than 12 months after the date of enactment of this Act, the Secretary of Health and Human Services shall issue proposed regulations to implement section 573 of the Federal Food, Drug, and Cosmetic Act (as added by this Act), and not later than 24 months after the date of enactment of this Act, the Secretary shall issue final regulations implementing such amendments; provided that these timeframes shall be extended by 12 months for each fiscal year in which the funds authorized to be appropriated by this Act are not in fact appropriated. The Secretary shall implement section 571 of the Federal Food, Drug, and Cosmetic Act (as added by this Act) on the date of enactment of this Act and subsequently publish any needed implementing regulations.

(i) OFFICE.—The Secretary of Health and Human Services shall establish within the Center of Veterinary Medicine (of the Food and Drug Administration), an Office of Minor Use and Minor Species Animal Drug Development that reports directly to the Director of the Center for Veterinary Medicine. This office shall be responsible for overseeing the development and legal marketing of new animal drugs for minor uses and minor species. There is authorized to be appropriated to carry out this subsection $1,200,000 for fiscal year 2002 and such sums as may be necessary for each fiscal year thereafter.

SA 2557. Mr. ALLEN (for himself and Mr. WARNER) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 87, strike line 15 and all that follows through page 113 and insert the following:

CHAPTER 3—PEANUTS

SEC. 151. PEANUT PROGRAM.

(a) IN GENERAL.—Subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251 et seq.) is amended by adding at the end the following:

"CHAPTER 3—PEANUTS

"SEC. 158A. DEFINITIONS.

"In this chapter:

"(1) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment' means a payment made to peanut producers on a farm under section 158D.

"(2) DIRECT PAYMENT.—The term 'direct payment' means a payment made to peanut producers on a farm under section 158C.

"(3) EFFECTIVE PRICE.—The term 'effective price' means the price calculated by the Secretary under section 158D for peanuts to determine whether counter cyclical payments are required to be made under section 158D for a crop year.

"(4) HISTORICAL PEANUT PRODUCERS ON A FARM.—The term 'historical peanut producers on a farm' means the peanut producers on a farm in the United States that produced or were prevented from planting peanuts during any of the 1998 through 2001 crop years.

"(5) INCOME PROTECTION PRICE.—The term 'income protection price' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

"(6) PAYMENT ACRES.—The term 'payment acres' means 85 percent of the peanut acres on a farm, as established under section 158B, on which direct payments and counter-cyclical payments are made.

“(7) Peanut acres.—The term ‘peanut acres’ means the number of acres assigned to a particular farm for historical peanut producers on a farm pursuant to section 158B(b).

“(8) Payment yield.—The term ‘payment yield’ means the yield assigned to farm by historical peanut producers on the farm pursuant to section 158B(b).

“(9) Peanut producer.—The term ‘peanut producer’ means an owner, operator, landlord, tenant, or sharecropper that—

“(A) shares in the risk of producing a crop of peanuts in the United States; and

“(B) is entitled to share in the crop available for marketing from the farm or would have shared in the crop had the crop been produced.

“SEC. 158b. PAYMENT YIELDS, PEANUT ACRES, AND PAYMENT ACRES FOR FARMS.

“(a) Payment Yields and Payment Acres—

“(1) Average yield—

“(A) In general.— The Secretary shall determine, for each historical peanut producer, the average yield for peanuts on all farms of the historical peanut producer for the 1998 through 2001 crop years, excluding any crop year during which the producers did not produce peanuts.

“(B) Assigned yields.—If for any of the crop years referred to in subparagraph (A) in which peanuts were planted on a farm by the historical peanut producer, the historical peanut producer has satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign to the historical peanut producer a yield for the farm for the crop year equal to 65 percent of the average yield for peanuts for the previous 5 crop years.

“(2) Acreage average.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

“(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

“(B) any acreage that was prevented from being planted to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

“(3) Selection by producer.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

“(A) the State average of acreage actually planted to peanuts; or

“(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

“(4) Time for determinations; factors—

“(A) Timing.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

“(B) Factors.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

“(b) Assignment of Yield and Acres to Farms.—

“(1) Assignment by historical peanut producers.—The Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

“(2) Payment yield.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

“(3) Peanut acres.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

“(c) Election.—Not later than 180 days after the date of enactment of this section, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

“(d) Payment Acres.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

“(e) Prevention of Excess Peanut Acres.—

“(1) Required reduction.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

“(2) Selection of acres.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

“(3) Other acreage.—For purposes of paragraph (1), the Secretary shall include—

“(A) any contract acreage for the farm under subtitle B;

“(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

“(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

“(3) Double-cropped acreage.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

“SEC. 158C. DIRECT PAYMENTS FOR PEANUTS.

“(a) In General.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 158B.

“(b) Payment Rate.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

“(c) Payment Amount.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

“(1) the payment rate specified in subsection (b);

“(2) the payment acres on the farm; by

“(3) the payment yield for the farm.

“(d) Time for Payment.—

“(1) In general.—The Secretary shall make direct payments—

“(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

“(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

“(2) Advance payments.—

“(A) In general.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

“(B) Selected date.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

“(C) Subsequent fiscal years.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

“(3) Repayment of advance payments.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

“SEC. 158D. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

“(a) In General.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

“(b) Effective Price.—For purposes of subsection (a), the effective price for peanuts is equal to the total of—

“(1) the greater of—

“(A) the national average market price received by peanut producers during the 12-month marketing year for peanuts, as determined by the Secretary; or

“(B) the national average loan rate for a marketing assistance loan for peanuts under section 158G in effect for the 12-month marketing year for peanuts under this chapter; and

“(2) the payment rate in effect for peanuts under section 158C for the purpose of making direct payments with respect to peanuts.

“(c) Income Protection Price.—For purposes of subsection (a), the income protection price for peanuts shall be equal to $550 per ton.

“(d) Payment Amount.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

“(1) the payment rate specified in subsection (e);

“(2) the payment acres on the farm; by

“(3) the payment yield for the farm.

“(e) Payment Rate.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

“(1) the income protection price for peanuts; and

"(2) the effective price determined under subsection (b) for peanuts.

"(f) Time for Payments—

"(1) In general.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

"(2) Partial payment—

"(A) In general.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 6 months of the marketing year for the crop, as determined by the Secretary.

"(B) Repayment.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

"SEC. 158E. PRODUCER AGREEMENTS.

"(a) Compliance With Certain Requirements—

"(1) Requirements.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

"(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

"(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

"(C) to comply with the planting flexibility requirements of section 158F; and

"(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

"(2) Compliance.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

"(b) Foreclosure—

"(1) In general.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

"(2) Compliance with requirements—

"(A) In general.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

"(B) Applicable requirements.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

"(c) Transfer or Change of Interest in Farm—

"(1) Termination.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

"(2) Effective date.—The termination takes effect on the date of the transfer or change.

"(3) Transfer of payment base and yield.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

"(4) Modification.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

"(5) Exception.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

"(d) Acreage Reports.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

"(e) Tenants and Sharecroppers.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) Sharing of Payments.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

"SEC. 158F. PLANTING FLEXIBILITY.

"(a) Permitting Crops.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

"(b) Limitations and Exceptions Regarding Certain Commodities—

"(1) Limitations.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

"(A) Fruits.

"(B) Vegetables (other than lentils, mung beans, and dry peas).

"(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

"(2) Exceptions.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

"(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted:

"(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

"(C) by the plant producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

"(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

"(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

"SEC. 158G. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

"(a) Nonrecourse Loans Available—

"(1) Availability.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

"(2) Terms and conditions.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

"(3) Eligible production.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

"(4) Treatment of certain commingled commodities.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

"(5) Options for obtaining loan.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained by the option of the peanut producers on a farm through—

"(A) a designated marketing association of peanut producers that is approved by the Secretary;

"(B) the Farm Service Agency; or

"(C) a loan servicing agent approved by the Secretary.

"(b) Loan Rate.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

"(c) Term of Loan—

"(1) In general.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

"(2) Extensions prohibited.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

"(d) Repayment Rate.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

"(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

"(2) a rate that the Secretary determines will—

"(A) minimize potential loan forfeitures;

"(B) minimize the accumulation of stocks of peanuts by the Federal Government;

"(C) minimize the cost incurred by the Federal Government in storing peanuts; and

"(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(e) Loan Deficiency Payments—

"(1) Availability.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

"(2) Amount.—A loan deficiency payment under this subsection shall be obtained by multiplying—

"(A) the loan payment rate determined under paragraph (3) for peanuts; by

"(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan rate established under subsection (b); exceeds

"(B) the rate at which a loan may be repaid under subsection (d).

"(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

"(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

"(B) the date the peanut producers on the farm request the payment.

"(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

"(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

"(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

"(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

"SEC. 158H. QUALITY IMPROVEMENT.

"(a) OFFICIAL INSPECTION.—

"(1) MANDATORY INSPECTION.—All peanuts placed under a marketing assistance loan under section 158G shall be officially inspected and graded by a Federal or State inspector.

"(2) OPTIONAL INSPECTION.—Peanuts not placed under a marketing assistance loan may be graded at the option of the peanut producers on a farm.

"(b) TERMINATION OF PEANUT ADMINISTATIVE COMMITTEE.—The Peanut Administrative Committee established under Marketing Agreement No. 1436, which regulates the quality of domestically produced peanuts under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

"(c) ESTABLISHMENT OF PEANUT STANDARDS BOARD.—

"(1) IN GENERAL.—The Secretary shall establish a Peanut Standards Board for the purpose of assisting in the establishment of quality standards with respect to peanuts.

"(2) COMPOSITION.—The Secretary shall appoint members to the Board that, to the maximum extent practicable, reflect all regions and segments of the peanut industry.

"(3) DUTIES.—The Board shall assist the Secretary in establishing quality standards for peanuts.

"(d) CROPS.—This section shall apply beginning with the 2002 crop of peanuts.".

(b) CONFORMING AMENDMENTS.—

(1) The chapter heading of chapter 2 of subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. prec. 7271) is amended by striking "PEANUTS AND".

(2) Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) is repealed.

SEC. 152. TERMINATION OF MARKETING QUOTAS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS.

(a) REPEAL OF MARKETING QUOTAS FOR PEANUTS.—Effective beginning with the 2002 crop of peanuts, part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

(b) COMPENSATION OF QUOTA HOLDERS.—

(1) DEFINITIONS.—In this subsection:

(A) PEANUT QUOTA HOLDER.—

(i) IN GENERAL.—The term "peanut quota holder" means a person or entity that owns a farm that—

(I) held a peanut quota established for the farm for the 2001 crop of peanuts under part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) (as in effect before the amendment made by subsection (a));

(II) if there was not such a quota established for the farm for the 2001 crop of peanuts, would be eligible to have such a quota established for the farm for the 2002 crop of peanuts, in the absence of the amendment made by subsection (a); or

(III) is otherwise a farm that was eligible for such a quota as of the effective date of the amendments made by this section.

(ii) SEED OR EXPERIMENTAL PURPOSES.—The Secretary shall apply the definition of "peanut quota holder" without regard to temporary leases, transfer, or quotas for seed or experimental purposes.

(B) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(2) CONTRACTS.—The Secretary shall offer to enter into a contract with peanut quota holders for the purpose of providing compensation for the lost value of quota as a result of the repeal of the marketing quota program for peanuts under the amendment made by subsection (a).

(3) PAYMENT PERIOD.—Under a contract, the Secretary shall make payments to an eligible peanut quota holder for each of fiscal years 2002 through 2005.

(4) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in 5 equal installments not later than September 30 of each of fiscal years 2002 through 2005.

(5) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(A) $0.1025 per pound; by

(B) the actual farm poundage quota (excluding any quantity for seed and experimental peanuts) established for the farm of a peanut quota holder under section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)) (as in effect prior to the amendment made by subsection (a)) for the 2001 marketing year.

(6) ASSIGNMENT OF PAYMENTS.—

(A) IN GENERAL.—the provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts.

(B) NOTICE.—the peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(c) CONFORMING AMENDMENTS.—

(1) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking "peanuts,".

(2) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(A) in the first sentence of subsection (a), by striking "peanuts,"; and

(B) in the first sentence of subsection (b), by striking "peanuts".

(3) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(A) in the first sentence of subsection (a)—

(i) by striking "peanuts," each place it appears;

(ii) by inserting "and" after "from producers,"; and

(iii) by striking "for producers, all" and all that follows through the period at the end of the sentence and inserting "for producers."; and

(B) in subsection (b), by striking "peanuts,".

"(4) EMINENT DOMAIN.—Section 378(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(c)) is amended in the first sentence—

(A) by striking "cotton," and inserting "cotton and"; and

(B) by striking "and peanuts,".

(d) CROPS.—This section and the amendments made by this section apply beginning with the 2002 crop of peanuts.

Subtitle D—Administration

SEC. 161. ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.

Section 161 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281) is amended by adding at the end the following:

"(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A through D that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)), as in effect on the date of enactment of this subsection, will exceed the allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of the expenditures to ensure that the expenditures do not exceed, but are not less than, the allowable levels."

SEC. 162. SUSPENSION OF PERMANENT PRICE. SUPPORT AUTHORITY.

Section 171 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7301) is amended—

(1) by striking "2002" each place it appears and inserting "2006"; and

(2) in subsection (a)(1)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (I) as subparagraphs (E) through (H), respectively.

SEC. 163. COMMODITY PURCHASES.

Section 191 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7331 et. seq.) is amended to read as follows:

"SEC. 191. COMMODITY PURCHASES.

"(a) IN GENERAL.—To purchase agricultural commodities under this section, the Secretary shall use funds of the Commodity Credit Corporation in an amount equal to—

"(1) for each of fiscal years 2002, and 2003, $130,000,000, of which not less than $100,000,000 shall be used for the purchase of specialty crops;

"(2) for fiscal year 2004, $150,000,000, of which not less than $120,000,000 shall be used for the purchase of specialty crops;

"(3) for fiscal year 2005, $170,000,000, of which not less than $140,000,000 shall be used for the purchase of specialty crops;

"(4) for fiscal year 2006, $200,000,000, of which not less than $170,000,000 shall be used for the purchase of specialty crops; and

"(5) for fiscal year 2007, $0.

"(b) OTHER PURCHASES.—The Secretary shall ensure that purchases of agricultural commodities under this section are in addition to purchases by the Secretary under any other law.

"(c) PURCHASES BY DEPARTMENT OF DEFENSE FOR SCHOOL LUNCH PROGRAM.—The Secretary shall provide not less than $50,000,000 for each fiscal year of the funds made available under subsection (a) to the Secretary of Defense to purchase fresh fruits and vegetables for distribution to schools and service institutions in accordance with section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)) in a manner prescribed by the Secretary of Agriculture.

"(d) PURCHASES FOR EMERGENCY FOOD ASSISTANCE PROGRAM.—The Secretary shall use not less than $40,000,000 for each fiscal year of the funds made available under subsection (a) to purchase agricultural commodities for distribution under the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.)."

SEC. 164. HARD WHITE WHEAT INCENTIVE PAYMENTS.

Section 193 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1508) is amended to read as follows:

"SEC. 193. HARD WHITE WHEAT INCENTIVE PAYMENTS.

"(a) IN GENERAL.—For the period of crop years 2003 through 2005, the Secretary shall use $40,000,000 of funds of the Commodity Credit Corporation to provide incentive payments to producers of hard white wheat to ensure that hard white wheat, produced on a total of not more than 2,000,000 acres, meets minimum quality standards established by the Secretary.

"(b) APPLICATION.—The amounts payable to producers in the form of payments under this section shall be determined through the submission of bids by producers in such manner as the Secretary may prescribe.

"(c) DEMAND FOR WHEAT.—To be eligible to obtain a payment under this section, a producer shall demonstrate to the Secretary the availability of buyers and end-users for the wheat that is covered by the payment."

SEC. 165. PAYMENT LIMITATIONS.

Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) LIMITATION ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—The total amount of direct payments and counter-cyclical payments to a person during any fiscal year may not exceed $100,000, with a separate limitation for—

"(A) all contract commodities; and

"(B) peanuts.

"(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—The total amount of the payments specified in paragraph (3) that a person shall be entitled to receive under title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) for 1 or more loan commodities during any crop year may not exceed $150,000 with a separate limitation for—

"(A) all contract commodities;

"(B) wool and mohair;

"(C) honey; and

"(D) peanuts.

"(3) DESCRIPTION OF PAYMENTS SUBJECT TO LIMITATION.—The payments referred to in paragraph (2) are the following:

"(A) Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

"(B) Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

"(4) DEFINITIONS.—In paragraphs (1) through (3):

"(A) CONTRACT COMMODITY.—The term 'contract commodity' has the meaning given the term in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202).

"(B) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment' means a payment made under section 114 or 158D of that Act.

"(C) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

"(D) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.".

SA 2558. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

SECTION . FINDINGS.

Congress finds the following:

(1) A number of young people residing in rural areas and small towns are at high risk for alcohol and substance abuse, suicide, teen pregnancy, and truancy.

(2) The Girl Scouts of the United States of America, the Boy Scouts of America, the National 4-H Council, and the National FFA Organization have proven track records of empowering youth to resist negative peer pressure, develop positive behaviors, and achieve goals.

(3) Currently, many youth in rural areas and small towns are underserved by the organizations described in paragraph (2) due to high transportation costs and lack of adequate community resources.

(4) Additional resources would enable many youth in rural areas and small towns, who wish to participate in the programs offered by the organization, to have the opportunity to do so.

SEC. . PURPOSES.

The purposes of this Act are—

(1) to support and promote the expansion of the Girl Scouts of the United States of America, the Boy Scouts of America, the National 4-H Council, and the National FFA Organization to increase the access of youth in rural areas and small towns to those organizations; and

(2) to encourage youth in rural areas and small towns to participate in the Girl Scouts of the United States of America, the Boy Scouts of America, the National 4-H Council, and the National FFA Organization to develop critical life skills and take advantage of the learning opportunities the organizations offer.

SEC. . GRANTS.

The Secretary of Agriculture, acting through the Administrator of the Cooperative State Research, Education, and Extension Service, shall make grants to the Girl Scouts of the United States of America, the Boy Scouts of America, the National 4-H Council, and the National FFA Organization to establish pilot projects to expand the programs carried out by the organizations in rural areas and small towns.

SEC. . AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEAR 2002.—There is authorized to be appropriated and there is appropriated to carry out this Act $10,000,000 for fiscal year 2002.

(b) SUBSEQUENT FISCAL YEARS.—There are authorized to be appropriated to carry out this Act such sums as may be necessary for fiscal year 2003 and each subsequent year.

SA 2559. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert a period and the following:

SEC. 10 . FEES FOR PESTICIDES.

(a) MAINTENANCE FEE.—

(1) AMOUNTS FOR REGISTRANTS.—Section 4(i)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(5)) is amended—

(A) in subparagraph (A), by striking "each year" and all that follows and inserting "each year $2,300 for each registration";

(B) in subparagraph (D)—

(i) in clause (i), by striking "$55,000" and inserting "$70,000"; and

(ii) in clause (ii), by striking "$95,000" and inserting "$120,000"; and

(C) in subparagraph (E)(i)—

(i) in subclause (I) by striking "$38,500" and inserting "$46,000"; and

(ii) in subclause (II), by striking "$66,500" and inserting "$80,000".

(2) TOTAL AMOUNT OF FEES.—Section 4(i)(5)(C) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(a)-1(i)(5)(C)) is amended—

(A) by striking "(C)(i) The" and inserting the following:

"(C) TOTAL AMOUNT OF FEES.—The";

(B) by striking "$14,000,000 each fiscal year" and inserting "$20,000,000 for the period beginning on January 1, 2002, and ending on January 31, 2002"; and

(C) by striking clause (ii).

(3) DEFINITION OF SMALL BUSINESS.—Section 4(i)(5)(E)(ii) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(5)(E)(ii)) is amended—

(A) in subclause (I), by striking "150" and inserting "500"; and

(B) in subclause (II), by striking "gross revenue from chemicals that did not exceed $40,000,000" and inserting "global gross revenue from pesticides that did not exceed $60,000,000".

(4) PERIOD OF EFFECTIVENESS.—Section 4(i)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(5)) is amended by striking subparagraph (H) and inserting the following:

"(H) Period of Effectiveness.—This paragraph shall be in effect during the period beginning on January 1, 2002, and ending on January 31, 2002.".

(b) Other Fees.—Section 4(i)(6) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(6)) is amended by striking "the date of the enactment of this section and ending on September 30, 2001" and inserting "January 1, 2002, and ending on January 31, 2002".

(c) Expedited Processing of Similar Applications.—Section 4(k)(3) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(k)(3)) is amended—

(1) in the paragraph heading, by striking "Expedited" and inserting "Review of inert ingredients; expedited"; and

(2) in subparagraph (A)—

(A) by striking "each of the" and all that follows through "such fiscal year" and inserting "the period beginning on January 1, 2002, and ending on January 31, 2002, ½ of the maintenance fees collected during the period";

(B) by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and adjusting the margins appropriately; and

(C) by striking "assure the expedited processing and review of any applicant that" and inserting the following:

"(i) review and evaluate inert ingredients; and

"(ii) ensure the expedited processing and review of any application that—".

(d) Pesticide Tolerance Processing Fees.—Section 408(m)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a(m)(1)) is amended—

(1) by striking "The Administrator" and inserting the following:

"(A) In general.—The Administrator";

(2) by striking "Under the regulations" and inserting the following:

"(B) Inclusions.—Under the regulations";

(3) by redesignating subparagraphs (A), (B), (C), and (D) as clauses (i), (ii), (iii), and (iv), respectively, and adjusting the margins appropriately;

(4) by striking "The regulations may" and inserting the following:

"(C) Waiver; refund.—The regulations may"; and

(5) by adding at the end the following:

"(D) Annual adjustment of fees.—The Administrator may annually promulgate regulations to implement changes in the amounts in the schedule of pesticide tolerance processing fees in effect on the date of enactment of this subparagraph by the same percentage as the annual adjustment to the Federal General Schedule pay scale under section 5303 of title 5, United States Code.

"(E) Period of effectiveness.—This paragraph shall be in effect during the period beginning on January 1, 2002, and ending on January 31, 2002.".

SA 2560. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumer abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 226, strike line 1 and all that follows through page 235, line 6, and insert the following:

"(4) Large confined livestock feeding operations.—

"(A) Definition of large confined livestock feeding operation.—In this paragraph:

"(i) In general.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equivalent units (as defined by the Secretary).

"(ii) Multiple locations.—In determining the number of animal unit equivalents of operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

"(B) New or expanded operations.—A producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operation that—

"(i) is established after the date of enactment of this paragraph; or

"(ii) is expanded after the date of enactment of this paragraph so as to become a large confined livestock operation.

"(C) Multiple operations.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

"(D) Flood plain siting.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock operation if—

"(i) the structural practices are located in a 100-year flood plain; and

"(ii) the large confined livestock operation is a confined livestock operation that—

(I) is established after the date of enactment; or

(II) is expanded after the date of enactment.

"(e) Incentive Payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

"(f) Technical Assistance.—

"(1) In general.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year,

"(2) Amount.—The allocated amount may vary according to—

"(A) the type of expertise required;

"(B) the quantity of time involved; and

"(C) other factors as determined appropriate by the Secretary.

"(3) Limitation.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

"(4) Other authorities.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

"(5) Incentive payments for technical assistance.—

"(A) In general.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

"(B) Purpose.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

"(C) Payment.—The incentive payment shall be—

"(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

"(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

"(iii) in an amount determined appropriate by the Secretary, taking into account—

"(I) the extent and complexity of the technical assistance provided;

"(II) the costs that the Secretary would have incurred in providing the technical assistance; and

"(III) the costs incurred by the private provider in providing the technical assistance.

"(D) Eligible practices.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

"(E) Certification by secretary.—

"(i) In general.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

"(ii) Quality assurance.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

"(F) Advance payment.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

"(G) Final payment.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

"(i) completion of the technical assistance; and

"(ii) the actual cost of the technical assistance.

"(g) Modification or Termination of Contracts.—

"(1) Voluntary modification or termination.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

"(A) the producer agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

‘‘(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

‘‘SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

‘‘(a) IN GENERAL.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

‘‘(1) maximize environmental benefits per dollar expended; and

‘‘(2)(A) address national conservation priorities, including—

‘‘(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality;

‘‘(ii) comprehensive nutrient management;

‘‘(iii) water quality, particularly in impaired watersheds;

‘‘(iv) soil erosion;

‘‘(v) air quality; or

‘‘(vi) pesticide and herbicide management or reduction;

‘‘(B) are provided in conservation priority areas established under section 1230(c);

‘‘(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

‘‘(D) an innovative technology in connection with a structural practice or land management practice.

‘‘(b) ADDITIONAL PRIORITIES FOR LIVESTOCK PRODUCERS.—In evaluating applications for technical assistance, cost-share payments, and incentive payments for livestock producers, the Secretary shall accord priority to—

‘‘(1) applications for assistance and payments for systems and practices that avoid subjecting the livestock production operation to Federal, State, tribal, and local environmental regulatory systems while also assisting the operation to meet environmental quality criteria established by Federal, State, tribal, and local agencies; and

‘‘(2) applications from livestock producers using managed grazing systems and other pasture- and forage-based systems.

‘‘SEC. 1240D. DUTIES OF PRODUCERS.

‘‘To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

‘‘(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

‘‘(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

‘‘(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

‘‘(A) if the Secretary determines that the violation warrants termination of the contract—

‘‘(i) to forfeit all rights to receive payments under the contract; and

‘‘(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

‘‘(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

‘‘(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

‘‘(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

‘‘(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

‘‘SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

‘‘(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan.

‘‘(b) CONFINED ANIMAL FEEDING OPERATIONS.—

‘‘(1) IN GENERAL.—To be eligible to receive cost-share payments or incentive payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by a confined animal feeding operation, the producer or owner of the operation shall submit a comprehensive nutrient management plan for the confined animal feeding operation as part of the plan of operations submitted under subsection (a).

‘‘(2) CONTRACT CONDITION.—Implementation of the comprehensive nutrient management plan submitted under paragraph (1) shall be a condition of the environmental quality incentives program contract.

‘‘(c) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

‘‘SEC. 1240F. DUTIES OF THE SECRETARY.

‘‘To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

‘‘(1) providing technical assistance in developing and implementing the plan;

‘‘(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

‘‘(3) providing the producer with information, education, and training to aid in implementation of the plan; and

‘‘(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

‘‘SEC. 1240G. LIMITATION ON PAYMENTS.

‘‘(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

‘‘(1) $20,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year;

‘‘(2) $60,000 for a contract with a term of 3 years;

‘‘(3) $80,000 for a contract with a term of 4 years; or

‘‘(4) $100,000 for a contract with a term of more than 4 years.

‘‘(b) ATTRIBUTION.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $20,000 for any fiscal year.

‘‘(c) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

‘‘(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

‘‘(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

‘‘(d) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

SA 2561. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC.   . READJUSTMENT RESOLUTION.

(a) IN GENERAL.—If the Secretary of Agriculture makes a determination and adjustment pursuant to section 161 of the Federal Agriculture Improvement and Reform Act of 1996, no expenditures may be made under subtitle A or D of title I of that Act after the date that is 18 months after the date on which that determination is made, unless a readjustment resolution is enacted into law.

(b) READJUSTMENT RESOLUTION.—For purposes of subsection (a), the term ‘‘readjustment resolution’’ means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ‘‘That the expenditures under subtitles A and D of title I of the Federal Agriculture Improvement and Reform Act of 1996 are reduced from   to   .’’, with the first blank space being filled with the expenditures relating to domestic support levels in effect on day before the introduction of the readjustment resolution and the second blank space being filled with the level of expenditures necessary for the United States to comply with the total allowable domestic support levels under the Uruguay Round Agreements.

(c) EXPEDITED PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191) apply to a readjustment resolution to the same extent as such section 151 applies to an approval resolution under that section, except that for purposes of applying such section 151—

(1) subsection (b) of this section shall be substituted for section 151(b)(2) of such Act; and

(2) any reference to an approval resolution in that section shall be treated as a reference to a readjustment resolution.

SA 2562. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 105, strike lines 15 through 25 and insert the following:

‘‘(5) Options for obtaining loan.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

‘‘(A) a designated marketing association of peanut producers that is approved by the Secretary; or

‘‘(B) the Farm Service Agency.

‘‘(6) Pooling.—A designated marketing association of peanut producers described in paragraph (5)(A) may pool peanuts for marketing in any manner determined appropriate by the association, including the creation of a separate pool for Valencia peanuts produced in New Mexico.

SA 2563. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 97, strike line 11 and all that follows through page 116, line 15, and insert the following:

‘‘(C) Selection by producer.—If a county in which a historical peanut producer described in subparagraph (A) is located was declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute the yield for peanuts on all farms of the peanut producer for the 1996 or 1997 crop, for not more than 1 of the crop years during which a disaster is declared.

‘‘(2) Acreage average.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

‘‘(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

‘‘(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

‘‘(3) Selection by producer.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for purposes of determining the 4-year average aoreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

‘‘(A) the State average of acreage actually planted to peanuts; or

‘‘(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

‘‘(4) Time for determinations; factors.—

‘‘(A) Timing.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

‘‘(B) Factors.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

‘‘(b) Assignment of Yield and Acres to Farms.—

‘‘(1) Assignment by historical peanut producers.—For each of the 2002 and 2003 crop years, the Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

‘‘(2) Payment yield.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

‘‘(3) Peanut acres.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

‘‘(c) Election.—Not later than 180 days after the date of enactment of this section for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

‘‘(d) Payment Acres.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

‘‘(e) Prevention of Excess Peanut Acres.—

‘‘(1) Required reduction.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

‘‘(2) Selection of acres.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

‘‘(3) Other acreage.—For purposes of paragraph (1), the Secretary shall include—

‘‘(A) any contract acreage for the farm under subtitle B;

‘‘(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

‘‘(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

‘‘(3) Double-cropped acreage.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

“SEC. 158C. DIRECT PAYMENTS FOR PEANUTS.

‘‘(a) In General.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 158B.

‘‘(b) Payment Rate.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

‘‘(c) Payment Amount.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

‘‘(1) the payment rate specified in subsection (b);

‘‘(2) the payment acres on the farm; by

‘‘(3) the payment yield for the farm.

‘‘(d) Time for Payment.—

‘‘(1) In general.—The Secretary shall make direct payments—

‘‘(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

‘‘(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

‘‘(2) Advance payments.—

‘‘(A) In general.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

‘‘(B) Selected date.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

‘‘(C) Subsequent fiscal years.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

‘‘(3) Repayment of advance payments.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph. (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

“SEC. 158D. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

‘‘(a) In General.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

‘‘(b) Effective Price.—For purposes of subsection (a), the effective price for peanuts is equal to the total of—

‘‘(1) the greater of—

‘‘(A) the national average market price received by peanut producers during the marketing season for peanuts, as determined by the Secretary; or

‘‘(B) the national average loan rate for a marketing assistance loan for peanuts under section 158G in effect for the marketing season for peanuts under this chapter; and

‘‘(2) the payment rate in effect for peanuts under section 158C for the purpose of making direct payments with respect to peanuts.

‘‘(c) Income Protection Price.—For purposes of subsection (a), the income protection price for peanuts shall be equal to $520 per ton.

"(d) Payment Amount.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

"(1) the payment rate specified in subsection (e);

"(2) the payment acres on the farm; by

"(3) the payment yield for the farm.

"(e) Payment Rate.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

"(1) the income protection price for peanuts; and

"(2) the effective price determined under subsection (b) for peanuts.

"(f) Time for Payments.—

"(1) In general.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

"(2) Partial payment.—

"(A) In general.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the marketing season for the crop, as determined by the Secretary.

"(B) Repayment.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

"SEC. 158E. PRODUCER AGREEMENTS.

"(a) Compliance With Certain Requirements.—

"(1) Requirements.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

"(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

"(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

"(C) to comply with the planting flexibility requirements of section 158F; and

"(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

"(2) Compliance.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

"(b) Foreclosure.—

"(1) In general.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

"(2) Compliance with requirements.—

"(A) In general.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of,the farm.

"(B) Applicable requirements.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

"(c) Transfer or Change of Interest in Farm.—

"(1) Termination.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

"(2) Effective date.—The termination takes effect on the date of the transfer or change.

"(3) Transfer of payment base and yield.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

"(4) Modification.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

"(5) Exception.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

"(d) Acreage Reports.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

"(e) Tenants and Sharecroppers.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) Sharing of Payments.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

"SEC. 158F. PLANTING FLEXIBILITY.

"(a) Permitted Crops.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

"(b) Limitations and Exceptions Regarding Certain Commodities.—

"(1) Limitations.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

"(A) Fruits.

"(B) Vegetables (other than lentils, mung beans, and dry peas).

"(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

"(2) Exceptions.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

"(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

"(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

"(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

"(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

"(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

"SEC. 158G. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

"(a) Nonrecourse Loans Available.—

"(1) Availability.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

"(2) Terms and conditions.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

"(3) Eligible production.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

"(4) Treatment of certain commingled commodities.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

"(5) Options for obtaining loan.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

"(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

"(B) the Farm Service Agency; or

"(C) a loan servicing agent approved by the Secretary.

"(b) Loan Rate.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

"(c) Term of Loan.—

"(1) In general.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

"(2) Extensions prohibited.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

"(d) Repayment Rate.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

"(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

"(2) a rate that the Secretary determines will—

"(A) minimize potential loan forfeitures;

"(B) minimize the accumulation of stocks of peanuts by the Federal Government;

"(C) minimize the cost incurred by the Federal Government in storing peanuts; and

"(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(e) Loan Deficiency Payments.—

"(1) Availability.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

"(2) Amount.—A loan deficiency payment under this subsection shall be obtained by multiplying—

"(A) the loan payment rate determined under paragraph (3) for peanuts; by

"(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

"(3) Loan payment rate.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan rate established under subsection (b); exceeds

"(B) the rate at which a loan may be repaid under subsection (d).

"(4) Time for payment.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

"(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

"(B) the date the peanut producers on the farm request the payment.

"(f) Compliance With Conservation Requirements.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

"(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

"(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

"(g) Reimbursable Agreements and Payment of Expenses.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

"SEC. 158H. QUALITY IMPROVEMENT.

"(a) Official Inspection.—All edible peanuts produced in the United States shall be officially inspected and graded by a Federal or State inspector.

SA 2564. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 128, line 8, strike the period at the end and insert a period and the following:

SEC. 1 . RESERVE STOCK LEVEL.

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking "100,000,000" and inserting "75,000,000"; and

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

SA 2565. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 374, line 12, strike "more than 50 percent" and insert the words "40 percent or more".

SA 2566. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 765, strike line 21 and insert the following:

SEC. 748. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

"(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal year 2002 through 2006.".

SA 2567. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 977, strike the period at the end of line 15 and insert a period and the following:

SEC. 10 . REPORT ON RATS, MICE, AND BIRDS.

(a) In General.—Not later than 1 year after date enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the implications of including rats, mice, and birds within the definition of animal under the Animal Welfare Act (7 U.S.C. 2131 et seq.).

(b) Requirements.—The report under subsection (a) shall—

(1) be completed with input, consultation, and recommendations from the Secretary of Health and Human Services and the Institute for Animal Laboratory Research within the National Academy of Sciences;

(2) contain a description of the number and types of entities that currently use rats, mice, and birds, and are not subjected to regulations of the Department of Agriculture or Department of Health and Human Services, or accreditation requirements of the Association for Assessment and Accreditation of Laboratory Animal Care;

(3) contain an estimate of the additional costs likely to be incurred by breeders and research facilities resulting from the additional regulatory requirements; and

(4) contain an estimate of the additional funding that the Animal and Plant Health Inspection Service would require to be able to ensure that the quality and frequency of inspections by the Department of Agriculture relating to other animals are not diminished by the increase in the number of facilities that would require inspections if the definition were amended to include rats, mice, and birds.

SA 2568. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert the following:

SEC. 10 . STUDY OF NONAMBULATORY LIVESTOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during marketing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2569. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 945, strike lines 6 and 7 and insert the following:

SEC. 1024. DEFINITION OF ANIMAL UNDER THE ANIMAL WELFARE ACT.

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by striking "excludes horses not used for research purposes and" and inserting the following: "birds, rats of the genus Rattus, and mice of the genus

Mus bred for use in research, horses not used for research purposes, and".

SEC. 1025. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

SA 2570. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 97, between lines 10 and 11, insert the following:

"(C) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located was declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute the yield for peanuts on all farms of the peanut producer for the 1996 or 1997 crop, for not more than 1 of the crop years during which a disaster is declared.

On page 99, line 6, strike "The" and insert "For each of the 2002 and 2003 crop years, the".

On page 99, line 24, insert after "section" the following: "for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop".

Beginning on page 103, line 24, through page 104, line 1, strike "12-month marketing year" and insert "marketing season".

On page 104, lines 5 and 6, strike "12-month marketing year" and insert "marketing season".

On page 105, lines 16 and 17, strike "6 months of the marketing year" and insert "2 months of the marketing season".

On page 112, strike lines 20 through 22 and insert the following:

"(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

On page 116, strike lines 7 through 15 and insert the following:

"(a) OFFICIAL INSPECTION.—All edible peanuts produced in the United States shall be officially inspected and graded by a Federal or State inspector.

SA 2571. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 119, strike line 1 and insert the following:

SEC. 165. ESTIMATES OF NET FARM INCOME.

Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933) is amended to read as follows:

"SEC. 194. ESTIMATES OF NET FARM INCOME.

"In each issuance of projections of net farm income, the Secretary shall include (as determined by the Secretary)—

"(1) an estimate of the net farm income earned by commercial producers in the United States;

"(2) an estimate of the net farm income attributable to commercial producers of each of—

"(A) livestock;

"(B) loan commodities; and

"(C) agricultural commodities other than loan commodities; and

"(3) the definition of 'commercial producer' used by the Secretary in making estimates under this section.".

SEC. 166. PAYMENT LIMITATIONS.

SA 2572. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 63, strike lines 4 through 10 and insert the following:

(h) SUBSTITUTABILITY OF SUGAR.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following:

"(i) SUBSTITUTION OF REFINED SUGAR.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the reexport programs and polyhydric alcohol program administered by the Foreign Agricultural Service of the Department of Agriculture, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar in refined form or in sugar containing products.".

(i) CROPS.—Subsection (j) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) (as redesignated by subsection (h)(1)) is amended—

(1) by striking "(other than subsection (f))"; and

(2) by striking "2002" and inserting "2006".

(j) INTEREST RATE.—Section 163 of the Federal Ag-

SA 2573. Mr. BINGAMAN (for himself, Mr. WARNER, and Mr. ALLEN) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 111, strike line 11 and all that follows through page 117, line 12, and insert the following:

"SEC. 158G. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

"(a) NONRECOURSE LOANS AVAILABLE.—

"(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

"(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

"(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

"(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities that have not contracted with the Secretary for proper accounting, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

"(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

"(A) a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting loan activities on behalf of peanut producers. Such area marketing associations may construct or own storage facilities as necessary.

"(B) the Farm Service Agency; or

"(6) POOLING.—A designated area marketing association of peanut producers described in paragraph (5)(A) may pool peanuts for marketing in any manner determined appropriate by the association, including the creation of a separate pool for Valencia peanuts produced in New Mexico.

"(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to a national average loan rate of $400 per ton adjusted for differences in grade, type, quality, location, and other factors, as determined by the Secretary.

"(c) TERM OF LOAN.—

"(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month in which the loan is made except that no peanuts may be forfeited to the Secretary in satisfaction of a loan amount that remain in storage beyond June 30 of the applicable year.

"(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

"(3) ASSOCIATION COSTS.—The amount of a loan made to producers through an area marketing association under this section may include, at the option of the association, such costs as the area marketing association may reasonably incur in carrying out this section, including the costs of making loan deficiency payments.

"(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm or area marketing association as agents of producers to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

"(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

"(2) a rate that the Secretary determines will—

"(A) minimize potential loan forfeitures;

"(B) minimize the accumulation of stocks of peanuts by the Federal Government;

"(C) minimize the cost incurred by the Federal Government in storing peanuts; and

"(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(e) LOAN DEFICIENCY PAYMENTS.—

"(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

"(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

"(A) the loan payment rate determined under paragraph (3) for peanuts; by

"(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan rate established under subsection (b); exceeds

"(B) the rate at which a loan may be repaid under subsection (d).

"(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

"(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

"(B) the date the peanut producers on the farm request the payment.

"(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

"(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

"(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

"(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

"(h) SPECIAL COMPETITIVE DETERMINATION.—

"(1) IN GENERAL.—The Secretary shall conduct a study to determine whether the ownership or control of peanut buying points throughout the historical peanut growing areas promotes noncompetitive marketing of peanuts in marketing areas.

"(2) NONCOMPETITIVE MARKETING.—For the purpose of paragraph (1) and subsection (g), noncompetitive marketing of peanuts exists if—

"(A) peanut producers must haul peanuts produced by the producers an unreasonable distance to market the peanuts, as determined by the Secretary;

"(B) handlers of peanuts fail to provide reasonable warehouse storage space to area marketing associations that would allow peanut producers to obtain a marketing assistance loan under this section for peanuts stored in the warehouses; or

"(C) competitive sales options are not available to peanut producers.

"(3) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the study.

"(i) NONCOMPETITIVE MARKETING.—If the Secretary determines that noncompetitive marketing exists in a marketing area, the Secretary shall—

"(1) make warehouse stored marketing assistance loans available in the marketing area to a designated area marketing association of peanut producers in the marketing area that is approved by the Secretary;

"(2) contract with the area marketing association to administer and supervise activities relating to loans and marketing activities under this section;

"(3) include in a marketing assistance loan made to an area marketing association in the marketing area, at the option of the marketing association, such costs as the area marketing association may reasonably incur in carrying out the responsibilities, operations, and activities of the association and Commodity Credit Corporation under this section; and

"(4) require each handler in the marketing area (as determined by the Secretary)—

"(A) to report commercial warehouse storage capacity to the Secretary; and

"(B) to commit any storage owned or controlled by the handler that is not needed for the storage of the peanuts of the handler to the Secretary for the purpose of making marketing assistance loans available to peanut producers at all locations where peanuts are marketed and stored.

"(j) DEFINITION OF COMMINGLE.—In this section and section 158H, the term 'commingle', with respect to peanuts, means—

"(1) the mixing of peanuts produced on different farms by the same or different producers; or

"(2) the mixing of peanuts pledged for marketing assistance loans with peanuts that are not pledged for marketing assistance loans, to facilitate storage.

"SEC. 158H. QUALITY IMPROVEMENT.

"(a) MANDATORY INSPECTION.—All peanuts for consumption in the United States or exported, shall be officially inspected and graded by Federal or State inspectors.

"(b) ACCOUNTING FOR COMMINGLED PEANUTS.—All peanuts stored commingled with peanuts covered by a marketing assistance loan shall be graded and exchanged on a dollar value basis, unless the Secretary determines that the beneficial interest in the peanuts covered by the marketing assistance loan have been transferred to other parties prior to demand for delivery.".

SA 2574. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. LUGAR, Mr. JOHNSON, Mr. NELSON of Nebraska, Mr. TORRICELLI, and Mr. WELLSTONE) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 178 and insert the following:

SEC. 178. PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

"(1) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $85,000.

"(2) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

"(A) IN GENERAL.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $125,000.

"(B) PAYMENTS AND BENEFITS.—Subparagraph (A) shall apply to the following payments and benefits:

"(i) MARKETING LOAN GAINS.—

"(I) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

"(II) FORFEITURE GAINS.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

"(ii) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

"(iii) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

"(3) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or 158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

"(4) DEFINITIONS.—In this section and sections 1001A through 1001F:

"(A) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment' means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

"(B) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

"(C) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

"(D) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(5) APPLICATION OF LIMITATION.—

"(A) MARRIED COUPLES.—The total amount of payments and benefits described paragraphs (1) and (2) that a married couple may receive directly or indirectly may not exceed $260,000 during the fiscal or crop year (as appropriate).

"(B) TENANT RULE.—

"(i) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

"(I) 1000 hours; or

"(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

"(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

"(6) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.".

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking "**PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;**" and inserting "**SUBSTANTIVE CHANGE;**";

(B) by striking "(a) PREVENTION" and all that follows through the end of paragraph (2) and inserting the following:

"(a) SUBSTANTIVE CHANGE.—

"(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

"(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.";

(C) in the first sentence of paragraph (3)—

(i) by striking "as a separate person"; and

(ii) by inserting ", as determined by the Secretary" before the period at the end; and

(D) by striking paragraph (4).

(3) ACTIVELY ENGAGED IN FARMING.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).";

(B) in paragraph (2), by adding at the end the following:

"(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

"(i) activities and labor involved in the farming operation; and

"(ii) on-site services that are directly related and necessary to the farming operation.";

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

"(A) LANDOWNERS.—An individual or entity that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

"(i) share rents the land; or

"(ii) makes a significant contribution of active personal management."; and

(ii) in subparagraph (B), by striking "persons" and inserting "individuals and entities"; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES";

(ii) in the matter preceding subparagraph (A), by striking "persons" and inserting "individuals and entities"; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES"; and

(II) by striking "person, or class of persons" and inserting "individual or entity, or class of individuals or entities";

(E) by striking paragraph (5);

(F) in paragraph (6), by striking "a person" and inserting "an individual or entity"; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

"(c) ADMINISTRATION.—

"(1) REVIEWS.—

"(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

"(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

"(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

"(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

"(A) shall initiate a training program regarding the payment limitation requirements; and

"(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.".

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking "person" each place it appears and inserting "individual or entity".

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking "considered a person that is".

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking "5 persons" and inserting "5 individuals or entities".

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

"SEC. 1001F. NET INCOME LIMITATION.

"Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000.".

(c) FOOD STAMP PROGRAM.—

(1) INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

"(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

"(ii) the minimum deduction specified in subparagraph (E).

"(B) Guam.—The Secretary shall allow for each household in Guam a standard deduction that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

"(C) Households of 6 or more members.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) Applicable percentage.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for each of fiscal years 2002 through 2004;

"(ii) 8.25 percent for each of fiscal years 2005 and 2006;

"(iii) 8.5 percent for each of fiscal years 2007 and 2008;

"(iv) 8.75 percent for fiscal year 2009; and

"(v) 9 percent for each of fiscal years 2010 and 2011.

"(E) Minimum deduction.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.".

(2) Participant expenses.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ", except that the State agency may limit such reimbursement to each participant to $25 per month".

(3) Federal reimbursement.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and" and inserting "the amount of the reimbursement for dependent care expenses shall not exceed".

(4) Effectiveness of certain provisions.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) Loan Deficiency Payments.—

(1) Eligibility.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

"(a) In General.—The Secretary may make loan deficiency payments available to—

"(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

"(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.".

(2) Beneficial interest.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking "A producer" and inserting "Effective for the 2001 through 2006 crops, a producer".

(e) Cost of Production Insurance.—

(1) In general.—Section 523 of the Federal Crop Insurance Act (7 U.S.C.1523) by adding at the end the following:

"(e) Cost of Production Insurance Program.—

"(1) Pilot program.—

"(A) In general.—During each of the 2003 through 2006 reinsurance years, the Corporation shall carry out a pilot program throughout the United States under which cost of production crop insurance is made available to producers of agricultural commodities.

"(B) Priority.—Subject to subparagraph (C), in carrying out subparagraph (A), the Corporation shall offer coverage on at least—

"(i) for the 2003 reinsurance year, 20 agricultural commodities;

"(ii) for the 2004 and 2005 reinsurance years, in addition to the agricultural commodities described in clause (i), apples, asparagus, blueberries (wild and domestic), cabbage, canola, carrots, cherries, Christmas trees, citrus, cucumbers, dry beans, eggplant, floriculture, grapes, greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes; and

"(iii) for the 2006 reinsurance year, in addition to the agricultural commodities described in clauses (i) and (ii), 10 additional commodities, as determined by the Corporation.

"(C) Acreage limitation.—For each of the 2003 through 2006 reinsurance years, the Corporation may not extend coverage under this paragraph in excess of 40 percent of the acreage planted to any agricultural commodity included under the pilot program.

"(2) Permanent program.—For the 2007 and subsequent reinsurance years, the Corporation shall convert the cost of production insurance program into a permanent program unless the Corporation determines that—

"(A) the program could not be conducted on an actuarially sound basis; or

"(B) the expansion of the coverage would cause increased risk for fraud, waste, or abuse of the program.".

(2) Additional payment of premium.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

"(6) Bonus payment.—

"(A) In general.—Subject to subparagraph (C), in addition to any other payment authorized under this subsection, the Corporation shall pay an additional part of the premium for crop insurance policies described in subsection (a) as determined by this Corporation for producers that—

"(i) are small or moderate in size;

"(ii) adopt innovative risk management strategies and increase the level of coverage;

"(iii) are producers of a specialty crop and increase the level of coverage; or

"(iv) are located in an underserved area.

"(B) Amount per policy.—A payment under this paragraph shall not exceed $850 per crop insurance policy.

"(C) Funding limitation.—The amount of funds of the Corporation that may be used to carry out this paragraph may not exceed—

"(i) $45,000,000 for fiscal year 2003;

"(ii) $50,000,000 for fiscal year 2004; and

"(iii) $61,000,000 for fiscal year 2005 and each subsequent fiscal year.

"(D) Reserve.—

"(i) In general.—Subject to clause (ii), of the funds made available to carry out this paragraph, the Corporation shall reserve for payments to producers that obtain cost of production policies described in section 523(e)—

"(I) $10,400,000 for fiscal year 2003;

"(II) $36,000,000 for fiscal year 2004; and

"(III) $50,000,000 for fiscal year 2005.

"(ii) Unused funds.—Any funds made reserved under clause (i) that are not obligated by June 1 of the fiscal year shall be used to provide payments to producers that obtain any type of crop insurance made available under this Act.".

(3) Research and development funding.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) by striking paragraph (1) and inserting the following:

"(1) Reimbursements.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to provide reimbursements under subsection (b) not more than—

"(A) $32,000,000 for fiscal year 2002;

"(B) $22,500,000 for each of fiscal years 2003 and 2004;

"(C) $25,000,000 for fiscal year 2005; and

"(D) $15,000,000 for fiscal year 2006 and each subsequent fiscal year.".

(4) Education and information funding.—Section 524(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(4)) is amended by striking subparagraph (A) and inserting the following:

"(A) for the education and information program established under paragraph (2)—

"(i) $10,000,000 for each of fiscal years 2002 through 2005; and

"(ii) $5,000,000 for fiscal year 2006 and each subsequent fiscal year; and".

(5) Reports.—

(A) Plan.—Not later than September 30, 2002, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains an implementation plan for this subsection and the amendments made by this subsection.

(B) Implementation.—Not later than 2 years after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the implementation of this subsection and the amendments made by this subsection.

(f) Initiative for Future Agriculture and Food Systems.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 401) is amended—

(1) in subparagraph (A), by striking "$120,000,000" and inserting "$130,000,000"; and

(2) in subparagraph (B), by striking "$145,000,000" and inserting "$225,000,000".

SA 2575. Mr. BINGAMAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.

(a) Findings.—Congress finds that—

(1) electronic commerce sales in 1998 were approximately $100,000,000,000 and are expected to reach $1,300,000,000,000 by 2003;

(2) electronic commerce presents an enormous opportunity and challenge for small businesses, especially businesses in rural areas;

(3) while infrastructure for electronic commerce is growing rapidly in rural areas, small businesses will not be able to take advantage of the new technology without assistance;

(4) while electronic commerce will give businesses new markets and new ways of doing business, many small businesses in rural areas will have difficulty adopting appropriate electronic commerce business practices and technologies;

(5) the United States has an interest in ensuring that small businesses in rural areas participate in electronic commerce, to encourage success of the businesses, and to promote productivity and economic growth throughout the economy of the United States; and

(6) an electronic commerce extension program should be established using the nationwide county-based infrastructure within the Cooperative Extension Service to help small businesses throughout the United States to identify, adapt, adopt, and use electronic commerce business practices and technologies.

(b) Purpose.—The purpose of this section is to establish within the Cooperative State Research, Education, and Extension Service of the Department of Agriculture a rural electronic commerce extension program for small businesses and microenterprises in rural areas of the United States.

(c) Program.—Subtitle H of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921 et seq.) is amended by adding after section 1669 the following:

‘‘SEC. 1670. RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.

‘‘(a) Definitions.—In this section:

‘‘(1) Development center.—The term ‘development center’ means—

‘‘(A) the North Central Regional Center for Rural Development;

‘‘(B) the Northeast Regional Center for Development;

‘‘(C) the Southern Rural Development Center; and

‘‘(D) the New Mexico State University Cooperative Extension Service, working in cooperation with the Western Rural Development Center.

‘‘(2) Extension program.—The term ‘extension program’ means the rural electronic commerce extension program established under subsection (b).

‘‘(3) Microenterprise.—The term ‘microenterprise’ means a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise.

‘‘(4) Secretary.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Administrator of the Cooperative State Research, Education, and Extension Service.

‘‘(5) Small business.—The term ‘small business’ has the meaning given the term ‘small-business concern’ by section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

‘‘(b) Establishment.—The Secretary shall establish a rural electronic commerce extension program to—

‘‘(1) expand and enhance electronic commerce practices and technology to be used by small businesses and microenterprises in rural areas;

‘‘(2) disseminate information and expertise through a cooperative extension service clearinghouse system in rural areas;

‘‘(3) disseminate management, scientific, engineering, and technical information to small businesses in rural areas through the extension program; and

‘‘(4) use, when appropriate, the expertise, technology, and capabilities of other institutions and organizations, including—

‘‘(A) State and local governments;

‘‘(B) Federal departments and agencies;

‘‘(C) institutions of higher education;

‘‘(D) nonprofit organizations;

‘‘(E) small businesses and microenterprises that have experience in electronic commerce practice and technology; and

‘‘(F) the development centers.

‘‘(c) Administration.—

‘‘(1) In general.—In carrying out this section, the Secretary shall—

‘‘(A) provide leadership, support, and coordination for the extension programs;

‘‘(B) establish policies, practices, and procedures to assist rural communities in the adoption and use of electronic commerce techniques;

‘‘(C) identify and strengthen existing mechanisms designed to assist rural areas in the adoption and use of electronic commerce techniques;

‘‘(D) provide grants to fund projects and activities under the extension program; and

‘‘(E) establish a clearinghouse system for States, communities, and businesses to obtain information on best practices, technology transfer, training, education, adoption, and use of electronic commerce in rural areas.

‘‘(2) Office of rural electronic commerce.—The Secretary shall establish, in the Cooperative State Research, Education, and Extension Service, an Office of Rural Electronic Commerce to assist in carrying out this section.

‘‘(d) Grants.—

‘‘(1) In general.—The Secretary shall carry out a program under which—

‘‘(A) funds are distributed to each of the development centers to—

‘‘(i) assemble regional expertise, and develop innovative education programs, that may be adapted and refined by State extension programs;

‘‘(ii) train State-based cooperative extension agents to deliver rural electronic commerce education programs; and

‘‘(iii) establish networks among universities, local governments, and private industries to focus on regional economic issues; and

‘‘(B) competitive grants are made to cooperative extension service programs at land-grant colleges and universities (or consortia of land-grant colleges and universities)—

‘‘(i) to develop and facilitate nationally innovative rural electronic commerce business strategies; and

‘‘(ii) to assist small businesses and microenterprises in identifying, adapting, implementing, and using electronic commerce business practices and technologies.

‘‘(2) Eligibility.—

‘‘(A) Criteria.—

‘‘(i) In general.—The Secretary, shall—

‘‘(I) establish criteria for the submission, evaluation, and funding of applications for grants to carry out projects and activities under the extension program; and

‘‘(II) evaluate, rank, and select grant applications described in subclause (I) on the basis of the selection criteria.

‘‘(ii) Factors.—The selection criteria established under clause (i) shall include—

‘‘(I) the ability of an applicant to provide training and education on best practices, technology transfer, adoption, and use of electronic commerce in rural communities by small business and microenterprise;

‘‘(II) the quality of the service to be provided by a proposed project or activity under the extension program;

‘‘(III) the extent and geographic diversity of the area served by the proposed project or activity under the extension program;

‘‘(IV) the extent of participation of land-grant colleges and universities in the extension program (including any economic benefits that would result from that participation);

‘‘(V) the percentage of funding and in-kind commitments from non-Federal sources that would be needed by and available for a proposed project or activity under the extension program; and

‘‘(VI) the extent of participation of low-income and minority businesses or microenterprises in a proposed project or activity under the extension program.

‘‘(B) Application.—As a condition of being considered for the receipt of funds under this section, an applicant shall submit to the Secretary an application that meets the criteria established under subparagraph (A)(i)(I).

‘‘(C) Non-federal share.—

‘‘(i) In general.—As a condition of the receipt of funds under this section, an applicant shall agree to obtain from non-Federal sources (including State, local, nonprofit, or private sector sources) contributions of—

‘‘(I) except as provided in clause (iii), during each of the years in which the extension program receives funding under subsection (g), 50 percent of the estimated capital and annual operating and maintenance costs of the extension program; and

‘‘(II) after expiration of the initial funding period specified in subclause (I), 100 percent of the estimated capital and annual operating and maintenance costs of the extension program.

‘‘(ii) Form.—The non-Federal share required under clause (i)(I) may be provided in the form of in-kind contributions.

‘‘(iii) Exception.—The non-Federal share required under clause (i)(I) may be reduced to 25 percent of the estimated capital and annual operating and maintenance costs of the extension program if the grant recipient serves low-income or minority-owned businesses or microenterprises, as determined by the Secretary.

‘‘(3) Limitation on amount of funds awarded.—

‘‘(A) Individual land-grant colleges and universities.—A land-grant college or university shall not receive funds under this section in an amount that exceeds $900,000.

‘‘(B) Consortia of land-grant colleges and universities.—With respect to a consortium of land-grant colleges and universities that receives funds under this section—

‘‘(i) the total amount of the funds awarded to the consortium shall not exceed the product obtained by multiplying—

‘‘(I) $900,000; by

‘‘(II) the number of land-grant colleges and universities comprising the consortium; and

‘‘(ii) each land-grant college or university that is a member of the consortium shall receive an equal percentage of the total amount of funds awarded.

"(4) Selection.—At least once every 180 days, the Secretary shall evaluate, prioritize, and fund applications for proposed projects and activities under the extension program using the criteria established under paragraph (2)(A)(i)(I).

"(e) Evaluation.—

"(1) In general.—Not later than 1 year after a project or activity under the extension program is funded by a grant under this section, the evaluation panel established under paragraph (2)(A) shall evaluate the project or activity.

"(2) Evaluation panel.—

"(A) In general.—Not later than 30 days after the date of enactment of this section, the Secretary shall establish an evaluation panel to—

"(i) establish criteria for evaluating projects and activities under the extension program; and

"(ii) using the criteria established under clause (i), evaluate the projects and activities.

"(B) Composition.—The evaluation panel shall be composed of—

"(i) appropriate Federal, State, local government, and land-grant college or university officials, as determined by the Secretary; and

"(ii) private individuals with expertise in electronic commerce, technology, or small business, as determined by the Secretary.

"(3) Criteria.—The evaluation panel shall evaluate projects and activities under the extension program using criteria established by the Secretary that assess the efficiency and efficacy of the extension program.

"(4) Assistance from grant recipients.—A recipient of a grant under this section shall, to the maximum extent practicable, provide to the evaluation panel such materials as the evaluation panel may request to assist in the evaluation of any project or activity carried out by the recipient under the extension program.

"(f) Report.—Not later than 2 years after the date of enactment of this section, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

"(1) the policies, practices, and procedures used to assist rural communities in efforts to adopt and use electronic commerce techniques;

"(2) the clearinghouse system for States, communities, small businesses, and individuals established to obtain information regarding best practices, technology transfer, training, education, adoption, and use of electronic commerce in rural areas; and

"(3) the criteria used for the submission, evaluation, and funding of projects and activities under the extension program.

"(g) Authorization of Appropriations.—

"(1) In general.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2002 through 2006, of which $20,000,000 for each fiscal year shall be made available to carry out activities under subsection (d)(1)(A).

"(2) Administrative costs.—The Secretary may use not more than 2 percent of the funds made available under paragraph (1) to pay administrative costs incurred in carrying out this section.".

SA 2576. Mr. DASCHLE (for himself and Mr. LUGAR) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 1021 and insert a period and the following:

SEC. 1022. ASSISTANT SECRETARY OF AGRICULTURE FOR CIVIL RIGHTS.

(a) In General.—Section 218 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6918) is amended by adding at the end the following:

"(f) Assistant Secretary of Agriculture for Civil Rights.—

"(1) Definition of socially disadvantaged farmer or rancher.—In this subsection, the term 'socially disadvantaged farmer or rancher' has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

"(2) Establishment of position.—The Secretary shall establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights.

"(3) Appointment.—The Assistant Secretary of Agriculture for Civil Rights shall be appointed by the President, by and with the advice and consent of the Senate.

"(4) Duties.—The Assistant Secretary of Agriculture for Civil Rights shall—

"(A) enforce and coordinate compliance with all civil rights laws and related laws—

"(i) by the agencies of the Department; and

"(ii) under all programs of the Department (including all programs supported with Department funds);

"(B) ensure that—

"(i) the Department has measurable goals for treating customers and employees fairly and on a nondiscriminatory basis; and

"(ii) the goals and the progress made in meeting the goals are included in—

"(I) strategic plans of the Department; and

"(II) annual reviews of the plans;

"(C) ensure the compilation and public disclosure of data critical to assessing Department civil rights compliance in achieving on a nondiscriminatory basis participation of socially disadvantaged farmers and ranchers in programs of the Department on a nondiscriminatory basis;

"(D)(i) hold Department agency heads and senior executives accountable for civil rights compliance and performance; and

"(ii) assess performance of Department agency heads and senior executives on the basis of success made in those areas;

"(E) ensure, to the maximum extent practicable—

"(i) a sufficient level of participation by socially disadvantaged farmers and ranchers in deliberations of county and area committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)); and

"(ii) that participation data and election results involving the committees are made available to the public; and

"(F) perform such other functions as may be prescribed by the Secretary.".

(b) Compensation.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Agriculture (2)" and inserting "Assistant Secretaries of Agriculture (3)".

(c) Conforming Amendments.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(5) the authority of the Secretary to establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights under section 218(f).".

SA 2577. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 164 and insert a period and the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

"(a) Definition of Agricultural Commodity.—In this section:

"(1) In general.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

"(2) Exclusions.—The term 'agricultural commodity' does not include forage, livestock, timber, forest or hay.

"(b) Commodities.—

"(1) In general.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during —

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year.

"(2) Crop rotation.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

"(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained using long-term crop rotation practices, as determined by the Secretary.

"(c) Conservation Reserve Land.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.".

SA 2578. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 128, line 8, insert the following:

Subtitle F—Miscellaneous Commodity Provision

SEC. 166. AGRICULTURAL PRODUCERS SUPPLEMENTAL PAYMENTS AND ASSISTANCE.

(a) In General.—The Secretary of Agriculture may use such funds of the Commodity Credit Corporation as are necessary to provide payments and assistance under Public Law 107–25 (115 Stat. 201) to persons that (as determined by the Secretary)—

(1) are eligible to receive the payments or assistance; but

(2) did not receive the payments or assistance because the Secretary failed to carry out Public Law 107–25 in a timely manner.

(b) Limitation.—The amount of payments or assistance provided under Public Law 107–25 and this section to an eligible person described in subsection (a) shall not exceed the amount of payments or assistance the person would have been eligible to receive if Public Law 107–25 had been implemented in a timely manner.

SA 2579. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agriculture research nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 492, line 13 insert the following section:

"(c) Livestock.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) (as amended by section 637(a)) is amended by adding at the end of the following:

"(14) Livestock.—The term "livestock" includes horses.".

SA 2580. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 876, line 25, after the word "oils" insert the words "(including recycled fats and oils)"

SA 2581. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agriculture producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 205, line 12, strike section 212(d) and insert the following:

(d) Duration of Contracts; Hardwood Trees.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended—

(1) in paragraph (1), by striking "shall enter into contracts of not less than 10, nor more than 15, years." and inserting the following: "may enter into contracts—

"(A) for land enrolled in the conservation reserve program that is not covered by a hardwood tree contract, covering not to exceed 3,000,000 acres, for 30 or more years; and

"(B) covering any remaining acreage, with terms of not less than 10, nor more than 15, years."; and

(2) in paragraph (2)—

(A) by striking "In the" and inserting the following:

"(A) In general.—In the";

(B) by striking "The Secretary" and inserting the following:

"(B) Existing hardwood tree contracts.—The Secretary"; and

(C) by adding at the end the following:

"(C) Extension of hardwood tree contracts.—

"(i) In general.—In the case of land devoted to hardwood trees under a contract entered into under this subchapter before the date of enactment of this sub-paragraph, the Secretary may extend the contract for a term of not more than 15 years.

"(ii) Base payments.—The amount of a base payment for a contract extended under clause (i)—

"(I) shall be determined by the Secretary; but

"(II) shall not exceed 50 percent of the base payment that was applicable to the contract before the contract was extended.".

SA 2582. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 258, strike lines 6 through 9 and insert the following:

"water rights on a permanent basis;

"(B) implement the program in accordance with the purposes of such laws described in subparagraph (A) as are applicable; and

"(C) comply with—

"(i) all interstate compacts, court decrees, and Federal or State laws (including regulations) that may affect water or water rights; and

"(ii) all procedural and substantive State water law.".

SA 2583. Mr. BREAUX (for himself and Ms. Landrieu) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, strike line 17 and insert the following:

SEC. 1011. SWEET POTATO CROP INSURANCE.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended in the first sentence by striking "tobacco and potatoes," and inserting "tobacco, potatoes, and sweet potatoes,".

SEC. 1012. CONTINUOUS COVERAGE.

SA 2584. Mr. BREAUX (for himself, Ms. Landrieu, and Mrs. Lincoln) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 39, strike line 18 and all that follows through page 40, line 8, and insert the following:

"(e) Beneficial Interest.—For any of the 2001 through 2006 crops, if a producer eligible for a payment under subsection (a) loses beneficial interest in the loan commodity, the producer shall be eligible for the payment determined as of the date on which the producer lost beneficial interest in the loan commodity, as determined by the Secretary.".

SA 2585. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 125, between lines 4 and 5, insert the following:

SEC. 1 . MARKET LOSS ASSISTANCE FOR APPLE PRODUCERS.

(a) In General.—Of the funds made available to carry out section 191 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 163), the Secretary of Agriculture shall use $25,000,000 for each of fiscal years 2002 through 2005 to make payments, as soon as practicable after the date of enactment of this Act, to apple producers to provide relief for the loss of markets during the 2000 crop year.

(b) Payment Quantity.—

(1) In general.—Subject to paragraph (2), the payment quantity of apples for which the producers on a farm are eligible for payments under this section shall be equal to the quantity of the 2000 crop of apples produced by the producers on the farm.

(2) Maximum quantity.—The payment quantity of apples for which the producers

on a farm are eligible for payments under this section shall not exceed 5,000,000 pounds of apples produced on the farm.

(c) LIMITATIONS.—Subject to subsection (b)(2), the Secretary shall not establish a payment limitation, or gross income eligibility limitation, with respect to payments made under this section.

(d) APPLICABILITY.—This section applies only with respect to the 2000 crop of apples and producers of that crop.

SA 2586. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 12, line 22, strike ``mohair,''.

On page 37, strike lines 1 through 12 and insert the following:

``(12) in the case of nongraded wool (including unshorn pelts), $.40 per pound;

``(13) in the case of honey, $.60 per pound;

``(14) in the case of dry peas, $6.78 per hundredweight;

``(15) in the case of lentils, $12.79 per hundredweight;

``(16) in the case of large chickpeas, $17.44 per hundredweight; and

``(17) in the case of small chickpeas, $8.10 per hundredweight.

On page 59, line 2, strike ``Promotion'' and insert ``Production''.

On page 70, strike lines 4 through 10 and insert the following:

(h) SUBSTITUTABILITY OF SUGAR.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following:

``(i) SUBSTITUTION OF REFINED SUGAR.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the reexport programs and polyhydric alcohol program administered by the Foreign Agricultural Service of the Department of Agriculture, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar in refined form or in sugar containing products.''.

(i) CROPS.—Subsection (j) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) (as redesignated by subsection (h)(1)) is amended—

(1) by striking ``(other than subsection (f))''; and

(2) by striking ``2002'' and inserting ``2006''.

(j) INTEREST RATE.—Section 163 of the Federal Ag-

On page 86, strike lines 8 through 11 and insert the following:

``(III) LIMITATIONS.—The allotment for a new processor under this clause shall not exceed—

``(aa) in the case of the first fiscal year of operation of a new processor, 50,000 short tons (raw value); and

``(bb) in the case of each subsequent fiscal year of operation of the new processor, a quantity established by the Secretary in accordance with subclause (I).

``(IV) NEW ENTRANT STATES.—

``(aa) IN GENERAL.—Notwithstanding subparagraphs (A) and (C) of section 359c(e)(3), to accommodate an allocation under subclause (I) to a new processor located in a new entrant mainland State, the Secretary may provide the new entrant mainland State with an allotment to accommodate the allocation of the new entrant processor.

``(bb) EFFECT ON OTHER ALLOTMENTS.—The allotment to the new entrant State shall be subtracted, on a pro rata basis, from the allotments otherwise allotted to each mainland State under section 359c(e)(3).

On page 86, line 20, strike ``or successor in interest,'' and insert ``successor in interest, or any remaining processor of an affiliated entity,''.

On page 93, strike lines 3 through 7 and insert the following:

(2) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (as amended by subsection (a)) is amended by inserting before section 359b (7 U.S.C. 1359bb) the following:

``SEC. 359a. DEFINITIONS.

On page 94, strike lines 6 through 8 and insert the following:

(4) Section 359j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) in subsection (b), by striking ``sections 359a through 359i'' and inserting ``this part''; and

(B) by striking subsection (c).

On page 97, lines 11 and 12, strike ``Except as provided in paragraph (3), the'' and insert ``The''.

Beginning on page 97, strike line 24 and all that follows through page 98, line 12, and insert the following:

``(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

``(A) the State 4-year average yield of peanuts produced in the State; or

``(B) the average yield for the historical peanut producer determined by the Secretary under paragraph (1).

On page 116, strike lines 7 through 15 and insert the following:

``(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 158G or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

On page 126, line 21, strike ``contract commodities'' and insert ``loan commodities (other than wool and honey)''.

On page 126, line 22, strike ``and mohair''.

On page 128, between lines 8 and 9, insert the following:

SEC. 166. COMMODITY CREDIT CORPORATION INVENTORY.

Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended in the last sentence by inserting before the period at the end the following: ``(including, at the option of the Corporation, the use of private sector entities)''.

Beginning on page 130, strike line 22 and all that follows through page 131, line 2.

On page 131, line 3, strike ``(9)'' and insert ``(8)''.

On page 131, line 7, strike ``(10)'' and insert ``(9)''.

On page 131, line 20, strike ``(11)'' and insert ``(10)''.

On page 132, line 10, strike ``(12)'' and insert ``(11)''.

On page 132, line 13, strike ``(13)'' and insert ``(12)''.

On page 133, line 4, strike ``(14)'' and insert ``(13)''.

On page 133, line 12, strike ``(15)'' and insert ``(14)''.

On page 133, line 20, strike ``(16)'' and insert ``(15)''.

On page 133, line 23, strike ``(17)'' and insert ``(16)''.

On page 134, line 3, strike ``(18)'' and insert ``(17)''.

On page 134, line 7, strike ``(19)'' and insert ``(18)''.

On page 134, line 11, strike ``(20)'' and insert ``(19)''.

On page 134, line 15, strike ``(21)'' and insert ``(20)''.

On page 134, line 19, strike ``(22)'' and insert ``(21)''.

On page 138, line 13, strike ``to eligible'' and insert ``to all eligible''.

On page 148, line 11, insert ``management of'' before ``conservation''.

On page 151, line 9, insert ``for the entire agricultural operation'' before the semicolon.

On page 151, line 11, insert ``management of'' before ``conservation''.

On page 152, line 1, insert ``AND REQUIREMENTS'' after ``PRACTICES''.

On page 152, line 2, insert ``and requirements'' after ``practices''.

On page 153, line 8, insert ``as described in subsection (b)(2)(B)'' before the period.

On page 154, line 2, insert ``management of'' before ``conservation''.

On page 155, strike lines 15 through 20 and insert the following:

``(A) determined by the State conservationist, in consultation with the State technical committee established under subtitle G and the local subcommittee of the State technical committee; and

``(B) approved by the Secretary.

On page 160, line 7, strike ``the'' and insert ``applicable''.

On page 166, line 9, strike ``purposes'' and insert ``objectives''.

On page 166, line 15, insert ``local'' before ``conservation''.

On page 177, line 13, insert ``, education and outreach, and monitoring and evaluation'' after ``assistance''.

On page 220, lines 24 and 25, strike ``facility,'' and insert ``facility (including a methane recovery system),''.

On page 230, line 17, strike ``(a) IN GENERAL.—''.

On page 286, line 23, strike the quotation marks at the end.

On page 288, line 12, insert ``(b)'' after ``1623''.

On page 288, line 17, strike ``1964'' and insert ``1946''.

On page 290, line 8, insert ``that are located east of the 98th meridian'' before the period.

On page 331, line 6, strike ``a certification of'' and insert ``evidence of''.

On page 331, strike lines 16 through 25 and insert the following:

``(A) submit a single proposal for 1 or more countries in which the certified institutional partner has already demonstrated organizational capacity; and

``(B) receive expedited review of the proposal.''.

On page 334, strike lines 9 through 17 and insert the following:

SEC. 305. FOOD AID CONSULTATIVE GROUP.

Section 205(f) of the Agricultural Trade Development and Assistance Act of 1954 (7

U.S.C. 1725(f)) is amended by striking "2002" and inserting "2006".

On page 335, line 22, add "and" at the end.

On page 335, strike lines 23 through 26.

On page 336, strike "(4)" and insert "(3)".

Beginning on page 337, strike line 11 and all that follows through page 338, line 5, and insert the following:

SEC. 309. SALE PROCEDURE.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) by striking "The Secretary" and inserting the following:

"(1) In general.—In carrying out this Act, the Secretary"; and

(B) by adding at the end the following:

"(2) Currencies.—Sales of commodities described in paragraph (1) may be in United States dollars or in a different currency.";

(2) in subsection (e)—

(A) by striking "In carrying" and inserting the following:

"(1) In general.—In carrying"; and

(B) by adding at the end the following:

"(2) Sale price.—Sales of commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate."; and

(3) by adding at the end the following:

"(l) Sale Procedure.—Subsections (b)(2) and (e)(2) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—

"(1) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and

"(2) title VIII of the Agricultural Trade Act of 1978.".

On page 340, line 1, insert "**JOHN OGONOWSKI**" before "**FARMER-TO-FARMER PROGRAM**".

On page 340, line 12, strike "180" and insert "180 days".

On page 340, line 13, strike "360" and insert "12 months".

Beginning on page 349, strike line 13 and all that follows through page 350, line 13, and insert the following:

"(a) In General.—There are established the Food for Progress Program and the International Food for Education and Nutrition Program through which eligible commodities are made available to eligible organizations to carry out programs of assistance in developing countries.

"(b) Food for Progress Program.—

"(1) In general.—To provide agricultural commodities to support the introduction or expansion of free trade enterprises in national economies and to promote food security in recipient countries, the Secretary shall establish the Food for Progress Program, under which the Secretary may enter into agreements (including multiyear agreements and agreements for programs in more than 1 country) with entities described in paragraph (2).

"(2) Entities.—The Secretary may enter into agreements under paragraph (1) with—

"(A) the governments of emerging agricultural countries;

"(B) private voluntary organizations;

"(C) nonprofit agricultural organizations and cooperatives;

"(D) nongovernmental organizations; and

"(E) other private entities.

"(3) Considerations.—In determining whether to enter into an agreement to establish a program under paragraph (1), the Secretary shall take into consideration whether an emerging agricultural country is committed to carrying out, or is carrying out, policies that promote—

"(A) economic freedom;

"(B) private production of food commodities for domestic consumption; and

"(C) the creation and expansion of efficient domestic markets for the purchase and sale of those commodities.

On page 350, strike line 18.

On page 352, between lines 19 and 20, insert the following:

"(6) Eligible costs.—Subject to paragraphs (2) and (7), the Secretary shall pay all or part of—

"(A) the costs and charges described in paragraphs (1) through (5) and (7) of section 406(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736(b)) with respect to an eligible commodity;

"(B) the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that—

"(i) payment of the costs is appropriate; and

"(ii) the recipient country is a low income, net food-importing country that—

"(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

"(II) has a national government that is committed to or is working toward, through a national action plan, the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum in 2000; and

"(C) the projected costs of an eligible organization for administration, sales, monitoring, and technical assistance under an agreement under paragraph (2) (including an itemized budget), taking into consideration, as determined by the Secretary—

"(i) the projected amount of such costs itemized by category; and

"(ii) the projected amount of assistance to be received from other donors.

"(7) Funding.—

"(A) Commodity credit corporation.—

"(i) In general.—Subject to clause (ii), the Secretary may use the funds, facilities, and authorities of the Corporation to carry out this subsection.

"(ii) Limitation.—Not more than $150,000,000 for each of fiscal years 2002 through 2005 shall be used to carry out this subsection.

"(B) Use limitations.—Of the funds made available under subparagraph (A), the Secretary may use to carry out paragraph (6)(C) not more than $20,000,000 for each of fiscal years 2002 through 2005.

"(C) Reallocation.—Funds not allocated under this subsection by April 30 of a fiscal year shall be made available for proposals submitted under the Food for Progress Program under subsection (b).

On page 352, line 20, strike "(6)" and insert "(8)".

On page 354, between lines 4 and 5, insert the following:

"(4) Multiyear agreements.—In carrying out this title, on request and subject to the availability of commodities, the Secretary is encouraged to approve agreements that provide for commodities to be made available for distribution on a multiyear basis, if the agreements otherwise meet the requirements of this title.

On page 355, lines 13 and 14, strike "in subsection (h)(2)(C)(i)" and insert "under this title".

On page 356, line 14, strike "a certification of" and insert "evidence of".

On page 357, strike lines 1 through 18 and insert the following:

"(i) submit a single proposal for 1 or more countries in which the certified institutional partner has already demonstrated organizational capacity; and

"(ii) receive expedited review of the proposal.

On page 358, line 11, strike "nearby to" and insert "near".

Beginning on page 358, strike line 21 and all that follows through page359, line 2, and insert the following:

"(C) Humanitarian or development purposes.—The Secretary may authorize the use of proceeds or exchanges to pay the costs incurred by an eligible organization under this title for—

On page 363, lines 8 and 9, strike "paragraphs (6) through (8)" and insert "paragraphs (5) through (7)".

On page 363, strike lines 12 through 15 and insert the following:

"(2) Minimum tonnage.—Subject to paragraph (6)(B), not less than 400,000 metric tons of commodities may be provided under this title for the program established under subsection (b) for each of fiscal years 2002 through 2006.

On page 363, line 19, strike "this title" and insert "the program established under subsection (b)".

On page 363, line 22, strike "(7)(B)" and insert "(6)(B)".

On page 364, lines 1 and 2, strike "this section" and all that follows through the period and insert "the program established under subsection (b).".

On page 364, strike lines 3 through 14.

On page 364, line 15, strike "(6)" and insert "(5)"..

On page 364, line 21, strike "(7)" and insert "(6)".

On page 364, line 24, strike "this title" and insert "the program established under subsection (b).".

Beginning on page 366, strike line 6 and all that follows through page 367, line 6.

On page 367, line 7, strike "(viii)" and insert "(vi)".

On page 367, line 10, strike "(ix)" and insert "(vii)".

On page 367, line 11, strike "(viii)" and insert "(vi)".

On page 367, strike lines 18 through 23 and insert the following:

"(B) Funding.—Except for costs described in clauses (i) through (iii) of subparagraph (A), unless authorized in advance in an appropriations Act or reallocated under paragraph (7)(C)—

"(i) not more than $55,000,000 of funds that would be available to carry out paragraph (2) may be used to cover costs under clauses (iv), (v), and (vi) of subparagraph (A); and

"(ii) of the amount provided under clause (i), not more than $12,000,000 shall be made available to cover costs under subparagraph (A)(vi).

On page 367, line 24, strike "(8)" and insert "(7)".

On page 368, line 5, strike "(7)(A)(ix)(I)" and insert "(6)(A)(vii)(I)".

On page 373, strike lines 24 and 25 and insert the following:

(B) by striking "other than the country of origin—" and all that follows and inserting "other than the country of origin, for the purpose of carrying out programs under this subsubsection.".

On page 375, lines 3 and 4, strike "a certification of" and insert "evidence of".

On page 375, strike lines 14 through 23 and insert the following:

"(A) submit a single proposal for 1 or more countries in which the certified institutional partner has already demonstrated organizational capacity; and

"(B) receive expedited review of the proposal.".

On page 404, between lines 7 and 8, insert the following:

SEC. 425. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: "Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.".

On page 404, line 8, strike "**425**" and insert "426".

On page 404, line 21, strike "**426**" and insert "427".

On page 408, line 1, strike "**427**" and insert "428".

On page 408, line 18, strike "**428**" and insert "429".

On page 411, line 3, strike "**429**" and insert "430".

On page 411, line 12, strike "**430**" and insert "**431**".

Beginning on page 416, strike line 11 and all that follows through page 418, line 11, and insert the following:

"(10) Adjustments of payment error rate.—

"(A) In general.—

"(i) Adjustment for higher percentage of households with earned income.—With respect to fiscal year 2002 and each fiscal year thereafter, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's having a higher percentage of participating households that have earned income than the lesser of—

"(I) the percentage of participating households in all States that have earned income; or

"(II) the percentage of participating households in the State in fiscal year 1992 that had earned income.

"(ii) Adjustment for higher percentage of households with noncitizen members.—With respect to fiscal year 2002 and each fiscal year thereafter, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's having a higher percentage of participating households that have 1 or more members who are not United States citizens than the lesser of—

"(I) the percentage of participating households in all States that have 1 or more members who are not United States citizens; or

"(II) the percentage of participating households in the State in fiscal year 1998 that had 1 or more members who were not United States citizens.

"(B) Additional adjustments.—For

On page 418, line 22, strike "**431**" and insert "**432**".

On page 419, line 12, strike "**432**" and insert "**433**".

On page 419, line 16, strike "430(a)(6))" and insert "431(a)(6))".

On page 425, line 1, strike "**433**" and insert "**434**".

Beginning on page 427, strike line 23 and all that follows through page 428, line 5, and insert the following:

(c) Participant Expenses.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking "except that the State agency may limit such reimbursement to each participant to $25 per month" and inserting "except that, in the case of each of fiscal years 2002 through 2009, the State agency may limit such reimbursement to each participant to $50 per month".

(d) Federal Reimbursement.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "except that such total amount shall not exceed an amount representing $25 per participant per month" and inserting "except that, in the case of each of fiscal years 2002 through 2009, such total amount shall not exceed an amount representing $50 per participant per month".

On page 428, line 9, strike "**434**" and insert "**435**".

On page 429, line 7, strike "**435**" and insert "**436**".

On page 429, line 21, strike "**436**" and insert "**437**".

On page 430, line 8, strike "**437**" and insert "**438**".

On page 436, line 9, strike "**438**" and insert "**439**".

On page 438, after line 24, add the following:

(b) Report to Congress and Increased Authorization.—

(1) In general.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall develop and submit to Congress a report that—

(A) describes the similarities and differences (in terms of program administration, rules, benefits, and requirements) between—

(i) the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), other than section 19 of that Act (7 U.S.C. 2028); and

(ii) the program to provide assistance to Puerto Rico under section 19 of that Act (as in effect on the day before the date of enactment of this Act);

(B) specifies the costs and savings associated with each similarity and difference; and

(C) states the recommendation of the Secretary as to whether additional funding should be provided to carry out section 19 of that Act.

(2) Increased authorization.—Effective on the date of submission to Congress of the report under paragraph (1), there is authorized to be appropriated to carry out section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) (in addition to amounts made available to carry out that section under law other than this subsection) $50,000,000 for each fiscal year.

(3) Limitation.—No amounts may be made available to carry out this subsection unless specifically provided by an appropriation Act.

On page 439, line 1, strike "(b)" and insert "(c)".

On page 439, line 3, strike "(c)" and insert "(d)".

On page 439, line 11, strike "**439**" and insert "**440**".

On page 440, strike line 3 and insert the following:

"(5) meet, as soon as practicable through the provision of grants of not to exceed $25,000 each, specific

On page 440, strike lines 6 and 7 and insert the following:

"(A) infrastructure improvement and development (including the purchase of equipment necessary for the production, handling, or marketing of locally produced food);

On page 440, line 14, strike "**440**" and insert "**441**".

On page 442, line 1, strike "**441**" and insert "**442**".

On page 442, line 3, strike "The Food" and insert the following:

(a) In General.—The Food

On page 444, between lines 16 and 17, insert the following:

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

On page 444, line 17, strike "**442**" and insert "**443**".

On page 445, line 8, strike "**443**" and insert "**444**".

On page 448, strike lines 8 through 22 and insert the following:

"(2) Amount of grants.—

"(A) Fiscal year 2003.—For fiscal year 2003, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

"(i) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30, 2001; and

"(ii) the value of that index for the 12-month period ending June 30, 2002.

"(B) Fiscal years 2004 through 2006.—For each of fiscal years 2004 through 2006, the amount of each grant per caseload slot shall be equal to the amount of the grant per caseload slot for the preceding fiscal year, adjusted by the percentage change between—

"(i) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

"(ii) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.";

(2) in subsection (d)(2), by striking "2002" each place it appears and inserting "2006"; and

(3) by striking subsection (l).

On page 454, after line 22, add the following:

SEC. 456. COMMODITY DONATIONS.

The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) by redesignating sections 17 and 18 as sections 18 and 19, respectively; and

(2) by inserting after section 16 the following:

"SEC. 17. COMMODITY DONATIONS.

"(a) In General.—Notwithstanding any other provision of law concerning commodity donations, any commodities acquired in the conduct of the operations of the Commodity Credit Corporation and any commodities acquired under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to the extent that the commodities are in excess of the quantities of commodities needed to carry out other authorized activities of the Commodity Credit Corporation and the Secretary (including any quantity specifically reserved for a specific purpose), may be used for any program authorized to be carried out by the Secretary that involves the acquisition of commodities for use in a domestic feeding program, including any program conducted by the Secretary that provides commodities to individuals in cases of hardship.

"(b) Programs.—A program described in subsection (a) includes a program authorized by—

"(1) the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);

"(2) the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

"(3) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

"(4) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); or

"(5) such other laws as the Secretary determines to be appropriate.".

SEC. 457. PURCHASES OF LOCALLY PRODUCED FOODS.

(a) In General.—The Secretary of Agriculture shall—

(1) encourage institutions participating in the national school lunch program authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) to purchase, in addition to other food purchases, locally produced foods for school meal programs to the maximum extent practicable and appropriate;

(2) not less often than annually, advise institutions participating in a program described in paragraph (1) of the policy described in that paragraph; and

(3) in accordance with requirements established by the Secretary, provide start-up grants to not more than 200 institutions to defray the initial costs of equipment, materials, and storage facilities, and similar costs, incurred in carrying out the policy described in paragraph (1).

(b) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated to carry out this section $400,000 for each of fiscal years 2002 through 2006.

(2) Limitation.—No amounts may be made available to carry out this section unless specifically provided by an appropriation Act.

On page 455, line 1, strike "**456**" and insert "**458**".

On page 455, strike lines 6 through 20 and insert the following:

(b) Program Purpose.—The purpose of the seniors farmers' market nutrition program is to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs.

On page 456, between lines 12 and 13, insert the following:

(e) Authority.—The authority provided by this section is in addition to, and not in lieu of, the authority of the Secretary of Agriculture to carry out any similar program under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

On page 456, line 13, strike "**457**" and insert "**459**".

On page 457, line 18, strike "**458**" and insert "**460**".

On page 477, line 6, strike "**459**" and insert "**461**".

On page 479, line 7, strike "**460**" and insert "**462**".

On page 536, strike lines 5 through 8 and insert the following:

"(3) a description of how the company intends to work with community-based organizations and local entities (including local economic development companies, local lenders, and local investors) and to seek to address the unmet equity capital needs of the communities served;

Beginning on page 544, strike line 23 and all that follows through page 547, line 8, and insert the following:

"SEC. 384H. OPERATIONAL ASSISTANCE GRANTS.

"(a) In General.—In accordance with this section, the Secretary may make grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

"(b) Terms.—Grants made under this section shall be made over a multiyear period (not to exceed 10 years) under such other terms as the Secretary may require.

"(c) Use of Funds.—The proceeds of a grant made under this section may be used by the Rural Business Investment Company receiving the grant only to provide operational assistance in connection with an equity investment in a business located in a rural area.

"(d) Submission of Plans.—A Rural Business Investment Company shall be eligible for a grant under this section only if the Rural Business Investment Company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

"(e) Grant Amount.—

"(1) Rural business investment companies.—The amount of a grant made under this section to a Rural Business Investment Company shall be equal to the lesser of—

"(A) 50 percent of the amount of resources (in cash or in kind) raised by the Rural Business Investment Company; or

"(B) $1,000,000.

"(2) Other entities.—The amount of a grant made under this section to any entity other than a Rural Business Investment Company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to Rural Business Investment Companies under this subtitle.

On page 551, lines 22 and 23, strike "30 percent of the voting" and insert "15 percent of the".

On page 552, line 6, strike "**REQUIREMENT**" and insert "**REQUIREMENTS**".

On page 552, line 6, insert "(a) Rural Business Investment Companies.—" before "Each".

On page 552, between lines 19 and 20, insert the following:

"(b) Public Reports.—

"(1) In general.—The Secretary shall prepare and make available to the public an annual report on the program established under this subtitle, including detailed information on—

"(A) the number of Rural Business Investment Companies licensed by the Secretary during the previous fiscal year;

"(B) the aggregate amount of leverage that Rural Business Investment Companies have received from the Federal Government during the previous fiscal year;

"(C) the aggregate number of each type of leveraged instruments used by Rural Business Investment Companies during the previous fiscal year and how each number compares to previous fiscal years;

"(D) the number of Rural Business Investment Company licenses surrendered and the number of Rural Business Investment Companies placed in liquidation during the previous fiscal year, identifying the amount of leverage each Rural Business Investment Company has received from the Federal Government and the type of leverage instruments each Rural Business Investment Company has used;

"(E) the amount of losses sustained by the Federal Government as a result of operations under this subtitle during the previous fiscal year and an estimate of the total losses that the Federal Government can reasonably expect to incur as a result of the operations during the current fiscal year;

"(F) actions taken by the Secretary to maximize recoupment of funds of the Federal Government incurred to implement and administer the Rural Business Investment Program under this subtitle during the previous fiscal year and to ensure compliance with the requirements of this subtitle (including regulations);

"(G) the amount of Federal Government leverage that each licensee received in the previous fiscal year and the types of leverage instruments each licensee used;

"(H) for each type of financing instrument, the sizes, types of geographic locations, and other characteristics of the small business investment companies using the instrument during the previous fiscal year, including the extent to which the investment companies have used the leverage from each instrument to make loans or equity investments in rural areas; and

"(I) the actions of the Secretary to carry out this subtitle.

"(2) Prohibition.—In compiling the report required under paragraph (1), the Secretary may not—

"(A) compile the report in a manner that permits identification of any particular type of investment by an individual Rural Business Investment Company or small business concern in which a Rural Business Investment Company invests; and

"(B) may not release any information that is prohibited under section 1905 of title 18, United States Code.

On page 582, line 17, strike "grant" and insert "grant, loan, or loan guarantee".

On page 582, strike lines 18 through 20 and insert the following:

"(1) be able to furnish, improve, or extend a broadband service to an eligible rural community; and

On page 630, line 7, strike "default" and insert "payment default, or the collateral has not been converted,".

On page 638, strike lines 21 through 25 and insert the following:

"(F) Rural entrepreneurs and microenterprise assistance program; national rural cooperative and business equity fund; rural business investment program.—In section 378 and subtitles G and H, the term 'rural area' means an area that is located—

On page 664, strike lines 4 through 13.

On page 664, line 14, strike "**645**" and insert "**644**".

On page 665, line 1, strike "**646**" and insert "**645**".

On page 675, line 17, strike "**647**" and insert "**646**".

On page 675, line 20, strike "646" and insert "645".

On page 711, strike lines 17 through 25.

On page 712, line 1, strike "**662**" and insert "**661**".

On page 716, strike lines 18 through 22.

On page 716, line 23, strike "(c)" and insert "(b)".

On page 717, line 7, strike "**663**" and insert "**662**".

On page 737, lines 17 and 18, strike "(excluding land and facilities at the Beltsville Agricultural Research Center)".

Beginning on page 755, strike line 17 and all that follows through page 756, line 15, and insert the following:

(1) by redesignating subsections (e) through (g) as subsections (f) through (h), respectively;

(2) by inserting after subsection (d) the following:

"(e) GRANT PRIORITY.—In selecting projects for which grants shall be made under this section, the Secretary shall give priority to public and private research or educational institutions and organizations the goals of which include—

"(1) formation of interdisciplinary teams to review or conduct research on the environmental effects of the release of new genetically modified agricultural products;

"(2) conduct of studies relating to biosafety of genetically modified agricultural products;

"(3) evaluation of the cost and benefit for development of an identity preservation system for genetically modified agricultural products;

"(4) establishment of international partnerships for research and education on biosafety issues; or

"(5) formation of interdisciplinary teams to renew and conduct research on the nutritional enhancement and environmental benefits of genetically modified agricultural products."; and

(3) in subsection (h) (as redesignated by paragraph (1)), by striking paragraph (2) and inserting the following:

"(2) WITHHOLDING OF OUTLAYS FOR RESEARCH ON BIOTECHNOLOGY RISK ASSESSMENT.—Of the amounts of outlays made under this section or any other provision of law to carry out research on biotechnology (as defined and determined by the Secretary of Agriculture) for any fiscal year, the Secretary of Agriculture shall withhold at least 3 percent for grants for research on biotechnology risk assessment on all categories identified by the Secretary of Agriculture as biotechnology.".

On page 758, strike lines 6 through 121 and insert the following:

"(26) PROGRAM TO COMBAT CHILDHOOD OBESITY.—Research and extension grants may be made under this section to institutions of higher education with demonstrated capacity in basic and clinical obesity research, nutrition research, and community health education research to develop and evaluate community-wide strategies that catalyze partnerships between families and health care, education, recreation, mass media, and other community resources to reduce the incidence of childhood obesity.

On page 761, strike lines 12 through 26 and insert the following:

(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

"(4) determining desirable traits for organic commodities using advanced genomics, field trials, and other methods;

"(5) pursuing classical and marker-assisted breeding for publicly held varieties of crops and animals optimized for organic systems;

"(6) identifying marketing and policy constraints on the expansion of organic agriculture; and

"(7) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and marketing and to socioeconomic conditions."; and

On page 765, between lines 20 and 21, insert the following:

SEC. 7 . BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

"SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

"(a) ESTABLISHMENT.—The Secretary, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

"(b) FUNDING.—Of the amounts authorized to carry out this Act, the Secretary may use such sums as are necessary to carry out this section for each of fiscal years 2003 through 2006.".

On page 795, line 5, insert "(a) IN GENERAL.—" before "The".

On page between lines 15 and 16, insert the following:

(b) SPECIAL GRANTS FOR RESEARCH ON DAIRY PIPELINE CLEANERS.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended in subsection (c)—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(C) to conduct research on means of preventing and eliminating the dangers of dairy pipeline cleaner, including—

"(i) developing safer packaging mechanisms and a new transfer mechanism, including a new pumping mechanism for dairy pipeline cleaner;

"(ii) outlining—

"(I) the accident history for dairy pipeline cleaner;

"(II) the causes of accidents involving dairy pipeline cleaner; and

"(III) potential means of prevention of such accidents, including improved labeling and pump structure; and

"(iii) other means of improving efforts to prevent ingestion of dairy pipeline cleaner."; and

(2) in paragraph (4)—

(A) in subparagraph (A), by striking "and" at the end;

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following:

"(B) $100,000 for each of fiscal years 2002 through 2006 may be used to carry out paragraph (1)(C); and".

Beginning on page 815, strike line 16 and all that follows through page 816, line 3, and insert the following:

SEC. 798C. ORGANICALLY PRODUCED PRODUCT RESEARCH AND EDUCATION.

Not later than December 1, 2004, the Secretary, acting through the Administrator of the Economic Research Service, shall prepare, in consultation with the Advisory Committee on Small Farms, and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on—

(1) the impact on small farms of the implementation of the national organic program under part 205 of title 7, Code of Federal Regulations; and

(2) the production and marketing costs to producers and handlers associated with transitioning to organic production.

On page 816, lines 7 through 9, strike "Agriculture Library), shall facilitate access by research and extension professionals in the United States to, and the use by those professionals of," and insert "Agriculture Library) and the Economic Research Service, shall facilitate access by research and extension professionals, farmers, and other interested persons in the United States to, and the use by those persons of,".

On page 837, strike line 15 and insert the following:

SEC. 807. FOREST LEGACY PROGRAM.

Section 7(l) of the Cooperative Forestry Management Act of 1978 (16 U.S.C. 2103c(l)) is amended by adding at the end the following:

"(3) STATE AUTHORIZATION.—Notwithstanding any other provision of this Act, a State may authorize any local government, or any qualified organization that is defined in section 170(h)(3) of the Internal Revenue Code of 1986 and organized for at least 1 of the purposes described in clause (i), (ii), or (iii) of section 170(h)(4)(A) of that Code, to acquire in land in the State, in accordance with this section, 1 or more interests in conservation easements to carry out the Forest Legacy Program in the State.".

SEC. 808. FOREST FIRE RESEARCH CENTERS.

Beginning on page 840, strike line 23 and all that follows through page 841, line 2, and insert the following:

"(1) at least 1 center shall be located in California, Idaho, Montana, Oregon, or Washington; and

"(2) at least 1 center shall be located in Arizona, Colorado, Nevada, New Mexico, or Wyoming.

Beginning on page 842, strike line 6 and all that follows through page 854, line 3, and insert the following:

SEC. 809. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PILOT PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as an outlet for value-added excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term "biomass-to-energy facility" means a

facility that uses forest biomass or other biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

(2) ELIGIBLE COMMUNITY.—The term "eligible community" means—

(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

(i) has a population of not more than 10,000 individuals;

(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

(iii) is located near forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to—

(I) the safety of a forest ecosystem;

(II) the safety of wildlife; or

(III) in the case of a wildfire, the safety of firefighters, other individuals, and communities; and

(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

(3) FOREST BIOMASS.—The term "forest biomass" means fuel and biomass accumulation from precommercial thinnings, slash, and brush on forest land.

(4) HAZARDOUS FUEL.—The term "hazardous fuel" means any excessive accumulation of forest biomass or other biomass on public or private forest land in the wildland-urban interface (as defined by the Secretary) that—

(A) is located near an eligible community;

(B) is designated as condition class 2 or 3 under the report of the Forest Service entitled "Protecting People and Sustainable Resources in Fire-Adapted Ecosystems", dated October 13, 2000) (including any related maps); and

(C) the Secretary determines poses a substantial present or potential hazard to—

(i) the safety of a forest ecosystem;

(ii) the safety of wildlife; or

(iii) in the case of wildfire, the safety of firefighters, other individuals, and communities.

(5) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) NATIONAL FIRE PLAN.—The term "National Fire Plan" means the plan prepared by the Secretary of Agriculture and the Secretary of the Interior entitled "Managing the Impact of Wildfires on Communities and the Environment" and dated September 8, 2000.

(7) PERSON.—The term "person" includes—

(A) a community;

(B) an Indian tribe;

(C) a small business, microbusiness, or other business that is incorporated in the United States; and

(D) a nonprofit organization.

(8) SECRETARY.—The term "Secretary" means—

(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

(c) WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PILOT PROGRAM.—

(1) GRANTS.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may make grants to—

(i) persons that operate existing or new biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities; and

(ii) persons in rural communities that are seeking ways to improve the use of, or add value to, hazardous fuels.

(B) SELECTION CRITERIA.—The Secretary shall select recipients for grants under subparagraph (A)(i) based on—

(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require;

(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires;

(iii) the extent to which the biomass-to-energy facility avoids adverse environmental impacts, including cumulative impacts, over the expected life of the biomass-to-energy facility; and

(iv) the demonstrable level of anticipated benefits for eligible communities, including the potential to develop thermal or electric energy resources or affordable energy for communities.

(2) GRANT AMOUNTS.—

(A) IN GENERAL.—A grant under subparagraph (A)(i) shall—

(i) be based on—

(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

(II) the cost of removal of hazardous fuels; and

(ii) be in an amount that is at least equal to the product obtained by multiplying—

(I) the number of tons of hazardous fuels delivered to a grant recipient; by

(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

(B) LIMITATION ON INDIVIDUAL GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any fiscal year.

(ii) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

(3) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

(i) completely and accurately disclose the use of grant funds; and

(ii) describe all transactions involved in the purchase of hazardous fuels derived from forest land.

(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases or uses hazardous fuels with funds from a grant under this subsection shall provide the Secretary with—

(i) reasonable access to the biomass-to-energy facility; and

(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

(4) MONITORING OF EFFECT OF TREATMENTS.—

(A) IN GENERAL.—To determine and document the environmental impact of hazardous fuel removal, the Secretary shall monitor—

(i) environmental impacts of activities carried out under this subsection; and

(ii) Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection.

(B) EMPLOYMENT.—

(i) IN GENERAL.—The Comptroller General of the United States shall monitor—

(I) the number of jobs created in or near eligible communities as a result of the implementation of this subsection;

(II) the opportunities created for small businesses and microbusinesses as a result of the implementation of this subsection;

(III) the types and amounts of energy supplies created as a result of the implementation of this subsection; and

(IV) energy prices for eligible communities.

(ii) REPORT.—Beginning in fiscal year 2003, the Comptroller General of the United States shall submit to the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Resources and the Committee on Agriculture of the House of Representatives an annual report that describes the information obtained through monitoring under clause (i).

(5) REVIEW AND REPORT.—

(A) IN GENERAL.—Not later than September 30, 2004, the Comptroller General shall submit to each of the committees described in paragraph (4)(B)(ii) a report that describes the results and effectiveness of the pilot program.

(B) REPORTS BY SECRETARY.—The Secretary shall submit to each of the committees described in paragraph (4)(B)(ii) an annual report describing the results of the pilot program that includes—

(i) an identification of the size of each biomass-to-energy facility that receives a grant under this section; and

(ii) the haul radius associated with each grant.

(C) TECHNICAL FEASIBILITY REPORT.—Not later than December 1, 2003, the Secretary of Agriculture, in cooperation with the Forest Products Lab and the Economic Action Program of the Forest Service, shall submit to each of the committees described in paragraph (4)(B)(ii) a report that describes—

(i) the technical feasibility of the use by small-scale biomass energy units of small-diameter trees and forest residues as a source of fuel;

(ii) the environmental impacts relating to the use of small-diameter trees and forest residues as described in clause (i); and

(iii) any social or economic benefits of small-scale biomass energy units for rural communities.

(6) GRANTS TO OTHER PERSONS.—

(A) IN GENERAL.—In addition to biomass-to-energy facilities, the Secretary may make grants under this subsection to persons in rural communities that are seeking ways to improve the use of, or add value to, hazardous fuels.

(B) SELECTION.—The Secretary shall select recipients of grants under subparagraph (A) based on—

(i) the extent to which the grant recipient avoids environmental impacts; and

(ii) the demonstrable level of anticipated benefits to rural communities, including opportunities for small businesses and microbusinesses and the potential for new job creation, that may result from the provision of the grant.

(C) MONITORING.—With respect to a grant made under this paragraph—

(i) the monitoring provisions described in paragraph (3) and applicable to biomass-to-energy facilities shall apply; and

(ii) the Secretary shall monitor the environmental impacts of projects funded by grants provided under this paragraph.

(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2002 through 2006.

(d) LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

(1) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—

(A) IN GENERAL.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary shall submit to Congress an assessment of the number of acres of National Forest System land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

(B) COMPONENTS.—The assessment shall—

(i) be based on the treatment schedules contained in the report entitled "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems", dated October 13, 2000, and incorporated into the National Fire Plan;

(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

(iii) give priority to condition class 3 areas (as described in subsection (b)(4)(B)), including modifications in the restoration goals based on the effects of—

(I) fire;

(II) hazardous fuel treatments under the National Fire Plan; or

(III) updates in data;

(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

(v) describe the land allocation categories in which the contract authorities shall be used; and

(vi) give priority to areas described in subsection (b)(4)(A).

(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan would best be accomplished through forest stewardship end result contracting.

(3) STEWARDSHIP END RESULT CONTRACTING.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into not more than 28 stewardship end result contracts to implement the National Fire Plan on National Forest System land based on the treatment schedules provided in the annual assessments conducted under paragraph (1)(B)(i).

(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the "Stewardship End Result Contracting Demonstration Project") (16 U.S.C. 2104 note; Public Law 105-277), shall apply to contracts entered into under this paragraph, except that 14 of the 28 percent of the contracts entered into under subparagraph (A) shall be subject to the conditions that—

(i) funds from the contract, and any offset value of forest products that exceeds the value of the resource improvement treatments carried out under the contract, shall be deposited in the Treasury of the United States;

(ii) section 347(c)(3)(A) of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the "Stewardship End Result Contracting Demonstration Project") (16 U.S.C. 2104 note; Public Law 105-277) shall not apply to those contracts; and

(iii) the implementation shall be accomplished using separate contracts for the harvesting or collection, and sale, of merchantable material.

(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2002 through 2006.

(e) EXCLUDED AREAS.—In carrying out this section, the Secretary shall—

(1) because of sensitivity of natural, cultural, or historical resources, designate areas to be excluded from any program under this section; and

(2) carry out this section only in the wildland-urban interface, as defined by the Secretary.

(f) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.

On page 854, strike line 4 and insert the following:

SEC. 810. ENHANCED COMMUNITY FIRE PROTECTION.

On page 858, strike line 8 and insert the following:

SEC. 811. WATERSHED FORESTRY ASSISTANCE PROGRAM.

On page 870, strike line 1 and insert the following:

SEC. 812. SUBURBAN AND COMMUNITY FORESTRY AND OPEN SPACE INITIATIVE.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 7 (16 U.S.C. 2103c) the following:

"SEC. 7A. SUBURBAN AND COMMUNITY FORESTRY AND OPEN SPACE INITIATIVE.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means a State (including a political subdivision) or nonprofit organization that the Secretary determines under subsection (c)(1)(A)(ii) is eligible to receive a grant under subsection (c)(2).

"(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(3) PRIVATE FOREST LAND.—The term 'private forest land' means land that is—

"(A)(i) covered by trees; or

"(ii) suitable for growing trees, as determined by the Secretary;

"(B) suburban, as determined by the Secretary; and

"(C) owned by—

"(i) a private entity; or

"(ii) an Indian tribe.

"(4) PROGRAM.—The term 'program' means the Suburban and Community Forestry and Open Space Initiative established by subsection (b).

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Chief of the Forest Service.

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established within the Forest Service a program to be known as the 'Suburban and Community Forestry and Open Space Initiative'.

"(2) PURPOSE.—The purpose of the program is to provide assistance to eligible entities to carry out projects and activities to—

"(A) conserve private forest land and maintain working forests in suburban environments; and

"(B) provide communities a means by which to address significant suburban sprawl.

"(c) GRANT PROGRAM.—

"(1) IDENTIFICATION OF ELIGIBLE PRIVATE FOREST LAND.—

"(A) IN GENERAL.—The Secretary, in consultation with State foresters or equivalent State officials and State or county planning offices, shall establish criteria for—

"(i) the identification, subject to subparagraph (B), of private forest land in each State that may be conserved under this section; and

"(ii) the identification of eligible entities.

"(B) CONDITIONS FOR ELIGIBLE PRIVATE FOREST LAND.—Private forest land identified for conservation under subparagraph (A)(i) shall be land that is—

"(i) located in an area that is affected, or threatened to be affected, by significant suburban sprawl, as determined by—

"(I) the appropriate State forester or equivalent State official; and

"(II) the planning office of the State or county in which the private forest land is located; and

"(ii) threatened by present or future conversion to nonforest use.

"(2) GRANTS.—

"(A) PROJECTS AND ACTIVITIES.—

"(i) IN GENERAL.—In carrying out this section, the Secretary shall award grants to eligible entities to carry out a project or activity described in clause (ii).

"(ii) TYPES.—A project or activity referred to in clause (i) is a project or activity that—

"(I) is carried out to conserve private forest land and contain significant suburban sprawl; and

"(II) provides for guaranteed public access to land on which the project or activity is carried out, unless the appropriate State forester or equivalent State official and the State or county planning office request, and provide justification for the request, that the requirement be waived.

"(B) APPLICATION; STEWARDSHIP PLAN.—An eligible entity that seeks to receive a grant under this section shall submit for approval—

"(i) to the Secretary, in such form as the Secretary shall prescribe, an application for the grant (including a description of any private forest land to be conserved using funds from the grant); and

"(ii) to the State forester or equivalent State official, a stewardship plan that describes the manner in which any private forest land to be conserved using funds from the grant will be managed in accordance with this section.

"(C) APPROVAL OR DISAPPROVAL.—

“(i) IN GENERAL.—Subject to clause (ii), as soon as practicable after the date on which the Secretary receives an application under subparagraph (B)(i) or a resubmission under subclause (II)(bb), the Secretary shall—

“(I)(aa) approve the application; and

“(bb) award a grant to the applicant; or

“(II)(aa) disapprove the application; and

“(bb) provide the applicant a statement that describes the reasons why the application was disapproved (including a deadline by which the applicant may resubmit the application).

“(ii) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applicants that propose to fund projects and activities that promote, in addition to the primary purposes of conserving private forest land and containing significant suburban sprawl—

“(I) the sustainable management of private forest land;

“(II) community and school education programs and curricula relating to sustainable forestry; and

“(III) community involvement in determining the objectives for projects or activities that are funded under this section.

“(3) COST SHARING.—

“(A) IN GENERAL.—The amount of a grant awarded under this section to carry out a project or activity shall not exceed 50 percent of the total cost of the project or activity.

“(B) ASSURANCES.—As a condition of receipt of a grant under this section, an eligible entity shall provide to the Secretary such assurances as the Secretary determines are sufficient to demonstrate that the share of the cost of each project or activity that is not funded by the grant awarded under this section has been secured.

“(C) FORM.—The share of the cost of carrying out any project or activity described in subparagraph (A) that is not funded by a grant awarded under this section may be provided in cash or in kind.

“(d) USE OF GRANT FUNDS FOR PURCHASES OF LAND OR EASEMENTS.—

“(1) PURCHASES.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), funds made available, and grants awarded, under this section may be used to purchase private forest land or interests in private forest land (including conservation easements) only from willing sellers at fair market value.

“(B) SALES AT LESS THAN FAIR MARKET VALUE.—A sale of private forest land or an interest in private forest land at less than fair market value shall be permitted only on certification by the landowner that the sale is being entered into willingly and without coercion.

“(2) TITLE.—Title to private forest land or an interest in private forest land purchased under paragraph (1) may be held, as determined appropriate by the Secretary, by—

“(A) a State (including a political subdivision of a State); or

“(B) a nonprofit organization.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

“(1) **$50,000,000** for fiscal year **2003**; and

“(2) such sums as are necessary for each fiscal year thereafter.”.

SEC. 813. GENERAL PROVISIONS.

On page 870, strike line 21 and insert the following:

SEC. 814. STATE FOREST STEWARDSHIP COORDINATING COMMITTEES.

On page 871, between lines 22 and 23, insert the following:

SEC. 815. OFFICE OF TRIBAL RELATIONS.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 19 (16 U.S.C. 2113) the following:

“SEC. 19A. OFFICE OF TRIBAL RELATIONS.

“(a) DEFINITIONS.—In this section:

“(1) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(2) OFFICE.—The term ‘Office’ means the Office of Tribal Relations established under subsection (b)(1).

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Chief of the Forest Service.

“(b) ESTABLISHMENT.—

“(1) IN GENERAL.—The Secretary shall establish within the Forest Service the Office of Tribal Relations.

“(2) DIRECTOR.—The Office shall be headed by a Director, who shall—

“(A) be appointed by the Secretary, in consultation with interested Indian tribes; and

“(B) report directly to the Secretary.

“(3) ADMINISTRATIVE SUPPORT.—The Secretary shall ensure, to the maximum extent practicable, that adequate staffing and funds are made available to enable the Director to carry out the duties described in subsection (c).

“(c) DUTIES OF THE DIRECTOR.—

“(1) IN GENERAL.—The Director shall—

“(A) provide advice to the Secretary on all issues, policies, actions, and programs of the Forest Service that affect Indian tribes, including—

“(i) consultation with tribal governments;

“(ii) programmatic review for equitable tribal participation;

“(iii) monitoring and evaluation of relations between the Forest Service and Indian tribes;

“(iv) the coordination and integration of programs of the Forest Service that affect, or are of interest to, Indian tribes;

“(v) training of Forest Service personnel for competency in tribal relations; and

“(vi) the development of legislation affecting Indian tribes;

“(B) coordinate organizational responsibilities within the administrative units of the Forest Service to ensure that matters affecting the rights and interests of Indian tribes are handled in a manner that is—

“(i) comprehensive;

“(ii) responsive to tribal needs; and

“(iii) consistent with policy guidelines of the Forest Service;

“(C)(i) develop generally applicable policies and procedures of the Forest Service pertaining to Indian tribes; and

“(ii) monitor the application of those policies and procedures throughout the administrative regions of the Forest Service;

“(D) provide such information or guidance to personnel of the Forest Service that are responsible for tribal relations as is required, as determined by the Secretary;

“(E) exercise such direct administrative authority pertaining to tribal relations programs as may be delegated by the Secretary;

“(F) for the purpose of coordinating programs and activities of the Forest Service with programs and actions of other agencies or departments that affect Indian tribes, consult with—

“(i) other agencies of the Department of Agriculture, including the Natural Resources Conservation Service; and

“(ii) other Federal agencies, including—

“(I) the Department of the Interior; and

“(II) the Environmental Protection Agency;

“(G) submit to the Secretary an annual report on the status of relations between the Forest Service and Indian tribes that includes, at a minimum—

“(i) an examination of the participation of Indian tribes in programs administered by the Secretary;

“(ii) a description of the status of initiatives being carried out to improve working relationships with Indian tribes; and

“(iii) recommendations for improvements or other adjustments to operations of the Forest Service that would be beneficial in strengthening working relationships with Indian tribes; and

“(H) carry out such other duties as the Secretary may assign.

“(d) COORDINATION.—In carrying out this section, the Office and other offices within the Forest Service shall consult on matters involving the rights and interests of Indian tribes.”.

SEC. 816. ASSISTANCE TO TRIBAL GOVERNMENTS.

The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) is amended by adding at the end the following:

“SEC. 21. ASSISTANCE TO TRIBAL GOVERNMENTS.

“(a) DEFINITION OF INDIAN TRIBE.—In this section, the term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(b) ESTABLISHMENT.—The Secretary may provide financial, technical, educational and related assistance to Indian tribes for—

“(1) tribal consultation and coordination with the Forest Service on issues relating to—

“(A) tribal rights and interests on Forest Service land (including national forests and national grassland);

“(B) coordinated or cooperative management of resources shared by the Forest Service and Indian tribes; and

“(C) provision of tribal traditional, cultural, or other expertise or knowledge;

“(2) projects and activities for conservation education and awareness with respect to forest land under the jurisdiction of Indian tribes;

“(3) technical assistance for forest resources planning, management, and conservation on land under the jurisdiction of Indian tribes; and

“(4) the acquisition by Indian tribes, from willing sellers, of conservation interests (including conservation easements) in forest land and resources on land under the jurisdiction of the Indian tribes.

“(c) IMPLEMENTATION.—

“(1) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Secretary shall promulgate regulations to implement subsection (b) (including regulations for determining the distribution of assistance under that subsection).

“(2) CONSULTATION.—In developing regulations under paragraph (1), the Secretary shall engage in full, open, and substantive consultation with Indian tribes and representatives of Indian tribes.

“(d) COORDINATION WITH THE SECRETARY OF THE INTERIOR.—The Secretary shall coordinate with the Secretary of the Interior during the establishment, implementation, and administration of subsection (b) to ensure that programs under that subsection—

“(1) do not conflict with tribal programs provided under the authority of the Department of the Interior; and

“(2) meet the goals of the Indian tribes.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for fiscal year 2002 and each fiscal year thereafter.".

SEC. 817. SUDDEN OAK DEATH SYNDROME.

(a) Findings.—Congress finds that—

(1) tan oak, coast live oak, Shreve's oak, and black oak trees are among the most beloved features of the topography of California and the Pacific Northwest and efforts should be made to protect those trees from disease;

(2) the die-off of those trees, as a result of the exotic Phytophthora fungus, is approaching epidemic proportions;

(3) very little is known about the new species of Phytophthora, and scientists are struggling to understand the causes of sudden oak death syndrome, the methods of transmittal, and how sudden oak death syndrome can best be treated;

(4) the Phytophthora fungus has been found on—

(A) Rhododendron plants in nurseries in California; and

(B) wild huckleberry plants, potentially endangering the commercial blueberry and cranberry industries;

(5) sudden oak death syndrome threatens to create major economic and environmental problems in California, the Pacific Northwest, and other regions, including—

(A) the increased threat of fire and fallen trees;

(B) the cost of tree removal and a reduction in property values; and

(C) loss of revenue due to—

(i) restrictions on imports of oak products and nursery stock; and

(ii) the impact on the commercial rhododendron, blueberry, and cranberry industries; and

(6) Oregon and Canada have imposed an emergency quarantine on the importation of oak trees, oak products, and certain nursery plants from California.

(b) Research, Monitoring, and Treatment of Sudden Oak Death Syndrome.—

(1) In general.—The Secretary of Agriculture (referred to in this section as the "Secretary") shall carry out a sudden oak death syndrome research, monitoring, and treatment program to develop methods to control, manage, or eradicate sudden oak death syndrome from oak trees on public and private land.

(2) Research, monitoring, and treatment activities.—In carrying out the program under paragraph (1), the Secretary may—

(A) conduct open space, roadside, and aerial surveys;

(B) provide monitoring technique workshops;

(C) develop baseline information on the distribution, condition, and mortality rates of oaks in California and the Pacific Northwest;

(D) maintain a geographic information system database;

(E) conduct research activities, including research on forest pathology, Phytophthora ecology, forest insects associated with oak decline, urban forestry, arboriculture, forest ecology, fire management, silviculture, landscape ecology, and epidemiology;

(F) evaluate the susceptibility of oaks and other vulnerable species throughout the United States; and

(G) develop and apply treatments.

(c) Management, Regulation, and Fire Prevention.—

(1) In general.—The Secretary shall conduct sudden oak death syndrome management, regulation, and fire prevention activities to reduce the threat of fire and fallen trees killed by sudden oak death syndrome.

(2) Management, regulation, and fire prevention activities.—In carrying out paragraph (1), the Secretary may—

(A) conduct hazard tree assessments;

(B) provide grants to local units of government for hazard tree removal, disposal and recycling, assessment and management of restoration and mitigation projects, green waste treatment facilities, reforestation, resistant tree breeding, and exotic weed control;

(C) increase and improve firefighting and emergency response capabilities in areas where fire hazard has increased due to oak die-off;

(D) treat vegetation to prevent fire, and assessment of fire risk, in areas heavily infected with sudden oak death syndrome;

(E) conduct national surveys and inspections of—

(i) commercial rhododendron and blueberry nurseries; and

(ii) native rhododendron and huckleberry plants;

(F) provide for monitoring of oaks and other vulnerable species throughout the United States to ensure early detection; and

(G) provide diagnostic services.

(d) Education and Research.—

(1) In general.—The Secretary shall conduct education and outreach activities to make information available to the public on sudden death oak syndrome.

(2) Education and outreach activities.—In carrying out paragraph (1), the Secretary may—

(A) develop and distribute educational materials for homeowners, arborists, urban foresters, park managers, public works personnel, recreationists, nursery workers, landscapers, naturists, firefighting personnel, and other individuals, as the Secretary determines appropriate;

(B) design and maintain a website to provide information on sudden oak death syndrome; and

(C) provide financial and technical support to States, local governments, and nonprofit organizations providing information on sudden oak death syndrome.

(e) Sudden Oak Death Syndrome Advisory Committee.—

(1) Establishment.—

(A) In general.—The Secretary shall establish a Sudden Oak Death Syndrome Advisory Committee (referred to in this subsection as the "Committee") to assist the Secretary in carrying out this section.

(B) Membership.—

(i) Composition.—The Committee shall consist of—

(I) 1 representative of the Animal and Plant Health Inspection Service, to be appointed by the Administrator of the Animal and Plant Health Inspection Service;

(II) 1 representative of the Agricultural Research Service, to be appointed by the Administrator of the Agricultural Research Service;

(III) 1 representative of the Forest Service, to be appointed by the Chief of the Forest Service;

(IV) 2 individuals appointed by the Secretary from each of the States affected by sudden oak death syndrome; and

(V) any individual, to be appointed by the Secretary, in consultation with the Governors of the affected States, that the Secretary determines—

(aa) has an interest or expertise in sudden oak death syndrome; and

(bb) would contribute to the Committee.

(ii) Date of appointments.—The appointment of a member of the Committee shall be made not later than 90 days after the date of enactment of this Act.

(C) Initial meeting.—Not later than 30 days after the date on which all members of the Committee have been appointed, the Committee shall hold the initial meeting of the Committee.

(2) Duties.—

(A) Implementation plan.—The Committee shall prepare a comprehensive implementation plan to address the management, control, and eradication of sudden oak death syndrome.

(B) Reports.—

(i) Interim report.—Not later than 1 year after the date of enactment of this Act, the Committee shall submit to Congress the implementation plan prepared under paragraph (1).

(ii) Final report.—Not later than 3 years after the date of enactment of this Act, the Committee shall submit to Congress a report that contains—

(I) a summary of the activities of the Committee;

(II) an accounting of funds received and expended by the Committee; and

(III) findings and recommendations of the Committee.

(f) Authorization of Appropriations.—There are authorized to be appropriated for each of fiscal years 2002 through 2006—

(1) to carry out subsection (b), $7,500,000, of which not more than $1,500,000 shall be used for treatment;

(2) to carry out subsection (c), $6,000,000;

(3) to carry out subsection (d), $500,000; and

(4) to carry out subsection (e), $250,000.

On page 876, line 4, strike "647" and insert "646".

On page 876, line 6, strike "**L**" and insert "**K**".

On page 877, strike lines 1 through 7 and insert the following:

"(C) Exclusions.—The term 'biomass' does not include—

"(i) paper that is commonly recycled; or

"(ii) unsegregated garbage.

On page 884, strike lines 1 through 6 and insert the following:

"(2) Biorefinery.—The term 'biorefinery' means equipment and processes that—

"(A) convert biomass into fuels and chemicals; and

"(B) may produce electricity.

On page 885, strike lines 7 through 15 and insert the following:

"(A) In general.—In selecting projects to receive grants under subsection (c), the Secretary—

"(i) shall select projects based on the likelihood that the projects will demonstrate the commercial viability of a process for converting biomass into fuels or chemicals; and

"(ii) may consider the likelihood that the projects will produce electricity.

On page 886, line 8, strike "and".

On page 886, line 10, strike the period and insert "; and".

On page 886, between lines 10 and 11, insert the following:

"(x) the potential for developing advanced industrial biotechnology approaches.

On page 898, line 8, strike "15" and insert "30".

On page 898, strike lines 10 through 14 and insert the following:

"(ii) Maximum amount of combined grant and loan.—The combined amount of a grant and loan made or guaranteed under subsection (a) for a renewable energy system shall not exceed 60 percent of the cost of the renewable energy system.

On page 899, line 8, strike "15" and insert "30".

On page 899, strike lines 11 through 15 and insert the following:

"(ii) MAXIMUM AMOUNT OF COMBINED GRANT AND LOAN.—The combined amount of a grant and loan made or guaranteed under subsection (a) for an energy efficiency project shall not exceed 50 percent of the cost of the energy efficiency improvement.

On page 902, line 12, strike"research".

On page 902, line 15, strike "or".

On page 902, line 16, strike the period and insert "; or".

On page 902, between lines 16 and 17, insert the following:

"(7) a consortium comprised of entities described in paragraphs (1) through (6)."

On page 902, strike line 23 and insert the following:

"(3) generate both usable electricity and heat;

On page 911, strike lines 7 through 10 and insert the following:

"(A) a college or university or a research foundation maintained by a college or university;

On page 912, line 17, strike "and establish".

On page 913, strike line 3 and insert the following:

"(2) DEVELOPMENT OF BENCHMARK STANDARDS.—

"(A) IN GENERAL.—The Secretary shall develop benchmark standards for measuring the carbon content of soils and plants (including trees) based on—

"(i) information from the conference under paragraph (1);

"(ii) research conducted under this section; and

"(iii) other information available to the Secretary.

"(B) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary shall provide an opportunity for the public to comment on the benchmark standards developed under subparagraph (A).

"(3) REPORT.—Not later than 180 days after

On page 918, line 16, strike "(as amended by section 661)".

On page 918, line 18, strike "**21**" and insert "**20**".

On page 918, strike lines 20 through 23 and insert the following:

"(a) DEFINITIONS.—In this section:

"(1) RENEWABLE ENERGY.—The term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

"(2) RURAL AREA.—The term 'rural area' includes any area that is not within the boundaries of—

"(A) a city, town, village, or borough having a population of more than 20,000; or

"(B) an urbanized area (as determined by the Secretary).

On page 919, line 2, after "utilities", insert the following: "(as determined by the Secretary)".

Beginning on page 925, strike line 14 and all that follows through page 926, line 25, and insert the following:

"(B) ELIGIBILITY CRITERIA.—To be eligible for a grant under paragraph (1), a project shall (as determined by the Secretary)—

"(i) be designed to—

"(I) achieve long-term sequestration of carbon or long-term reductions in greenhouse gas emissions;

"(II) address concerns regarding leakage; or

"(III) promote additionality; and

"(ii) not involve—

"(I) the reforestation of land that has been deforested since 1990; or

"(II) the conversion of native grassland.

"(C) PRIORITY CRITERIA.—The Secretary shall give priority in awarding a grant under paragraph (1) to an eligible project that—

"(i) involves multiple parties, a whole farm approach, or any other approach, such as the aggregation of land areas, that would—

"(I) increase the environmental benefits or reduce the transaction costs of the eligible project; and

"(II) reduce the costs of measuring, monitoring, and verifying any net sequestration of carbon or net reduction in greenhouse gas emissions; and

"(ii) provides certain benefits, such as improvements in—

"(I) soil fertility;

"(II) wildlife habitat;

"(III) water quality;

"(IV) soil erosion management;

"(V) the use of renewable resources to produce energy;

"(VI) the avoidance of ecosystem fragmentation; and

"(VII) the promotion of ecosystem restoration with native species.

Beginning on page 927, strike line 22 and all that follows through page 928, line 11.

On page 928, line 12, strike "(d)" and insert "(c)"

On page 928, line 20, strike "(e)" and insert "(d)".

On page 930, strike lines 8 through 10 and insert the following:

"Subtitle D—Country of Origin Labeling

"SEC. 281. DEFINITIONS.

On page 932, line 6, strike "**272**" and insert "**282**".

On page 934, line 6, strike "274" and insert "284".

On page 935, line 12, strike "**273**" and insert "**283**".

On page 935, line 16, strike "272" and insert "282".

On page 935, line 23, strike "272" and insert "282".

On page 936, line 1, strike "272" and insert "282".

On page 936, line 6, strike "**274**" and insert "**284**".

On page 936, line 14, strike "**275**" and insert "**285**".

On page 937, strike lines 1 through 3 and insert the following:

"Subtitle E—Commodity-Specific Grading Standards

"SEC. 291. DEFINITION OF SECRETARY.

On page 937, line 6, strike "**282**" and insert "**292**".

On page 937, line 12, strike "**283**" and insert "**293**".

On page 937, between lines 16 and 17, insert the following:

SEC. 1 . EQUAL CROP INSURANCE TREATMENT OF POTATOES AND SWEET POTATOES.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended in the first sentence by striking "and potatoes" and inserting ", potatoes, and sweet potatoes".

Beginning on page 941, strike line 6 and all that follows through page 942, line 23, and insert the following:

SEC. 1 . UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

Title III of the Packers and Stockyards Act, 1921 (7 U.S.C. 201 et seq.), is amended by adding at the end the following:

"SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

"(a) DEFINITIONS.—In this section:

"(1) HUMANELY EUTHANIZE.—The term 'humanely euthanize' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

"(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

"(b) UNLAWFUL PRACTICES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

"(2) EXCEPTIONS.—

"(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

"(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

"(c) APPLICATION OF PROHIBITION.—Subsection (b) shall apply beginning one year after the date of the enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001. By the end of such period, the Secretary shall promulgate regulations to carry out this section.".

On page 945, between lines 5 and 6, insert the following:

SEC. 10 . LIMITATION ON EXHIBITION OF POLAR BEARS.

The Animal Welfare Act is amended by inserting after section 17 (7 U.S.C. 2147) the following:

"SEC. 18. LIMITATION ON EXHIBITION OF POLAR BEARS.

"An exhibitor that is a carnival, circus, or traveling show (as determined by the Secretary) shall not exhibit polar bears.".

On page 951, between lines 6 and 7, insert the following:

SEC. 10 . FARMERS' MARKET PROMOTION PROGRAM.

(a) SURVEY.—Section 4 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3003) is amended—

(1) in the first sentence, by striking "a continuing" and inserting "an annual"; and

(2) by striking the second sentence.

(b) DIRECT MARKETING ASSISTANCE.—Section 5 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3004) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "Extension Service of the United States Department of Agriculture" and inserting "Secretary"; and

(B) in the second sentence—

(i) by striking "Extension Service" and inserting "Secretary"; and

(ii) by striking "and on the basis of which of these two agencies, or combination thereof, can best perform these activities" and inserting ", as determined by the Secretary";

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

"(b) DEVELOPMENT OF FARMERS' MARKETS.—The Secretary shall—

"(1) work with the Governor of a State, and a State agency designated by the Governor, to develop programs to train managers of farmers' markets;

"(2) develop opportunities to share information among managers of farmers' markets;

“(3) establish a program to train cooperative extension service employees in the development of direct marketing techniques; and

“(4) work with producers to develop farmers’ markets.”.

(c) FARMERS’ MARKET PROMOTION PROGRAM.—The Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3001 et seq.) is amended by inserting after section 5 the following:

“SEC. 6. FARMERS’ MARKET PROMOTION PROGRAM.

“(a) ESTABLISHMENT.—The Secretary shall carry out a program, to be known as the ‘Farmers’ Market Promotion Program’ (referred to in this section as the ‘Program’), to make grants to eligible entities for projects to establish, expand, and promote farmers’ markets.

“(b) PROGRAM PURPOSES.—The purposes of the Program are—

“(1) to increase domestic consumption of agricultural commodities by improving and expanding, or assisting in the improvement and expansion of, domestic farmers’ markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructure; and

“(2) to develop, or aid in the development of, new farmers’ markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructure.

“(c) ELIGIBLE ENTITIES.—An entity shall be eligible to receive a grant under the Program if the entity is—

“(1) an agricultural cooperative;

“(2) a local government;

“(3) a nonprofit corporation;

“(4) a public benefit corporation;

“(5) an economic development corporation;

“(6) a regional farmers’ market authority; or

“(7) such other entity as the Secretary may designate.

“(d) CRITERIA AND GUIDELINES.—The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under the Program.

“(e) AMOUNT.—

“(1) IN GENERAL.—Under the Program, the amount of a grant to an eligible entity for any 1 project shall be not more than $500,000 for any 1 fiscal year.

“(2) AVAILABILITY.—The amount of a grant to an eligible entity for a project shall be available until expended or until the date on which the project terminates.

“(f) COST SHARING.—

“(1) FEDERAL SHARE.—The Federal share of the cost of a project carried out under the Program shall not exceed 60 percent.

“(2) NON-FEDERAL SHARE.—

“(A) FORM.—The non-Federal share of the cost of a project carried out under the Program may be paid in the form of cash or the provision of services, materials, or other in-kind contributions.

“(B) LIMITATION.—The value of any real or personal property owned by an eligible entity as of the date on which the eligible entity submits a proposal for a project under the Program shall not be credited toward the non-Federal share required under this paragraph.

“(g) FUNDING.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2003 through 2008.

“(2) LIMITATION.—No amounts may be made available to carry out this section unless specifically provided by an appropriation Act.”.

On page 951, strike lines 7 through 11 and insert the following:

SEC. 10 . TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS; PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

(a) TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 2501 (7 U.S.C. 2279) the following:

“SEC. 2501A. TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

“(a) PURPOSE.—The purpose of this section is to ensure compilation and public disclosure of data to assess and hold the Department of Agriculture accountable for the nondiscriminatory participation of socially disadvantaged farmers and ranchers in programs of the Department.

“(b) DEFINITION OF SOCIALLY DISADVANTAGED FARMER OR RANCHER.—In this section, the term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

“(c) COMPILATION OF PROGRAM PARTICIPATION DATA.—

“(1) ANNUAL REQUIREMENT.—For each county and State in the United States, the Secretary shall compute annually the participation rate of socially disadvantaged farmers and ranchers as a percentage of the total participation of all farmers and ranchers for each program of the Department of Agriculture established for farmers or ranchers.

“(2) DETERMINATION OF PARTICIPATION.—In determining the rates under paragraph (1), the Secretary shall consider, for each county and State, the number of socially disadvantaged farmers and ranchers of each race, ethnicity, and gender in proportion to the total number of farmers and ranchers participating in each program.”.

(b) PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.—Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) is amended by striking subparagraph (B) and inserting the following:

On page 958, strike the closing quotation marks and insert the following:

“(v) PUBLIC AVAILABILITY AND REPORT TO CONGRESS.—

“(I) PUBLIC DISCLOSURE.—The Secretary shall maintain and make readily available to the public, via website and otherwise in electronic and paper form, all data required to be collected and computed under section 2501A(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 and clause (iii)(V) collected annually since the most recent Census of Agriculture.

“(II) REPORT TO CONGRESS.—After each Census of Agriculture, the Secretary shall report to Congress the rate of loss or gain in participation by each socially disadvantaged group, by race, ethnicity, and gender, since the previous Census.”.

On page 977, after line 15, add the following:

SEC. 10 . PEST MANAGEMENT IN SCHOOLS.

(a) SHORT TITLE.—This section may be cited as the “School Environment Protection Act of 2001”.

(b) PEST MANAGEMENT.—The Federal Insecticide, Fungicide, and Rodenticide Act is amended—

(1) by redesignating sections 33 and 34 (7 U.S.C. 136x, 136y) as sections 34 and 35, respectively; and

(2) by inserting after section 32 (7 U.S.C. 136w–7) the following:

“SEC. 33. PEST MANAGEMENT IN SCHOOLS.

“(a) DEFINITIONS.—In this section:

“(1) BAIT.—The term ‘bait’ means a pesticide that contains an ingredient that serves as a feeding stimulant, odor, pheromone, or other attractant for a target pest.

“(2) CONTACT PERSON.—The term ‘contact person’ means an individual who is—

“(A) knowledgeable about school pest management plans; and

“(B) designated by a local educational agency to carry out implementation of the school pest management plan of a school.

“(3) EMERGENCY.—The term ‘emergency’ means an urgent need to mitigate or eliminate a pest that threatens the health or safety of a student or staff member.

“(4) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given the term in section 3 of the Elementary and Secondary Education Act of 1965.

“(5) SCHOOL.—

“(A) IN GENERAL.—The term ‘school’ means a public—

“(i) elementary school (as defined in section 3 of the Elementary and Secondary Education Act of 1965);

“(ii) secondary school (as defined in section 3 of that Act);

“(iii) kindergarten or nursery school that is part of an elementary school or secondary school; or

“(iv) tribally-funded school.

“(B) INCLUSIONS.—The term ‘school’ includes any school building, and any area outside of a school building (including a lawn, playground, sports field, and any other property or facility), that is controlled, managed, or owned by the school or school district.

“(6) SCHOOL PEST MANAGEMENT PLAN.—The term ‘school pest management plan’ means a pest management plan developed under subsection (b).

“(7) STAFF MEMBER.—

“(A) IN GENERAL.—The term ‘staff member’ means a person employed at a school or local educational agency.

“(B) EXCLUSIONS.—The term ‘staff member’ does not include—

“(i) a person hired by a school, local educational agency, or State to apply a pesticide; or

“(ii) a person assisting in the application of a pesticide.

“(8) STATE AGENCY.—The term ‘State agency’ means the an agency of a State, or an agency of an Indian tribe or tribal organization (as those terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), that exercises primary jurisdiction over matters relating to pesticide regulation.

“(9) UNIVERSAL NOTIFICATION.—The term ‘universal notification’ means notice provided by a local educational agency or school to—

“(A) parents, legal guardians, or other persons with legal standing as parents of each child attending the school; and

“(B) staff members of the school.

“(b) SCHOOL PEST MANAGEMENT PLANS.—

“(1) STATE PLANS.—

“(A) GUIDANCE.—As soon as practicable (but not later than 180 days) after the date of enactment of the School Environment Protection Act of 2001, the Administrator shall develop, in accordance with this section—

“(i) guidance for a school pest management plan; and

“(ii) a sample school pest management plan.

"(B) PLAN.—As soon as practicable (but not later than 1 year) after the date of enactment of the School Environment Protection Act of 2001, each State agency shall develop and submit to the Administrator for approval, as part of the State cooperative agreement under section 23, a school pest management plan for local educational agencies in the State.

"(C) COMPONENTS.—A school pest management plan developed under subparagraph (B) shall, at a minimum—

"(i) implement a system that—

"(I) eliminates or mitigates health risks, or economic or aesthetic damage, caused by pests;

"(II) employs—

"(aa) integrated methods;

"(bb) site or pest inspection;

"(cc) pest population monitoring; and

"(dd) an evaluation of the need for pest management; and

"(III) is developed taking into consideration pest management alternatives (including sanitation, structural repair, and mechanical, biological, cultural, and pesticide strategies) that minimize health and environmental risks;

"(ii) require, for pesticide applications at the school, universal notification to be provided—

"(I) at the beginning of the school year;

"(II) at the midpoint of the school year; and

"(III) at the beginning of any summer session, as determined by the school;

"(iii) establish a registry of staff members of a school, and of parents, legal guardians, or other persons with legal standing as parents of each child attending the school, that have requested to be notified in advance of any pesticide application at the school;

"(iv) establish guidelines that are consistent with the definition of a school pest management plan under subsection (a);

"(v) require that each local educational agency use a certified applicator or a person authorized by the State agency to implement the school pest management plans;

"(vi) be consistent with the State cooperative agreement under section 23; and

"(vii) require the posting of signs in accordance with paragraph (4)(G).

"(D) APPROVAL BY ADMINISTRATOR.—Not later than 90 days after receiving a school pest management plan submitted by a State agency under subparagraph (B), the Administrator shall—

"(i) determine whether the school pest management plan, at a minimum, meets the requirements of subparagraph (C); and

"(ii)(I) if the Administrator determines that the school pest management plan meets the requirements, approve the school pest management plan as part of the State cooperative agreement; or

"(II) if the Administrator determines that the school pest management plan does not meet the requirements—

"(aa) disapprove the school pest management plan;

"(bb) provide the State agency with recommendations for and assistance in revising the school pest management plan to meet the requirements; and

"(cc) provide a 90-day deadline by which the State agency shall resubmit the revised school pest management plan to obtain approval of the plan, in accordance with the State cooperative agreement.

"(E) DISTRIBUTION OF STATE PLAN TO SCHOOLS.—On approval of the school pest management plan of a State agency, the State agency shall make the school pest management plan available to each local educational agency in the State.

"(F) EXCEPTION FOR EXISTING STATE PLANS.—If, on the date of enactment of the School Environment Protection Act of 2001, a State has implemented a school pest management plan that, at a minimum, meets the requirements under subparagraph (C) (as determined by the Administrator), the State agency may maintain the school pest management plan and shall not be required to develop a new school pest management plan under subparagraph (B).

"(2) IMPLEMENTATION BY LOCAL EDUCATIONAL AGENCIES.—

"(A) IN GENERAL.—Not later than 1 year after the date on which a local educational agency receives a copy of a school pest management plan of a State agency under paragraph (1)(E), the local educational agency shall develop and implement in each of the schools under the jurisdiction of the local educational agency a school pest management plan that meets the standards and requirements under the school pest management plan of the State agency, as determined by the Administrator.

"(B) EXCEPTION FOR EXISTING PLANS.—If, on the date of enactment of the School Environment Protection Act of 2001, a State maintains a school pest management plan that, at a minimum, meets the standards and criteria established under this section (as determined by the Administrator), and a local educational agency in the State has implemented the State school pest management plan, the local educational agency may maintain the school pest management plan and shall not be required to develop and implement a new school pest management plan under subparagraph (A).

"(C) APPLICATION OF PESTICIDES AT SCHOOLS.—A school pest management plan shall prohibit—

"(i) the application of a pesticide (other than a pesticide, including a bait, gel or paste, described in paragraph (4)(C)) to any area or room at a school while the area or room is occupied or in use by students or staff members (except students or staff members participating in regular or vocational agricultural instruction involving the use of pesticides); and

"(ii) the use by students or staff members of an area or room treated with a pesticide by broadcast spraying, baseboard spraying, tenting, or fogging during—

"(I) the period specified on the label of the pesticide during which a treated area or room should remain unoccupied; or

"(II) if there is no period specified on the label, the 24-hour period beginning at the end of the treatment.

"(3) CONTACT PERSON.—

"(A) IN GENERAL.—Each local educational agency shall designate a contact person to carry out a school pest management plan in schools under the jurisdiction of the local educational agency.

"(B) DUTIES.—The contact person of a local educational agency shall—

"(i) maintain information about the scheduling of pesticide applications in each school under the jurisdiction of the local educational agency;

"(ii) act as a contact for inquiries, and disseminate information requested by parents or guardians, about the school pest management plan;

"(iii) maintain and make available to parents, legal guardians, or other persons with legal standing as parents of each child attending the school, before and during the notice period and after application—

"(I) copies of material safety data sheet for pesticides applied at the school, or copies of material safety data sheets for end-use dilutions of pesticides applied at the school, if data sheets are available;

"(II) labels and fact sheets approved by the Administrator for all pesticides that may be used by the local educational agency; and

"(III) any final official information related to the pesticide, as provided to the local educational agency by the State agency; and

"(iv) for each school, maintain all pesticide use data for each pesticide used at the school (other than antimicrobial pesticides (as defined in clauses (i) and (ii) of section 2(mm)(1)(A))) for at least 3 years after the date on which the pesticide is applied; and

"(v) make that data available for inspection on request by any person.

"(4) NOTIFICATION.—

"(A) UNIVERSAL NOTIFICATION.—At the beginning of each school year, at the midpoint of each school year, and at the beginning of any summer session (as determined by the school), a local educational agency or school shall provide to staff members of a school, and to parents, legal guardians, and other persons with legal standing as parents of students enrolled at the school, a notice describing the school pest management plan that includes—

"(i) a summary of the requirements and procedures under the school pest management plan;

"(ii) a description of any potential pest problems that the school may experience (including a description of the procedures that may be used to address those problems);

"(iii) the address, telephone number, and website address of the Office of Pesticide Programs of the Environmental Protection Agency; and

"(iv) the following statement (including information to be supplied by the school as indicated in brackets):

'As part of a school pest management plan, (insert school name) may use pesticides to control pests. The Environmental Protection Agency (EPA) and (insert name of State agency exercising jurisdiction over pesticide registration and use) registers pesticides for that use. EPA continues to examine registered pesticides to determine that use of the pesticides in accordance with instructions printed on the label does not pose unreasonable risks to human health and the environment. Nevertheless, EPA cannot guarantee that registered pesticides do not pose risks, and unnecessary exposure to pesticides should be avoided. Based in part on recommendations of a 1993 study by the National Academy of Sciences that reviewed registered pesticides and their potential to cause unreasonable adverse effects on human health, particularly on the health of pregnant women, infants, and children, Congress enacted the Food Quality Protection Act of 1996. That law requires EPA to reevaluate all registered pesticides and new pesticides to measure their safety, taking into account the unique exposures and sensitivity that pregnant women, infants, and children may have to pesticides. EPA review under that law is ongoing. You may request to be notified at least 24 hours in advance of pesticide applications to be made and receive information about the applications by registering with the school. Certain pesticides used by the school (including baits, pastes, and gels) are exempt from notification requirements. If you would like more information concerning any pesticide application or any product used at the school, contact (insert name and phone number of contact person).'.

"(B) NOTIFICATION TO PERSONS ON REGISTRY.—

"(i) IN GENERAL.—Except as provided in clause (ii) and paragraph (5)—

"(I) notice of an upcoming pesticide application at a school shall be provided to each person on the registry of the school not later than 24 hours before the end of the last business day during which the school is in session that precedes the day on which the application is to be made; and

"(II) the application of a pesticide for which a notice is given under subclause (I) shall not commence before the end of the business day.

"(ii) NOTIFICATION CONCERNING PESTICIDES USED IN CURRICULA.—If pesticides are used as part of a regular vocational agricultural curriculum of the school, a notice containing the information described in subclauses (I), (IV), (VI), and (VII) of clause (iii) for all pesticides that may be used as a part of that curriculum shall be provided to persons on the registry only once at the beginning of each academic term of the school.

"(iii) CONTENTS OF NOTICE.—A notice under clause (i) shall contain—

"(I) the trade name, common name (if applicable), and Environmental Protection Agency registration number of each pesticide to be applied;

"(II) a description of each location at the school at which a pesticide is to be applied;

"(III) a description of the date and time of application, except that, in the case of an outdoor pesticide application, a notice shall include at least 3 dates, in chronological order, on which the outdoor pesticide application may take place if the preceding date is canceled;

"(IV) information that the State agency shall provide to the local educational agency, including a description of potentially acute and chronic effects that may result from exposure to each pesticide to be applied based on—

"(aa) a description of potentially acute and chronic effects that may result from exposure to each pesticide to be applied, as stated on the label of the pesticide approved by the Administrator;

"(bb) information derived from the material safety data sheet for the end-use dilution of the pesticide to be applied (if available) or the material safety data sheets; and

"(cc) final, official information related to the pesticide prepared by the Administrator and provided to the local educational agency by the State agency;

"(V) a description of the purpose of the application of the pesticide;

"(VI) the address, telephone number, and website address of the Office of Pesticide Programs of the Environmental Protection Agency; and

"(VII) the statement described in subparagraph (A)(iv) (other than the ninth sentence of that statement).

"(C) NOTIFICATION AND POSTING EXEMPTION.—A notice or posting of a sign under subparagraph (A), (B), or (G) shall not be required for the application at a school of—

"(i) an antimicrobial pesticide;

"(ii) a bait, gel, or paste that is placed—

"(I) out of reach of children or in an area that is not accessible to children; or

"(II) in a tamper-resistant or child-resistant container or station; and

"(iii) any pesticide that, as of the date of enactment of the School Environment Protection Act of 2001, is exempt from the requirements of this Act under section 25(b) (including regulations promulgated at section 152 of title 40, Code of Federal Regulations (or any successor regulation)).

"(D) NEW STAFF MEMBERS AND STUDENTS.—After the beginning of each school year, a local educational agency or school within a local educational agency shall provide each notice required under subparagraph (A) to—

"(i) each new staff member who is employed during the school year; and

"(ii) the parent or guardian of each new student enrolled during the school year.

"(E) METHOD OF NOTIFICATION.—A local educational agency or school may provide a notice under this subsection, using information described in paragraph (4), in the form of—

"(i) a written notice sent home with the students and provided to staff members;

"(ii) a telephone call;

"(iii) direct contact;

"(iv) a written notice mailed at least 1 week before the application; or

"(v) a notice delivered electronically (such as through electronic mail or facsimile).

"(F) REISSUANCE.—If the date of the application of the pesticide needs to be extended beyond the period required for notice under this paragraph, the school shall issue a notice containing only the new date and location of application.

"(G) POSTING OF SIGNS.—

"(i) IN GENERAL.—Except as provided in paragraph (5)—

"(I) a school shall post a sign not later than the last business day during which school is in session preceding the date of application of a pesticide at the school; and

"(II) the application for which a sign is posted under subclause (I) shall not commence before the time that is 24 hours after the end of the business day on which the sign is posted.

"(ii) LOCATION.—A sign shall be posted under clause (i)—

"(I) at a central location noticeable to individuals entering the building; and

"(II) at the proposed site of application.

"(iii) ADMINISTRATION.—A sign required to be posted under clause (i) shall—

"(I) remain posted for at least 24 hours after the end of the application;

"(II) be—

"(aa) at least 8½ inches by 11 inches for signs posted inside the school; and

"(bb) at least 4 inches by 5 inches for signs posted outside the school; and

"(III) contain—

"(aa) information about the pest problem for which the application is necessary;

"(bb) the name of each pesticide to be used;

"(cc) the date of application;

"(dd) the name and telephone number of the designated contact person; and

"(ee) the statement contained in subparagraph (A)(iv).

"(iv) OUTDOOR PESTICIDE APPLICATIONS.—

"(I) IN GENERAL.—In the case of an outdoor pesticide application at a school, each sign shall include at least 3 dates, in chronological order, on which the outdoor pesticide application may take place if the preceding date is canceled.

"(II) DURATION OF POSTING.—A sign described in subclause (I) shall be posted after an outdoor pesticide application in accordance with clauses (ii) and (iii).

"(5) EMERGENCIES.—

"(A) IN GENERAL.—A school may apply a pesticide at the school without complying with this part in an emergency, subject to subparagraph (B).

"(B) SUBSEQUENT NOTIFICATION OF PARENTS, GUARDIANS, AND STAFF MEMBERS.—Not later than the earlier of the time that is 24 hours after a school applies a pesticide under this paragraph or on the morning of the next business day, the school shall provide to each parent or guardian of a student listed on the registry, a staff member listed on the registry, and the designated contact person, notice of the application of the pesticide in an emergency that includes—

"(i) the information required for a notice under paragraph (4)(G); and

"(ii) a description of the problem and the factors that required the application of the pesticide to avoid a threat to the health or safety of a student or staff member.

"(C) METHOD OF NOTIFICATION.—The school may provide the notice required by paragraph (B) by any method of notification described in paragraph (4)(E).

"(D) POSTING OF SIGNS.—Immediately after the application of a pesticide under this paragraph, a school shall post a sign warning of the pesticide application in accordance with clauses (ii) through (iv) of paragraph (4)(B).

"(c) RELATIONSHIP TO STATE AND LOCAL REQUIREMENTS.—Nothing in this section (including regulations promulgated under this section)—

"(1) precludes a State or political subdivision of a State from imposing on local educational agencies and schools any requirement under State or local law (including regulations) that is more stringent than the requirements imposed under this section; or

"(2) establishes any exception under, or affects in any other way, section 24(b).

"(d) EXCLUSION OF CERTAIN PEST MANAGEMENT ACTIVITIES.—Nothing in this section (including regulations promulgated under this section) applies to a pest management activity that is conducted—

"(1) on or adjacent to a school; and

"(2) by, or at the direction of, a State or local agency other than a local educational agency.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.".

(c) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended by striking the items relating to sections 30 through 32 and inserting the following:

"Sec. 30. Minimum requirements for training of maintenance applicators and service technicians.
"Sec. 31. Environmental Protection Agency minor use program.
"Sec. 32. Department of Agriculture minor use program.
  "(a) In general.
  "(b)(1) Minor use pesticide data.
  "(2) Minor Use Pesticide Data Revolving Fund.
"Sec. 33. Pest management in schools.
  "(a) Definitions.
    "(1) Bait.
    "(2) Contact person.
    "(3) Emergency.
    "(4) Local educational agency.
    "(5) School.
    "(6) Staff member.
    "(7) State agency.
    "(8) Universal notification.
  "(b) School pest management plans.
    "(1) State plans.
    "(2) Implementation by local educational agencies.
    "(3) Contact person.
    "(4) Notification.
    "(5) Emergencies.
  "(c) Relationship to State and local requirements.
  "(d) Exclusion of certain pest management activities.

``(e) Authorization of appropriations.
``Sec. 34. Severability.
``Sec. 35. Authorization of appropriations.''.

(d) Effective Date.—This section and the amendments made by this section take effect on October 1, 2001.

On page 978, line 11, strike ``Felonies'' and insert ``Major violations''.

On page 978, line 13, after ``person'', insert the following: ``that commits a violation of this title described in this subparagraph shall be guilty of a felony and, on conviction,''.

On page 979, line 25, strike ``Misdemeanors'' and insert ``Other violations''.

On page 980, line 12, after ``person'', insert the following: ``that commits a violation of this title described in this subparagraph shall be guilty of a misdemeanor and, on conviction,''.

On page 985, strike line 1 and insert the following:

Subtitle D—Animal Health Protection

SEC. 1041. SHORT TITLE.

This subtitle may be cited as the ``Animal Health Protection Act''.

SEC. 1042. FINDINGS.

Congress finds that—

(1) the prevention, detection, control, and eradication of diseases and pests of animals are essential to protect—

(A) animal health;

(B) the health and welfare of the people of the United States;

(C) the economic interests of the livestock and related industries of the United States;

(D) the environment of the United States; and

(E) interstate commerce and foreign commerce of the United States in animals and other articles;

(2) animal diseases and pests are primarily transmitted by animals and articles regulated under this subtitle;

(3) the health of animals is affected by the methods by which animals and articles are transported in interstate commerce and foreign commerce;

(4) the Secretary must continue to conduct research on animal diseases and pests that constitute a threat to the livestock of the United States; and

(5)(A) all animals and articles regulated under this subtitle are in or affect interstate commerce or foreign commerce; and

(B) regulation by the Secretary and cooperation by the Secretary with foreign countries, States or other jurisdictions, or persons are necessary—

(i) to prevent and eliminate burdens on interstate commerce and foreign commerce;

(ii) to regulate effectively interstate commerce and foreign commerce; and

(iii) to protect the agriculture, environment, economy, and health and welfare of the people of the United States.

SEC. 1043. DEFINITIONS.

In this subtitle:

(1) Animal.—The term ``animal'' means any member of the animal kingdom (except a human).

(2) Article.—The term ``article'' means any pest or disease or any material or tangible object that could harbor a pest or disease.

(3) Disease.—The term ``disease'' means—

(A) any infectious or noninfectious disease or condition affecting the health of livestock; or

(B) any condition detrimental to production of livestock.

(4) Enter.—The term ``enter'' means to move into the commerce of the United States.

(5) Export.—The term ``export'' means to move from a place within the territorial limits of the United States to a place outside the territorial limits of the United States.

(6) Facility.—The term ``facility'' means any structure.

(7) Import.—The term ``import'' means to move from a place outside the territorial limits of the United States to a place within the territorial limits of the United States.

(8) Indian tribe.—The term ``Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(9) Interstate commerce.—The term ``interstate commerce'' means trade, traffic, or other commerce—

(A) between a place in a State and a place in another State, or between places within the same State but through any place outside that State; or

(B) within the District of Columbia or any territory or possession of the United States.

(10) Livestock.—The term ``livestock'' means all farm-raised animals.

(11) Means of conveyance.—The term ``means of conveyance'' means any personal property used for or intended for use for the movement of any other personal property.

(12) Move.—The term ``move'' means—

(A) to carry, enter, import, mail, ship, or transport;

(B) to aid, abet, cause, or induce carrying, entering, importing, mailing, shipping, or transporting;

(C) to offer to carry, enter, import, mail, ship, or transport;

(D) to receive in order to carry, enter, import, mail, ship, or transport;

(E) to release into the environment; or

(F) to allow any of the activities described in this paragraph.

(13) Pest.—The term ``pest'' means any of the following that can directly or indirectly injure, cause damage to, or cause disease in livestock:

(A) A protozoan.

(B) A plant.

(C) A bacteria.

(D) A fungus.

(E) A virus or viroid.

(F) An infectious agent or other pathogen.

(G) An arthropod.

(H) A parasite.

(I) A prion.

(J) A vector.

(K) An animal.

(L) Any organism similar to or allied with any of the organisms described in this paragraph.

(14) Secretary.—The term ``Secretary'' means the Secretary of Agriculture.

(15) State.—The term ``State'' means any of the States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States, or any territory or possession of the United States.

(16) This subtitle.—Except when used in this section, the term ``this subtitle'' includes any regulation or order issued by the Secretary under the authority of this subtitle.

(17) United states.—The term ``United States'' means all of the States.

SEC. 1044. RESTRICTION ON IMPORTATION OR ENTRY.

(a) In General.—The Secretary may prohibit or restrict—

(1) the importation or entry of any animal, article, or means of conveyance, or use of any means of conveyance or facility, if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock;

(2) the further movement of any animal that has strayed into the United States if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock; and

(3) the use of any means of conveyance in connection with the importation or entry of livestock if the Secretary determines that the prohibition or restriction is necessary because the means of conveyance has not been maintained in a clean and sanitary condition or does not have accommodations for the safe and proper movement of livestock.

(b) Regulations.—The Secretary may promulgate regulations requiring that any animal imported or entered be raised or handled under post-importation quarantine conditions by or under the supervision of the Secretary for the purpose of determining whether the animal is or may be affected by any pest or disease of livestock.

(c) Destruction or Removal.—

(1) In general.—The Secretary may order the destruction or removal from the United States of—

(A) any animal, article, or means of conveyance that has been imported but has not entered the United States if the Secretary determines that destruction or removal from the United States is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock;

(B) any animal or progeny of any animal, article, or means of conveyance that has been imported or entered in violation of this subtitle; or

(C) any animal that has strayed into the United States if the Secretary determines that destruction or removal from the United States is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock.

(2) Requirements of owners.—

(A) Orders to disinfect.—The Secretary may require the disinfection of—

(i) a means of conveyance used in connection with the importation of an animal;

(ii) an individual involved in the importation of an animal and personal articles of the individual; and

(iii) any article used in the importation of an animal.

(B) Failure to comply with orders.—If an owner fails to comply with an order of the Secretary under this section, the Secretary may—

(i) take remedial action, destroy, or remove from the United States the animal or progeny of any animal, article, or means of conveyance as authorized under paragraph (1); and

(ii) recover from the owner the costs of any care, handling, disposal, or other action incurred by the Secretary in connection with the remedial action, destruction, or removal.

SEC. 1045. EXPORTATION.

(a) In General.—The Secretary may prohibit or restrict—

(1) the exportation of any animal, article, or means of conveyance if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination from or within the United States of any pest or disease of livestock;

(2) the exportation of any livestock if the Secretary determines that the livestock is unfit to be moved;

(3) the use of any means of conveyance or facility in connection with the exportation of any animal or article if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination from or within the United States of any pest or disease of livestock; or

(4) the use of any means of conveyance in connection with the exportation of livestock if the Secretary determines that the prohibition or restriction is necessary because the means of conveyance has not been maintained in a clean and sanitary condition or does not have accommodations for the safe and proper movement and humane treatment of livestock.

(b) Requirements of Owners.—

(1) Orders to disinfect.—The Secretary may require the disinfection of—

(A) a means of conveyance used in connection with the exportation of an animal;

(B) an individual involved in the exportation of an animal and personal articles of the individual; and

(C) any article used in the exportation of an animal.

(2) Failure to comply with orders.—If an owner fails to comply with an order of the Secretary under this section, the Secretary may—

(A) take remedial action with respect to the animal, article, or means of conveyance referred to in paragraph (1); and

(B) recover from the owner the costs of any care, handling, disposal, or other action incurred by the Secretary in connection with the remedial action.

(c) Certification.—The Secretary may certify the classification, quality, quantity, condition, processing, handling, or storage of any animal or article intended for export.

SEC. 1046. INTERSTATE MOVEMENT.

The Secretary may prohibit or restrict—

(1) the movement in interstate commerce of any animal, article, or means of conveyance if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction or dissemination of any pest or disease of livestock; and

(2) the use of any means of conveyance or facility in connection with the movement in interstate commerce of any animal or article if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction or dissemination of any pest or disease of livestock.

SEC. 1047. SEIZURE, QUARANTINE, AND DISPOSAL.

(a) In General.—The Secretary may hold, seize, quarantine, treat, destroy, dispose of, or take other remedial action with respect to—

(1) any animal or progeny of any animal, article, or means of conveyance that—

(A) is moving or has been moved in interstate commerce or has been imported and entered; and

(B) the Secretary has reason to believe may carry, may have carried, or may have been affected with or exposed to any pest or disease of livestock at the time of movement or that is otherwise in violation of this subtitle;

(2) any animal or progeny of any animal, article, or means of conveyance that is moving or is being handled, or has moved or has been handled, in interstate commerce in violation of this subtitle;

(3) any animal or progeny of any animal, article, or means of conveyance that has been imported, and is moving or is being handled or has moved or has been handled, in violation of this subtitle; or

(4) any animal or progeny of any animal, article, or means of conveyance that the Secretary finds is not being maintained, or has not been maintained, in accordance with any post-importation quarantine, post-importation condition, post-movement quarantine, or post-movement condition in accordance with this subtitle.

(b) Extraordinary Emergencies.—

(1) In general.—Subject to paragraph (2), if the Secretary determines that an extraordinary emergency exists because of the presence in the United States of a pest or disease of livestock and that the presence of the pest or disease threatens the livestock of the United States, the Secretary may—

(A) hold, seize, treat, apply other remedial actions to, destroy (including preventative slaughter), or otherwise dispose of, any animal, article, facility, or means of conveyance if the Secretary determines the action is necessary to prevent the dissemination of the pest or disease; and

(B) prohibit or restrict the movement or use within a State, or any portion of a State of any animal or article, means of conveyance, or facility if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination of the pest or disease.

(2) State action.—

(A) In general.—The Secretary may take action in a State under this subsection only on finding that measures being taken by the State are inadequate to control or eradicate the pest or disease, after review and consultation with—

"(i) the Governor or an appropriate animal health official of the State; or

"(ii) in the case of any animal, article, facility, or means of conveyance under the jurisdiction of an Indian tribe, the head of the Indian tribe.

(B) Notice.—Subject to subparagraph (C), before any action is taken in a State under subparagraph (A), the Secretary shall—

(i) notify the Governor, an appropriate animal health official of the State, or head of the Indian tribe of the proposed action;

(ii) issue a public announcement of the proposed action; and

(iii) publish in the Federal Register—

(I) the findings of the Secretary;

(II) a description of the proposed action; and

(III) a statement of the reasons for the proposed action.

(C) Notice after action.—If it is not practicable to publish in the Federal Register the information required under subparagraph (B)(iii) before taking action under subparagraph (A), the Secretary shall publish the information as soon as practicable, but not later than 10 business days, after commencement of the action.

(c) Quarantine, Disposal, or Other Remedial Action.—

(1) In general.—The Secretary, in writing, may order the owner of any animal, article, facility, or means of conveyance referred to in subsection (a) or (b) to maintain in quarantine, dispose of, or take other remedial action with respect to the animal, article, facility, or means of conveyance, in a manner determined by the Secretary.

(2) Failure to comply with orders.—If the owner fails to comply with the order of the Secretary, the Secretary may—

(A) seize, quarantine, dispose of, or take other remedial action with respect to the animal, article, facility, or means of conveyance under subsection (a) or (b); and

(B) recover from the owner the costs of any care, handling, disposal, or other remedial action incurred by the Secretary in connection with the seizure, quarantine, disposal, or other remedial action.

(d) Compensation.—

(1) In general.—Except as provided in paragraph (3), the Secretary shall compensate the owner of any animal, article, facility, or means of conveyance that the Secretary requires to be destroyed under this section.

(2) Amount.—

(A) In general.—Subject to subparagraphs (B) and (C), the compensation shall be based on the fair market value, as determined by the Secretary, of the destroyed animal, article, facility, or means of conveyance.

(B) Limitation.—Compensation paid any owner under this subsection shall not exceed the difference between—

(i) the fair market value of the destroyed animal, article, facility, or means of conveyance; and

(ii) any compensation received by the owner from a State or other source for the destroyed animal, article, facility, or means of conveyance.

(C) Reviewability of determination.—The determination by the Secretary of the amount to be paid under this subsection shall be final and not subject to judicial review.

(3) Exceptions.—No payment shall be made by the Secretary under this subsection for—

(A) any animal, article, facility, or means of conveyance that has been moved or handled by the owner in violation of an agreement for the control and eradication of diseases or pests or in violation of this subtitle;

(B) any progeny of any animal or article, which animal or article has been moved or handled by the owner of the animal or article in violation of this subtitle;

(C) any animal, article, or means of conveyance that is refused entry under this subtitle; or

(D) any animal, article, facility, or means of conveyance that becomes or has become affected with or exposed to any pest or disease of livestock because of a violation of an agreement for the control and eradication of diseases or pests or a violation of this subtitle by the owner.

SEC. 1048. INSPECTIONS, SEIZURES, AND WARRANTS.

(a) Guidelines.—The activities authorized by this section shall be carried out consistent with guidelines approved by the Attorney General.

(b) Warrantless Inspections.—The Secretary may stop and inspect, without a warrant, any person or means of conveyance moving—

(1) into the United States, to determine whether the person or means of conveyance is carrying any animal or article regulated under this subtitle;

(2) in interstate commerce, on probable cause to believe that the person or means of conveyance is carrying any animal or article regulated under this subtitle; or

(3) in intrastate commerce from any State, or any portion of a State, quarantined under section 1047(b), on probable cause to believe that the person or means of conveyance is carrying any animal or article quarantined under section 1047(b).

(c) Inspections With Warrants.—

(1) In general.—The Secretary may enter, with a warrant, any premises in the United States for the purpose of making inspections and seizures under this subtitle.

(2) Application and issuance of warrants.—

(A) In general.—On proper oath or affirmation showing probable cause to believe that there is on certain premises any animal, article, facility, or means of conveyance regulated under this subtitle, a United States judge, a judge of a court of record in the United States, or a United States magistrate judge may issue a warrant for the entry on premises within the jurisdiction of the judge or magistrate to make any inspection or seizure under this subtitle.

(B) EXECUTION.—The warrant may be applied for and executed by the Secretary or any United States marshal.

SEC. 1049. DETECTION, CONTROL, AND ERADICATION OF DISEASES AND PESTS.

(a) IN GENERAL.—The Secretary may carry out operations and measures to detect, control, or eradicate any pest or disease of livestock (including the drawing of blood and diagnostic testing of animals), including animals at a slaughterhouse, stockyard, or other point of concentration.

(b) COMPENSATION.—The Secretary may pay a claim arising out of the destruction of any animal, article, or means of conveyance consistent with the purposes of this subtitle.

SEC. 1050. VETERINARY ACCREDITATION PROGRAM.

(a) IN GENERAL.—The Secretary may establish a veterinary accreditation program that is consistent with this subtitle, including the establishment of standards of conduct for accredited veterinarians.

(b) CONSULTATION.—The Secretary shall consult with State animal health officials regarding the establishment of the veterinary accreditation program.

SEC. 1051. COOPERATION.

(a) IN GENERAL.—To carry out this subtitle, the Secretary may cooperate with other Federal agencies, States or political subdivisions of States, national governments of foreign countries, local governments of foreign countries, domestic or international organizations, domestic or international associations, Indian tribes, and other persons.

(b) RESPONSIBILITY.—The person or other entity cooperating with the Secretary shall be responsible for the authority necessary to carry out operations or measures—

(1) on all land and property within a foreign country or State, or under the jurisdiction of an Indian tribe, other than on land and property owned or controlled by the United States; and

(2) using other facilities and means, as determined by the Secretary.

(c) SCREWWORMS.—

(1) IN GENERAL.—The Secretary may, independently or in cooperation with national governments of foreign countries or international organizations or associations, produce and sell sterile screwworms to any national government of a foreign country or international organization or association, if the Secretary determines that the livestock industry and related industries of the United States will not be adversely affected by the production and sale.

(2) PROCEEDS.—

(A) INDEPENDENT PRODUCTION AND SALE.—If the Secretary independently produces and sells sterile screwworms under paragraph (1), the proceeds of the sale shall be—

(i) deposited into the Treasury of the United States; and

(ii) credited to the account from which the operating expenses of the facility producing the sterile screwworms have been paid.

(B) COOPERATIVE PRODUCTION AND SALE.—

(i) IN GENERAL.—If the Secretary cooperates to produce and sell sterile screwworms under paragraph (1), the proceeds of the sale shall be divided between the United States and the cooperating national government or international organization or association in a manner determined by the Secretary.

(ii) ACCOUNT.—The United States portion of the proceeds shall be—

(I) deposited into the Treasury of the United States; and

(II) credited to the account from which the operating expenses of the facility producing the sterile screwworms have been paid.

(d) COOPERATION IN PROGRAM ADMINISTRATION.—The Secretary may cooperate with State authorities, Indian tribe authorities, or other persons in the administration of regulations for the improvement of livestock and livestock products.

(e) CONSULTATION WITH OTHER FEDERAL AGENCIES.—

(1) IN GENERAL.—The Secretary shall consult with the head of a Federal agency with respect to any activity that is under the jurisdiction of the Federal agency.

(2) LEAD AGENCY.—The Department of Agriculture shall be the lead agency with respect to issues related to pests and diseases of livestock.

SEC. 1052. REIMBURSABLE AGREEMENTS.

(a) AUTHORITY TO ENTER INTO AGREEMENTS.—The Secretary may enter into reimbursable fee agreements with persons for preclearance of animals or articles at locations outside the United States for movement into the United States.

(b) FUNDS COLLECTED FOR PRECLEARANCE.—Funds collected for preclearance activities shall—

(1) be credited to accounts that may be established by the Secretary for carrying out this section; and

(2) remain available until expended for the preclearance activities, without fiscal year limitation.

(c) PAYMENT OF EMPLOYEES.—

(1) IN GENERAL.—Notwithstanding any other law, the Secretary may pay an officer or employee of the Department of Agriculture performing services under this subtitle relating to imports into and exports from the United States for all overtime, night, or holiday work performed by the officer or employee at a rate of pay determined by the Secretary.

(2) REIMBURSEMENT.—

(A) IN GENERAL.—The Secretary may require a person for whom the services are performed to reimburse the Secretary for any expenses paid by the Secretary for the services under this subsection.

(B) USE OF FUNDS.—All funds collected under this subsection shall—

(i) be credited to the account that incurs the costs; and

(ii) remain available until expended, without fiscal year limitation.

(d) LATE PAYMENT PENALTIES.—

(1) COLLECTION.—On failure by a person to reimburse the Secretary in accordance with this section, the Secretary may assess a late payment penalty against the person, including interest on overdue funds, as required by section 3717 of title 31, United States Code.

(2) USE OF FUNDS.—Any late payment penalty and any accrued interest shall—

(A) be credited to the account that incurs the costs; and

(B) remain available until expended, without fiscal year limitation.

SEC. 1053. ADMINISTRATION AND CLAIMS.

(a) ADMINISTRATION.—To carry out this subtitle, the Secretary may—

(1) acquire and maintain real or personal property;

(2) employ a person;

(3) make a grant; and

(4) notwithstanding chapter 63 of title 31, United States Code, enter into a contract, cooperative agreement, memorandum of understanding, or other agreement.

(b) TORT CLAIMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may pay a tort claim, in the manner authorized by the first paragraph of section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with an activity authorized under this subtitle.

(2) REQUIREMENTS.—A claim may not be allowed under this subsection unless the claim is presented in writing to the Secretary not later than 2 years after the date on which the claim arises.

SEC. 1054. PENALTIES.

(a) CRIMINAL PENALTIES.—Any person that knowingly violates this subtitle, or that knowingly forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys any certificate, permit, or other document provided under this subtitle shall be guilty of a misdemeanor, and, on conviction, shall be fined in accordance with title 18, United States Code, imprisoned not more than 1 year, or both.

(b) CIVIL PENALTIES.—

(1) IN GENERAL.—Any person that violates this subtitle, or that forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys any certificate, permit, or other document provided under this subtitle may, after notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary that does not exceed the greater of—

(A)(i) $50,000 in the case of any individual, except that the civil penalty may not exceed $1,000 in the case of an initial violation of this subtitle by an individual moving regulated articles not for monetary gain;

(ii) $250,000 in the case of any other person for each violation; and

(iii) $500,000 for all violations adjudicated in a single proceeding; or

(B) twice the gross gain or gross loss for any violation or forgery, counterfeiting, or unauthorized use, alteration, defacing or destruction of a certificate, permit, or other document provided under this subtitle that results in the person's deriving pecuniary gain or causing pecuniary loss to another person.

(2) FACTORS IN DETERMINING CIVIL PENALTY.—In determining the amount of a civil penalty, the Secretary shall take into account the nature, circumstance, extent, and gravity of the violation or violations and the Secretary may consider, with respect to the violator—

(A) the ability to pay;

(B) the effect on ability to continue to do business;

(C) any history of prior violations;

(D) the degree of culpability; and

(E) such other factors as the Secretary considers to be appropriate.

(3) SETTLEMENT OF CIVIL PENALTIES.—The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that may be assessed under this subsection.

(4) FINALITY OF ORDERS.—

(A) FINAL ORDER.—The order of the Secretary assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United States Code.

(B) REVIEW.—The validity of the order of the Secretary may not be reviewed in an action to collect the civil penalty.

(C) INTEREST.—Any civil penalty not paid in full when due under an order assessing the civil penalty shall thereafter accrue interest until paid at the rate of interest applicable to civil judgments of the courts of the United States.

(c) Suspension or Revocation of Accreditation.—

(1) In general.—The Secretary may, after notice and opportunity for a hearing on the record, suspend or revoke the accreditation of any veterinarian accredited under this subtitle that violates this subtitle.

(2) Final order.—The order of the Secretary suspending or revoking accreditation shall be treated as a final order reviewable under chapter 158 of title 28, United States Code.

(3) Summary suspension.—

(A) In general.—Notwithstanding paragraph (1), the Secretary may summarily suspend the accreditation of a veterinarian who the Secretary has reason to believe has violated this subtitle.

(B) Hearings.—The Secretary shall provide the accredited veterinarian with a subsequent notice and an opportunity for a prompt post-suspension hearing on the record.

(d) Liability for Acts of Agents.—In the construction and enforcement of this subtitle, the act, omission, or failure of any officer, agent, or person acting for or employed by any other person within the scope of the employment or office of the officer, agent, or person, shall be deemed also to be the act, omission, or failure of the other person.

(e) Guidelines for Civil Penalties.—The Secretary shall coordinate with the Attorney General to establish guidelines to determine under what circumstances the Secretary may issue a civil penalty or suitable notice of warning in lieu of prosecution by the Attorney General of a violation of this subtitle.

SEC. 1055. ENFORCEMENT.

(a) Collection of Information.—

(1) In general.—The Secretary may gather and compile information and conduct any inspection or investigation that the Secretary considers to be necessary for the administration or enforcement of this subtitle.

(2) Subpoenas.—

(A) In general.—The Secretary shall have power to issue a subpoena to compel the attendance and testimony of any witness and the production of any documentary evidence relating to the administration or enforcement of this subtitle or any matter under investigation in connection with this subtitle.

(B) Location of production.—The attendance of any witness and production of documentary evidence relevant to the inquiry may be required from any place in the United States.

(C) Enforcement.—

(i) In general.—In case of disobedience to a subpoena by any person, the Secretary may request the Attorney General to invoke the aid of any court of the United States within the jurisdiction in which the investigation is conducted, or where the person resides, is found, transacts business, is licensed to do business, or is incorporated, to require the attendance and testimony of any witness and the production of documentary evidence.

(ii) Noncompliance.—In case of a refusal to obey a subpoena issued to any person, a court may order the person to appear before the Secretary and give evidence concerning the matter in question or to produce documentary evidence.

(iii) Contempt.—Any failure to obey the order of the court may be punished by the court as contempt of the court.

(D) Compensation.—

(i) Witnesses.—A witness summoned by the Secretary under this subtitle shall be paid the same fees and mileage that are paid to a witness in a court of the United States.

(ii) Depositions.—A witness whose deposition is taken, and the person taking the deposition, shall be entitled to the same fees that are paid for similar services in a court of the United States.

(E) Procedures.—

(i) Publication.—The Secretary shall publish procedures for the issuance of subpoenas under this section.

(ii) Review.—The procedures shall include a requirement that subpoenas be reviewed for legal sufficiency and, to be effective, be signed by the Secretary.

(iii) Delegation.—If the authority to sign a subpoena is delegated to an agency other than the Office of Administrative Law Judges, the agency receiving the delegation shall seek review of the subpoena for legal sufficiency outside that agency.

(b) Authority of Attorney General.—The Attorney General may—

(1) prosecute, in the name of the United States, all criminal violations of this subtitle that are referred to the Attorney General by the Secretary or are brought to the notice of the Attorney General by any person;

(2) bring an action to enjoin the violation of or to compel compliance with this subtitle, or to enjoin any interference by any person with the Secretary in carrying out this subtitle, in any case in which the Secretary has reason to believe that the person has violated, or is about to violate this subtitle or has interfered, or is about to interfere, with the actions of the Secretary; or

(3) bring an action for the recovery of any unpaid civil penalty, funds under a reimbursable agreement, late payment penalty, or interest assessed under this subtitle.

(c) Court Jurisdiction.—

(1) In general.—The United States district courts, the District Court of Guam, the District Court of the Northern Mariana Islands, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories and possessions are vested with jurisdiction in all cases arising under this subtitle.

(2) Venue.—Any action arising under this subtitle may be brought, and process may be served, in the judicial district where a violation or interference occurred or is about to occur, or where the person charged with the violation, interference, impending violation, impending interference, or failure to pay resides, is found, transacts business, is licensed to do business, or is incorporated.

(3) Exception.—Paragraphs (1) and (2) do not apply to subsections (b) and (c) of section 1054.

SEC. 1056. REGULATIONS AND ORDERS.

The Secretary may promulgate such regulations, and issue such orders, as the Secretary determines necessary to carry out this subtitle.

SEC. 1057. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle.

(b) Transfer of Funds.—

(1) In general.—In connection with an emergency under which a pest or disease of livestock threatens any segment of agricultural production in the United States, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such funds as the Secretary determines are necessary for the arrest, control, eradication, or prevention of the spread of the pest or disease of livestock and for related expenses.

(2) Availability.—Any funds transferred under this subsection shall remain available until expended, without fiscal year limitation.

(c) Use of Funds.—In carrying out this subtitle, the Secretary may use funds made available to carry out this subtitle for—

(1) printing and binding, without regard to section 501 of title 44, United States Code;

(2) the employment of civilian nationals in foreign countries; and

(3) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities for special purposes.

SEC. 1058. REPEALS AND CONFORMING AMENDMENTS.

(a) Repeals.—The following provisions of law are repealed:

(1) Public Law 97-46 (7 U.S.C. 147b).

(2) Section 101(b) of the Act of September 21, 1944 (7 U.S.C. 429).

(3) The Act of August 28, 1950 (7 U.S.C. 2260).

(4) Section 919 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2260a).

(5) Section 306 of the Tariff Act of 1930 (19 U.S.C. 1306).

(6) Sections 6 through 8 and 10 of the Act of August 30, 1890 (21 U.S.C. 102 through 105).

(7) The Act of February 2, 1903 (21 U.S.C. 111, 120 through 122).

(8) Sections 2 through 9, 11, and 13 of the Act of May 29, 1884 (21 U.S.C. 112, 113, 114, 114a, 114a-1, 115 through 120, 130).

(9) The first section and sections 2, 3, and 5 of the Act of February 28, 1947 (21 U.S.C. 114b, 114c, 114d, 114d-1).

(10) The Act of June 16, 1948 (21 U.S.C. 114e, 114f).

(11) Public Law 87-209 (21 U.S.C. 114g, 114h).

(12) Section 2506 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 114i).

(13) The third and fourth provisos of the fourth paragraph under the heading "BUREAU OF ANIMAL INDUSTRY" of the Act of May 31, 1920 (21 U.S.C. 116).

(14) The first section and sections 2, 3, 4, and 6 of the Act of March 3, 1905 (21 U.S.C. 123 through 127).

(15) The first proviso under the heading "General expenses, Bureau of Animal Industry" under the heading "BUREAU OF ANIMAL INDUSTRY" of the Act of June 30, 1914 (21 U.S.C. 128).

(16) The fourth proviso under the heading "SALARIES AND EXPENSES" under the heading "Animal and Plant Health Inspection Service" of title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (21 U.S.C. 129).

(17) The third paragraph under the heading "MISCELLANEOUS" of the Act of May 26, 1910 (21 U.S.C. 131).

(18) The first section and sections 2 through 6 and 11 through 13 of Public Law 87-518 (21 U.S.C. 134 through 134h).

(19) Public Law 91-239 (21 U.S.C. 135 through 135b).

(20) Sections 12 through 14 of the Federal Meat Inspection Act (21 U.S.C. 612 through 614).

(21) Chapter 39 of title 46, United States Code.

(b) Conforming Amendments.—

(1) Section 414(b) of the Plant Protection Act (7 U.S.C. 7714(b)) is amended—

(A) in paragraph (1), by striking ", or the owner's agent,"; and

(B) in paragraph (2), by striking "or agent of the owner" each place it appears.

(2) Section 423 of the Plant Protection Act (7 U.S.C. 7733) is amended—

(A) by striking subsection (b) and inserting the following:

"(b) LOCATION OF PRODUCTION.—The attendance of any witness and production of documentary evidence relevant to the inquiry may be required from any place in the United States.";

(B) in the third sentence of subsection (e), by inserting "to an agency other than the Office of Administrative Law Judges" after "is delegated"; and

(C) by striking subsection (f).

(3) Section 11(h) of the Endangered Species Act of 1973 (16 U.S.C. 1540(h)) is amended in the first sentence by striking "animal quarantine laws (21 U.S.C. 101–105, 111–135b, and 612–614)" and inserting "animal quarantine laws (as defined in section 2509(f) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a(f))".

(4) Section 18 of the Federal Meat Inspection Act (21 U.S.C. 618) is amended by striking "of the cattle" and all that follows through "as herein described" and inserting "of the carcasses and products of cattle, sheep, swine, goats, horses, mules, and other equines".

(5) Section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended—

(A) in subsection (c), by inserting after paragraph (1) the following:

"(2) VETERINARY DIAGNOSTICS.—The Secretary may prescribe and collect fees to recover the costs of carrying out the provisions of the Animal Health Protection Act that relate to veterinary diagnostics."; and

(B) in subsection (f)(1), by striking subparagraphs (B) through (O) and inserting the following:

"(B) section 9 of the Act of August 30, 1890 (21 U.S.C. 101);

"(C) the Animal Health Protection Act; or

"(D) any other Act administered by the Secretary relating to plant or animal diseases or pests.".

(c) EFFECT ON REGULATIONS.—A regulation issued under a provision of law repealed by subsection (a) shall remain in effect until the Secretary issues a regulation under section 1056 that supersedes the earlier regulation.

Subtitle E—Administration

On page 984, after line 2, insert the following:

SEC. 10 . REPORT TO CONGRESS ON POUCHED AND CANNED SALMON.

(a) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary of Agriculture (referred to in this section as the "Secretary") shall submit to Congress a report on efforts to expand the promotion, marketing, and purchasing of pouched and canned salmon harvested and processed in the United States under food and nutrition programs administered by the Secretary.

(b) COMPONENTS.—The report under subsection (a) shall include—

(1) an analysis of pouched and canned salmon inventories in the United States that, as of the date on which the report is submitted, that available for purchase;

(2) an analysis of the demand for pouched and canned salmon and value-added products (such as salmon "nuggets") by—

(A) partners of the Department of Agriculture (including other appropriate Federal agencies); and

(B) consumers; and

(3) an analysis of impediments to additional purchases of pouched and canned salmon, including—

(A) any marketing issues; and

(B) recommendations for methods to resolve those impediments.

On page 985, line 2, strike "456" and insert "458".

On page 985, line 3, strike "456" and insert "458".

SA 2587. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 424, strike line 7 and insert the following:

SEC. 460. USE OF APPROVED FOOD SAFETY TECHNOLOGY.

In acquiring commodities for distribution through programs authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), the Child Nutrition Act of 1966 (42 U.S.C. 1711 et seq.), the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.), or the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86), the Secretary of Agriculture shall to prohibit or discourage the use of any technology that the Secretary of Agriculture or the Secretary of Health and Human Services has approved to improve food safety.

SA 2588. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural-development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 34, line 19, strike the period at the end and insert a period and the following:

SEC. 114. PILOT PROGRAM FOR FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

"SEC. 119. PILOT PROGRAM FOR FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

"(a) DEFINITIONS.—In this section:

"(1) ADJUSTED GROSS REVENUE.—The term 'adjusted gross revenue' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

"(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

"(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

"(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

"(D) as represented on—

"(i) a schedule F of the Federal income tax returns of the producer; or

"(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

"(2) AGRICULTURAL ENTERPRISE.—The term 'agricultural enterprise' means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

"(3) AVERAGE ADJUSTED GROSS REVENUE.—The term 'average adjusted gross revenue' means—

"(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

"(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

"(4) PRODUCER.—The term 'producer' means an individual or entity, as determined by the Secretary for an applicable year, that—

"(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

"(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

"(C)(i) during each of the preceding 5 taxable years, has filed—

"(I) a schedule F of the Federal income tax returns; or

"(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

"(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

"(D)(i) has earned at least $50,000, but not more than $250,000, in average adjusted gross revenue over the preceding 5 taxable years;

"(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

"(iii) in the case of a beginning farmer or rancher or other producer that does not have average adjusted gross revenue for the preceding 5 taxable years, has at least $50,000, but not more than $250,000, in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

"(b) ESTABLISHMENT.—For each of fiscal years 2003 through 2005, the Secretary shall establish a pilot program in 3 States (as determined by the Secretary) under which a producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

"(c) CONTENT OF ACCOUNT.—A farm counter-cyclical savings account shall consist of—

"(1) contributions of the producer; and

"(2) matching contributions of the Secretary.

"(d) PRODUCER CONTRIBUTIONS.—

"(1) IN GENERAL.—A producer may deposit such amounts in the account of the producer as the producer considers appropriate.

"(e) MATCHING CONTRIBUTIONS.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall provide a matching contribution on the amount deposited by the producer into the account.

"(2) FORMULA.—The Secretary shall establish a formula to determine the amount of matching contributions that will be provided by the Secretary under paragraph (1).

"(3) MAXIMUM CONTRIBUTIONS FOR INDIVIDUAL PRODUCER.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $5,000 annually.

"(4) MAXIMUM CONTRIBUTIONS FOR ALL PRODUCERS IN A STATE.—The total amount of matching contributions that may be provided by the Secretary for all producers in a State under this subsection shall not exceed $2,000,000 for each of fiscal years 2003 through 2005.

"(5) DATE FOR MATCHING CONTRIBUTIONS.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

"(f) INTEREST.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

"(g) USE.—Funds credited to the account—

"(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

"(2) may be used for purposes determined by the producer.

"(h) WITHDRAWAL.—

"(1) IN GENERAL.—Subject to paragraph (2), in an applicable year, a producer may withdraw from the account an amount equal to 90 percent of average the adjusted gross revenue of the producer for the previous 5 years less the adjusted gross revenue of the producer.

"(2) RETIREMENT.—A producer that ceases to be actively engaged in farming, as determined by the Secretary—

"(A) may withdraw the full balance from, and close, the account; and

"(B) may not establish another account.

"(i) ADMINISTRATION.—The Secretary shall administer this section through the Farm Service Agency and local, county, and area offices of the Department of Agriculture.".

SA 2589. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In subparagraph 421(a)(2)(A), strike "36-month" and insert "12-month (24-month prior to fiscal year 2004)".

SA 2590. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

"(i) 8 percent for each of fiscal years 2002 through 2006;

"(ii) 8.5 percent for each of fiscal years 2007 through 2008;

"(iii) 9 percent for fiscal year 2009;

"(iv) 9.5 percent for fiscal year 2010; and

"(v) 10 percent for fiscal year 2011 and each subsequent fiscal year."

SA 2591. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 941, line 4, strike the period at the end and insert the following:

Subtitle C—Income Loss Assistance

SEC. 10 . INCOME LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this subtitle as the "Secretary") shall use $1,800,000,000 of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying income losses for the 2001 crop.

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A-55), including using the same loss thresholds for the quantity and economic losses as were used in administering that section.

(c) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments not for crop disasters, but for income loss to carry out the purposes of this section.

SEC. 10 . LIVESTOCK ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall use $500,000,000 of the funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2001 losses in a county that has received an emergency designation by the President or the Secretary after January 1, 2001, of which $12,000,000 shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A-51).

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A-51).

SEC. 10 . COMMODITY PURCHASES.

(a) IN GENERAL.—The Secretary shall use $220,000,000 of funds of the Commodity Credit Corporation to purchase agricultural commodities, especially agricultural commodities that have experienced low prices during the 2001 crop year, as determined by the Secretary.

(b) GEOGRAPHIC DIVERSITY.—The Secretary is encouraged to purchase agricultural commodities under this section in a manner that reflects the geographic diversity of agricultural production in the United States, particularly agricultural production in the Northeast and Mid-Atlantic States.

(c) OTHER PURCHASES.—The Secretary shall ensure that purchases of agricultural commodities under this section are in addition to purchases by the Secretary under any other law.

(d) TRANSPORTATION AND DISTRIBUTION COSTS.—The Secretary may use not more than $20,000,000 of the funds made available under subsection (a) to provide assistance to States to cover costs incurred by the States in transporting and distributing agricultural commodities purchased under this section.

(e) PURCHASES FOR SCHOOL NUTRITION PROGRAMS.—The Secretary shall use not less than $55,000,000 of the funds made available under subsection (a) to purchase agricultural commodities of the type distributed under section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)) for distribution to schools and service institutions in accordance with section 6(a) of that Act.

SEC. 10 . COMMODITY CREDIT CORPORATION.

The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle.

SEC. 10 . ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to funds otherwise available, not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to pay the salaries and expenses of the Department of Agriculture in carrying out this subtitle $50,000,000, to remain available until expended.

(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

SEC. 10 . REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this subtitle.

(b) PROCEDURE.—The promulgation of the regulations and administration of this subtitle shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(c) MARKETING ASSESSMENT FOR SUGAR.—Section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) shall not apply with respect to the 2001 crop of sugarcane and sugar beets.

(d) FSA EMERGENCY PROGRAMS.—For an additional amount for salaries and expenses of the Farm Service Agency to administer emergency programs, there is appropriated, out of any moneys in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended.

(e) Emergency Designation.—The entire amount made available in subtitle c

(1) shall be available only to the extent that the President submits to Congress an official budget request for the amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.); and

(2) is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

SA 2592. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII, add the following:

SEC. 7 . INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) Removal of Limitation.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended by striking subsection (d) and inserting the following:

"(d) Activities Not Subject to Prohibition.—This section does not apply to the selling, buying, transporting, or delivery of animals in interstate or foreign commerce for any purpose or purposes, so long as those purposes do not include that of an animal fighting venture.".

(b) Effective Date.—The amendment made by subsection (a) takes effect on the date that is 30 days after the date of enactment of this Act.

SA 2593. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title X, add the following:

SEC. . REPORT.

(a) In General.—Not later than December 31, 2002, and annually thereafter through 2006, the General Accounting Office shall submit a report to Congress describing programs and activities that tobacco States have funded using funds received under the Master Settlement Agreement of 1997.

(b) Tobacco State.—The term "tobacco State" has the same meaning that such term has in the Master Settlement Agreement of 1997.

SA 2594. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place add the following:

SEC. . REPORT.

(a) In General.—Not later than December 31, 2002, and annually thereafter through 2006, the General Accounting Office shall submit a report to Congress describing programs and activities that tobacco States have funded using funds received under the Master Settlement Agreement of 1997.

(b) Tobacco State.—The term "tobacco State" has the same meaning that such term has in the Master Settlement Agreement of 1997.

SA 2595. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) In General.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting "Penalties.—" after "(e)";

(B) by striking "$5,000" and inserting "$15,000"; and

(C) by striking "1 year" and inserting "2 years"; and

(2) in subsection (g)(2)(B), by inserting before the semicolon at the end the following: "or from any State into any foreign country".

(b) Effective Date.—The amendments made by this section take effect 30 days after the date of enactment of this Act.

SA 2596. Mr. SMITH of New Hampshire (for himself, Mr. Torricelli, Mr. Graham, Mr. Allen, Mr. Ensign, Mr. Helms, Mr. Nelson of Florida, Mr. Lieberman, and Mr. Smith of Oregon) proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Section 335, insert the following:

"(c) Effective Date.—The amendments made by this section shall not take effect until the President certifies to Congress that Cuba is not a state sponsor of international terrorism."

SA 2597. Mr. TORRICELLI (for himself, Mr. Nelson of Florida, and Mr. Lieberman) proposed an amendment to amendment SA 2596 proposed by Mr. Smith of New Hampshire to the amendment SA 2471 submitted by Mr. Smith of New Hampshire and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end, strike "." and insert "and until the President certifies to Congress that all convicted felons wanted by the Federal Bureau of Investigation who are currently living as fugitives in Cuba have been returned to the United States for incarceration.".

SA 2598. Mr. McCAIN (for himself, Mr. Gramm, and Mr. Kerry) proposed an amendment to the bill S. 1731, to strengthen the safety net for agricultural procedures, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

At the end of this underlying bill, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. . LABELING OF FISH AS CATFISH.

Section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 is repealed.

SA 2599. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net of agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 164 and insert a period and the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) Restriction.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

"(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

"(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

"(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest or hay.

"(b) COMMODITIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during —

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year.

"(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

"(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year: and

"(B) has been maintained using long-term crop rotation practices, as determined by the Secretary.

"(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

"(1) has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

"(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

(B) has been maintained using long-term crop rotation practices, as determined by the Secretary.

"(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.".

(b) FOOD STAMP PROGRAM.—

(1) EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.—

(A) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking subparagraph (C) and inserting the following:

"(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

"(i) 1 licensed vehicle per household; and

"(ii) a vehicle (and any other property, real or personal, to the extent that the property is directly related to the maintenance or use of the vehicle) if the vehicle is—

"(I) used to produce earned income;

"(II) necessary for the transportation of a physically disabled household member; or

"(III) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

(2) RESTORATION OF BENEFITS TO CERTAIN ELDERLY INDIVIDUALS.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(I)) is amended by striking "who" and all that follows and inserting the following: "who—

"(i) is lawfully residing in the United States; and

"(ii) is 65 years of age or older.".

SA 2600. Mr. CARPER (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 3090, to provide tax incentives for economic recovery; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . MODIFICATIONS APPLICABLE TO QUALIFIED SMALL BUSINESS STOCK.

(a) REDUCTION IN HOLDING PERIOD.—

(1) IN GENERAL.—Section 1202(a) is amended by striking "5 years" and inserting "3 years".

(2) CONFORMING AMENDMENTS.—Subsections (g)(2)(A) and (j)(1)(A) of section 1202 are each amended by striking "5 years" and inserting "3 years".

(b) REPEAL OF MINIMUM TAX PREFERENCE.—

(1) IN GENERAL.—Section 57(a) (relating to items of tax preference) is amended by striking paragraph (7).

(2) TECHNICAL AMENDMENT.—Section 53(d)(1)(B)(ii)(II) is amended by striking ", (5), and (7)" and inserting "and (5)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock issued after the date of the enactment of this Act.

SA 2601. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . REVIEW OF STATE MEAT INSPECTION PROGRAMS.

(a) FINDINGS.—Congress finds that—

(1) the goal of a safe and wholesome supply to meat and meat food products throughout the United States would be better served if a consistent set for requirements, established by the Federal Government, were applied to all meat and meat food products, whether produced under State inspection or Federal inspection;

(2) under such a system, State and Federal meat inspection programs would function together to create a seamless inspection system to ensure food safety and inspire consumer in the food supply in interstate commerce; and

(3) such a system would ensure the viability of State meat inspection programs, which should help to foster the viability of small establishments.

(b) IN GENERAL.—Not later than September 30, 2003, the Secretary of Agriculture shall conduct a comprehensive review of each State meat and poultry inspection program, which shall include—

(1) a determination of the effectiveness of the State program; and

(2) identification of changes that are necessary to enable the possible future transition to a State program of implementing a State meat and poultry inspection program that enforces the mandatory antemortem and postmortem inspection, reinspection, sanitation, sanitation, and related titles of the Federal Meat Inspection Act and the Poultry Products Inspection Act, (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under those titles);

(c) COMMENT FROM INTERESTED PARTIES.—In designing the review described in subsection (a), the Secretary of Agriculture shall, to the maximum extent practicable, obtain comment from interested parties.

(d) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on December 13, 2001, at 10 a.m., to conduct a hearing on "Housing and Community Development Needs in America."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, December 13, 2001, at 3 p.m., to hold a hearing titled, "Contributions of Central Asian Nations to the Campaign Against Terrorism."

Agenda

Witnesses

Panel 1: The Honorable Elizabeth Jones, Assistant Secretary for European and Eurasian Affairs, U.S. State Department, Washington, DC. Additional witnesses to be announced.

Panel 2: Witnesses to be announced.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, December 13, 2001 at 9 a.m. to hold a hearing entitled "Riding the Rails: How Secure is our Passenger and Transit Infrastructure?"

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet a conduct a markup on Thursday, December 13, 2001, at 10 a.m. in Dirksen Room 226.

Tentative Agenda

Nominations: Callie V. Granade to be U.S. District Court Judge for the Southern District of Alabama; Marcia S. Krieger to be U.S. District Court Judge for the District of Colorado; James C. Mahan to be U.S. District Court Judge for the District of Nevada; Philip R. Martinez to be U.S. District Court Judge for the Western District of Texas; C. Ashley Royal to be U.S. District Court Judge for the Middle District of Georgia; Michael Battle, to be U.S. attorney for the Western District of New York; Christopher J. Christie, to be U.S. attorney for the District of New Jersey; Harry E. Cummins, to be U.S. attorney, for the Eastern District of Arizona; David Preston York, to be U.S. attorney, for the Southern District of Alabama; Mauricio J. Tamargo to be Chair of the Foreign Claims Settlement Commission of the United States.

Bills: S. 1174, Children's Confinement Conditions Improvement Act of 2001 [Leahy/Hatch/Kennedy]; H.R. 1892, Family Sponsor Immigration Act of 2001; H.R. 2277, To provide for work authorization for nonimmigrant spouses of treaty traders and treaty investors; H.R. 2278, To provide for work authorization for nonimmigrant spouses of intracompany transferees, and to reduce the period of time during which certain intracompany transferees have to be continously employed before applying for admission to the United States; H.R. 1840, to extend eligibility for refugee status of unmarried sons and daughters of certain Vietnamese refugees; H.R. 861, To make technical amendments to section 10 of title 9, United States Code; H.R. 2048, To require a report on the operations of the State Justice Institute.

Resolutions: S.J. Res. 8, A joint resolution designating 2002 as the "Year of the Rose" [Landrieu/Breaux/Lincoln/Bayh/Feinstein]; S.J. Res. 13, A joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette [Warner/Allen/Kerry/Breaux/Helms/Sessions/Roberts/Jeffords/Inhofe/Leahy].

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet to conduct a closed business meeting on Thursday, December 13, 2001 at 3:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Strategic of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, December 13, 2001, at 10 a.m., in open and closed session to receive testimony on the security of U.S. nuclear weapons and nuclear weapons facilities.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Strategic of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, December 13, 2001, at 2:30 p.m., in open and closed session to receive testimony on the security of U.S. nuclear weapons and nuclear weapons facilities.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TECHNOLOGY, TERRORISM AND GOVERNMENT INFORMATION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Technology, Terrorism and Government Information be authorized to meet on Thursday, December 13, 2001, at 2 p.m. in Dirksen 226, to conduct a hearing on "Protecting Our Homeland Against Terror: Building a New National Guard for the 21st Century."

Panel I: Senator Christopher S. "Kit" Bond, Co-Chair, National Guard Caucus, United States Senate.

Panel II: Lieutenant General Frank G. Libutti (Retired), Special Assistant for Homeland Security, Office of the Secretary of Defense, United States Department of Defense; Lieutenant General Russell C. Davis, Chief, National Guard Bureau, Arlington, VA; Major General Richard C. Alexander (Retired), Executive Director, National Guard Association of the United States, Washington, DC; Major General Paul D. Monroe, Jr., Adjutant General, California National Guard, Sacramento, CA.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCLUSION OF AFGHAN WOMEN IN INTERIM ADMINISTRATION

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 191 submitted earlier today by Senators BOXER, BROWNBACK, and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 191) expressing the sense of the Senate commending the inclusion of women in the Afghan Interim Administration and commending those who met at the historic Afghan Women's Summit for Democracy in Brussels.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 191) was agreed to.

The preamble was agreed to.

(The text of the resolution is printed in today's RECORD under "Submitted Resolutions.")

PARTICIPATION OF WOMEN IN ECONOMIC AND POLITICAL RECONSTRUCTION OF AFGHANISTAN

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to Calendar No. 279, S. Con. Res. 86.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) expressing the sense of Congress that women from all ethnic groups in Afghanistan should participate in the economic and political reconstruction of Afghanistan.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 86) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 86

Whereas until 1996 women in Afghanistan enjoyed the right to be educated, work, vote, and hold elective office;

Whereas women served on the committee that drafted the Constitution of Afghanistan in 1964;

Whereas during the 1970s women were appointed to the Afghan ministries of education, health, and law;

Whereas in 1977 women comprised more than 15 percent of the Loya Jirga, the Afghan national legislative assembly;

Whereas during the war with the Soviet Union as many as 70 percent of the teachers, nurses, doctors, and small business owners in Afghanistan were women;

Whereas in 1996 the Taliban stripped the women of Afghanistan of their most basic human and political rights;

Whereas under Taliban rule women have become one of the most vulnerable groups in Afghanistan, accounting for 75 percent or more of all Afghan refugees;

Whereas a study conducted by Physicians for Human Rights and released in May 2001 indicates that more than 90 percent of Afghan men and women believe that women should have the right to receive an education, work, freely express themselves, enjoy legal protections, and participate in the government; and

Whereas restoring the human and political rights that were once enjoyed by Afghan women is essential to the long-term stability of a reconstructed Afghanistan: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) a portion of the humanitarian assistance provided to Afghanistan should be targeted to Afghan women and their organizations;

(2) Afghan women from all ethnic groups in Afghanistan should be permitted to participate in the economic and political reconstruction of Afghanistan; and

(3) any constitution or legal structure of a reconstructed Afghanistan should guarantee the human and political rights of Afghan women.

PROMOTING SAFE AND STABLE FAMILIES AMENDMENTS OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 227, H.R. 2873.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2873) to extend and amend the program entitled Promoting Safe and Stable Families under title IV-B, subpart 2 of the Social Security Act, and to provide new authority to support programs for mentoring children of incarcerated parents; to amend the Foster Care Independent Living program under title IV-E of that Act to provide for educational and training vouchers for youths aging out of foster care, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. ROCKEFELLER. Mr. President, the Senate is passing the House bill to reauthorize the Safe and Stable Families Program. This is necessary action to protect funding that is fundamental for promoting adoptions and preventing child abuse and neglect. By acting today, the Senate can secure $1.5 billion over the next 5 years for vital priorities. It would be wrong to leave Washington without taking action to ensure long-term support for such vulnerable children.

Earlier this year, I joined with Senator MIKE DEWINE and a bipartisan group in introducing an even better legislative package to boldly expand this vital program. Our bill, which was based on President Bush's own proposal, would have increased the basic funding for the Safe and Stable Families Program from $305 million to $505 million of guaranteed annual funding. This would have provided an additional $1 billion over the next 5 years, including $60 million in funding for scholarships for teens aging out of foster care. It would also have provided authority to create a new program designed to mentor the children of prisoners. I truly wish we were moving the Senate bill today, but since that is not possible. I believe enacting the House bill is essential for the long-term security of this program.

The House version provides a 5-year reauthorization of the Safe and Stable Families Program. The House bill also authorizes scholarships for teens aging out of foster care and new programs for mentoring children of prisoners.

Thanks to the leadership of Senators HARKIN and SPECTER, there is a $70 million increase in, this year's Senate Labor-HHS-Education Appropriations. That is good news for families who need adoption support services and prevention services. I am proud of this increase, and enormously grateful for the support and cooperation of the Appropriations Committees in both the House and Senate.

Throughout my years of legislative work on child welfare, I have worked hard to forge bipartisan compromise and consensus. I strongly believe that we must maintain such bipartisanship. The best news is that we have more money to provide more services to families next year. But the challenge remains for us to work and achieve the goals of the original Senate bill and President Bush's proposal. I remain committed to this, and hope that this important step forward will help build the good will and bipartisanship necessary to deliver on all of our long-term goals in the years ahead.

I want to especially thank my primary cosponsor, Senator MIKE DEWINE, who has been a passionate leader on adoption and child welfare reform for many years. Senator DEWINE was a leader in 1997 on improving the reasonable efforts standards to ensure that a child's health, safety, and need for a permanent home are priorities. This change and others have helped reform the system and dramatically increase adoptions.

I also want to thank and recognize the strong bipartisan support from all of my Senate colleagues for our original bill, including Senators BINGAMAN, BOND, BREAUX, CHAFEE, COLLINS, CRAIG, DEWINE, GRAHAM, JOHNSON, KERRY, LANDRIEU, LEVIN, LIEBERMAN, LINCOLN, AND SNOWE.

In West Virginia, adoptions are increasing, thanks to both the reforms set in 1997 under the Adoption and Safe Families Act, and the new investments. My state needs increased funding to help develop local community-based programs, so our children can get needed services in their own communities and not be sent out-of-state, away from family, friends and familiar schools. I am proud of my State for its improvement, but we all understand much more must be done, in West Virginia and nationwide, for these vulnerable children who depend on our efforts.

Today's action provides a good foundation, but we must continue working in a bipartisan manner to build upon today's action, and achieve all of the goals we share.

Mr. BAUCUS. Mr. President, I rise in support of the Promoting Safe and Stable Families Amendments of 2001. This legislation continues our support for state efforts to reunify troubled families and to promote the adoption of children in foster care who are unable to return to their birth homes. It also authorizes additional educational assistance to former foster children in the Independent Living program. Abused and neglected children are among the most vulnerable of all the members of our society—it is important that we continue to look after their needs.

This proposal mirrors that made by the President. I thank him for his interest in this issue. It is an important part of being a compassionate leader, ensuring that federal efforts to assist abused and neglected children continue. It also contains a new proposal offered by the President, authorizing a new grant program to mentor the children of prisoners, a particularly disadvantaged group. I commend him for that idea.

Mr. REID. Mr. President, I ask unanimous consent the bill be read the third time, passed, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2873) was read the third time and passed.

THE USE OF TRUST LAND AND RESOURCES OF THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be discharged from further consideration of H.R. 483, and the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 483) regarding the use of the trust land and resources of the Confederated Tribes of the Warm Springs Reservation of Oregon.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read the third time, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements be printed in the RECORD at the appropriate place as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 483) was read the third time and passed.

HONORING THE NATIONAL GUARD ON THE OCCASION OF ITS 365TH ANNIVERSARY

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Con. Res. 93, submitted earlier today by Senators LEVIN, WARNER, and others.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 93) recognizing and honoring the National Guard on the occasion of the 365th anniversary of its historic beginning with the founding of the militia of the Massachusetts Bay Colony.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. LEVIN. Mr. President, I am privileged today to introduce a concurrent resolution recognizing and honoring the National Guard on the occasion of the 365th anniversary of its historic beginning with the founding of the milita of the Massachusetts Bay Colony.

This resolution is cosponsored by all members of the Armed Services Committee, the Majority Leader, Senator DASCHLE, the Republican Leader, Senator LOTT, the co-chairs of the U.S. Senator National Guard Caucus, Senators LEAHY and BOND, and Senator ROCKEFELLER. I invite all other members to join with me in cosponsoring this concurrent resolution.

It is significant that we appropriately recognize the 365th anniversary of the National Guard, which serves our Nation 365 days a year. National Guardsmen and women respond to every crisis that affects American citizens, from natural disasters to terrorist attacks.

As one of the Members of Congress who visited the ruins of the World Trade Center just days after the September 11th attacks, I will never forget that Guardsmen were among the first to respond. More than 4,000 Army National Guardsmen from New York rushed to lower Manhattan to help to remove debris, rescue victims, treat the injured, and provide security. Today, National Guard personnel are flying combat patrols over American cities; they are providing security at our nation's airports, and they even provide security for us here on Capitol Hill. In my home state of Michigan, they stand guard at crossings along the Canadian border.

These citizen soldiers and airmen are indispensable to our Nation's security and to U.S. military operations. They have fought in every major American conflict since the colonial wars of the 17th century, and they are an integral part of all of our ongoing military operations today.

I know my colleagues join me in recognizing the many achievements of the National Guard on this historic day.

Mr. WARNER. Mr. President, I am delighted to join Chairman LEVIN and others in cosponsoring this resolution to honor the National Guard on the occasion of its 365th anniversary.

The men and women of today's National Guard have inherited a proud tradition of military service dating back to colonial days and extending throughout this Nation's history. Today, they are adding to this tradition. National Guard units are integrally involved in military operations in Bosnia, over Iraq, and against the al Qaeda terrorist network and the Taliban regime in Afghanistan. Our citizen soldiers and airmen are diligently performing their homeland security mission as part of Operation Noble Eagle. This service includes augmenting airport security operations at Virginia's nine commercial service airports.

No element of the National Guard has a prouder, more distinguished record of service that that of the Virginia National Guard. I need only mention the 29th Infantry Division and its superb service in the D-Day invasion at Normandy. In seven minutes that awful day, one company of that Division's 116th Infantry Regiment lost 96 percent of its fighting force. Twenty-six Bedford, Virginia, men went ashore. Nineteen were killed, including the company commander and first sergeant. Today, Guardsmen of that same unit are leading the U.S. sector's multinational Stabilization Force in Tuzla, Bosnia. I was privileged to visit those Guardsmen in Bosnia over this past Thanksgiving week.

The National Guard is critically important to the national security of the United States, and that has never been more true than in the war against terrorism we are involved in today. We honor the commitment and sacrifies of the 458,400 citizen soldiers and airmen of the National Guard, their families, their employers, and their communities. I congratulate the National Guard, all its personnel, and particularly Major General Claude Williams, the Adjutant General of the Virginia National Guard, and all soldiers and airmen of the Virginia National Guard on this important milestone.

Mr. DAYTON. Mr. President, I rise today to acknowledge the 365th anniversary of a true American institution: The National Guard. Now, perhaps more than ever, it is fitting to pay a special anniversary tribute to our citizen-soldiers, the oldest of America's armed forces.

The National Guard dates back to the first Americans. Responsible for their own defense, the colonists drew on English military tradition and organized their able-bodied male citizens into militias.

These early colonial militias protected citizens from Indian attacks, foreign adversaries and eventually successfully waged our Nation's war for independence. Following independence, the framers of the Constitution empowered Congress to "provide for organizing, arming, and disciplining the militia." Thus commenced the historic dual role of the National Guard as a state and a Federal force.

My home State of Minnesota formed a Territorial Enrolled Militia in 1850, and in April 1856 the first uniformed, volunteer company was formed in St. Paul. Called the Minnesota Pioneer Guards, it was a source of pride and inspired the subsequent formation of nine sister companies in St. Paul, St. Anthony, Minneapolis, and in river towns from Stillwater to Winona. From these roots grew the Minnesota National Guard on which we depend so greatly. Each State has a similar, distinguished inspirational story.

Throughout the 19th Century, the size of the regular U.S. Army was small. The militia provided the bulk of the troops during the Mexican War, the early months of the Civil War, and the Spanish-American War. The National Guard comprised 40 percent of American troops deployed in France during World War I. In World War II, National Guard units were among the first to deploy overseas and the first to fight. Following World War II, National Guard aviation units, some of them dating back to World War I, because the Air National Guard, the Nation's newest Reserve component.

September 11 ushered in a new chapter in the storied history of our heroes in the National Guard. We called on them to secure our Nations' most vital infrastructure from terrorists committed to evil and violence. They did not hesitate to leave their jobs and families to answer the call to protect the American freedoms we hold so dear.

Today the National Guard continues to provide the States' trained and ready units equipped to protect life and property at home. And it stands ready to defend the United States and its interests all over the globe. Whether called upon by governor or President, from the village streets of Bosnia, to the terminals of our own Minneapolis-St. Paul International Airport, our coworkers and neighbors in the National Guard continue to answer the call to defend freedom.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 93) was agreed to.

The preamble was agreed to.

(The text of the concurrent resolution with its preamble, is printed in today's RECORD under "Submitted Resolutions.")

VETERANS EDUCATION AND BENEFITS EXPANSION ACT OF 2001

Mr. REID. Mr. President. I ask the Chair lay before the Senate a message from the House of Representatives on the bill (H.R. 1291).

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 1291) entitled "An Act to amend title 38, United States Code, to increase the amount of educational benefits for veterans under the Montgomery GI Bill", with the following House amendment to Senate amendments:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Veterans Education and Benefits Expansion Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROVISIONS

Sec. 101. Increase in rates of basic educational assistance under Montgomery GI Bill.

Sec. 102. Increase in rates of survivors' and dependents' educational assistance.

Sec. 103. Restoration of certain education benefits of individuals being ordered to active duty.

Sec. 104. Accelerated payments of educational assistance under Montgomery GI Bill for education leading to employment in high technology industry.

Sec. 105. Eligibility for Montgomery GI Bill benefits of certain additional Vietnam era veterans.

Sec. 106. Increase in maximum allowable annual Senior ROTC educational assistance for eligibility for benefits under the Montgomery GI Bill.

Sec. 107. Expansion of work-study opportunities.

Sec. 108. Eligibility for survivors' and dependents' educational assistance of spouses and surviving spouses of veterans with total service-connected disabilities.

Sec. 109. Expansion of special restorative training benefit to certain disabled spouses or surviving spouses.

Sec. 110. Inclusion of certain private technology entities in definition of educational institution.

Sec. 111. Distance education.

TITLE II—COMPENSATION AND PENSION PROVISIONS

Sec. 201. Modification and extension of authorities on presumption of service-connection for herbicide-related disabilities of Vietnam veterans.

Sec. 202. Payment of compensation for Persian Gulf War veterans with certain chronic disabilities.

Sec. 203. Preservation of service connection for undiagnosed illnesses to provide for participation in research projects by Persian Gulf War veterans.

Sec. 204. Repeal of limitation on payments of benefits to incompetent institutionalized veterans.

Sec. 205. Extension of round-down requirement for compensation cost-of-living adjustments.

Sec. 206. Expansion of presumptions of permanent and total disability for veterans applying for nonservice-connected pension.

Sec. 207. Eligibility of veterans 65 years of age or older, for veterans' pension benefits.

TITLE III—TRANSITION AND OUTREACH PROVISIONS

Sec. 301. Authority to establish overseas veterans assistance offices to expand transition assistance.

Sec. 302. Timing of preseparation counseling.

Sec. 303. Improvement in education and training outreach services for separating servicemembers and veterans.

Sec. 304. Improvement of veterans outreach programs.

TITLE IV—HOUSING MATTERS

Sec. 401. Increase in home loan guaranty amount for construction and purchase of homes.

Sec. 402. Native American veteran housing loan pilot program.

Sec. 403. Modification of loan assumption notice requirement.

Sec. 404. Increase in assistance amount for specially adapted housing.

Sec. 405. Extension of other housing authorities.

Sec. 406. Clarifying amendment relating to eligibility of members of the Selected Reserve for housing loans.

TITLE V—OTHER MATTERS

Sec. 501. Increase in burial benefits.

Sec. 502. Government markers for marked graves at private cemeteries.

Sec. 503. Increase in amount of assistance for automobile and adaptive equipment for certain disabled veterans.

Sec. 504. Extension of limitation on pension for certain recipients of medicaid-covered nursing home care.

Sec. 505. Prohibition on provision of certain benefits with respect to persons who are fugitive felons.

Sec. 506. Limitation on payment of compensation for veterans remaining incarcerated since October 7, 1980.

Sec. 507. Elimination of requirement for providing a copy of notice of appeal to the Secretary of Veterans Affairs.

Sec. 508. Increase in fiscal year limitation on number of veterans in programs of independent living services and assistance.

Sec. 509. Technical and clerical amendments.

TITLE VI—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

Sec. 601. Facilitation of staggered terms of judges through temporary expansion of the Court.

Sec. 602. Repeal of requirement for written notice regarding acceptance of reappointment as condition to retirement from the Court.

Sec. 603. Termination of notice of disagreement as jurisdictional requirement for the Court.

Sec. 604. Registration fees.

Sec. 605. Administrative authorities.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROVISIONS

SEC. 101. INCREASE IN RATES OF BASIC EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL.

(a) IN GENERAL.—(1) Paragraph (1) of section 3015(a) is amended to read as follows:

"(1) for an approved program of education pursued on a full-time basis, at the monthly rate of—

"(A) for months beginning on or after January 1, 2002, $800;

"(B) for months occurring during fiscal year 2003, $900;

"(C) for months occurring during fiscal year 2004, $985; and

"(D) for months occurring during a subsequent fiscal year, the amount for months occurring during the previous fiscal year increased under subsection (h); or".

(2) Paragraph (1) of section 3015(b) is amended to read as follows:

"(1) for an approved program of education pursued on a full-time basis, at the monthly rate of—

"(A) for months beginning on or after January 1, 2002, $650;

"(B) for months occurring during fiscal year 2003, $732;

"(C) for months occurring during fiscal year 2004, $800; and

"(D) for months occurring during a subsequent fiscal year, the amount for months occurring during the previous fiscal year increased under subsection (h); or".

(b) CPI ADJUSTMENT.—No adjustment in rates of educational assistance shall be made under section 3015(h) of title 38, United States Code, for fiscal years 2003 and 2004.

SEC. 102. INCREASE IN RATES OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.

(a) SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.—Section 3532 is amended—

(1) in subsection (a)(1)—

(A) by striking "$588" and inserting "$670";

(B) by striking "$441" and inserting "$503"; and

(C) by striking "$294" and inserting "$335";

(2) in subsection (a)(2), by striking "$588" and inserting "$670";

(3) in subsection (b), by striking "$588" and inserting "$670"; and

(4) in subsection (c)(2)—

(A) by striking "$475" and inserting "$541';

(B) by striking "$356" and inserting "$406"; and

(C) by striking "$238" and inserting "$271".

(b) CORRESPONDENCE COURSES.—Section 3534(b) is amended by striking "$588" and inserting "$670".

(c) SPECIAL RESTORATIVE TRAINING.—Section 3542(a) is amended—

(1) by striking "$588" and inserting "$670"; and

(2) by striking "$184" each place it appears and inserting "$210".

(d) APPRENTICESHIP TRAINING.—Section 3687(b)(2) is amended—

(1) by striking "$428" and inserting "$488";

(2) by striking "$320" and inserting "$365";

(3) by striking "$212" and inserting "$242"; and

(4) by striking "$107" and inserting "$122".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as of January 1, 2002, and shall apply with respect to educational assistance allowances payable under chapter 35 and section 3687(b)(2) of title 38, United States Code, for months beginning on or after that date.

SEC. 103. RESTORATION OF CERTAIN EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO ACTIVE DUTY.

(a) IN GENERAL.—Sections 3013(f)(2)(A), 3231(a)(5)(B)(i), and 3511(a)(2)(B)(i) are each amended by striking ", in connection with the Persian Gulf War, to serve on active duty under section 672 (a), (d), or (g), 673, 673b, or 688 of title 10;" and inserting "to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10;".

(b) INCREASE IN CHAPTER 35 DELIMITING PERIOD.—Section 3512 is amended by adding at the end the following new subsection:

"(h) Notwithstanding any other provision of this section, if an eligible person, during the delimiting period otherwise applicable to such person under this section, serves on active duty pursuant to an order to active duty issued under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10, such person shall be granted an extension of such delimiting period for the length of time equal to the period of such active duty plus four months.".

(c) APPLICATION TO CHAPTER 31.—(1) Section 3105 is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any other provision of this chapter or chapter 36 of this title, any payment of a subsistence allowance and other assistance described in paragraph (2) shall not—

"(A) be charged against any entitlement of any veteran under this chapter; or

"(B) be counted toward the aggregate period for which section 3695 of this title limits an individual's receipt of allowance or assistance.

"(2) The payment of the subsistence allowance and other assistance referred to in paragraph (1) is the payment of such an allowance or assistance for the period described in paragraph (3) to a veteran for participation in a vocational rehabilitation program under this chapter if the Secretary finds that the veteran had to suspend or discontinue participation in such vocational rehabilitation program as a result of being ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10.

"(3) The period for which, by reason of this subsection, a subsistence allowance and other assistance is not charged against entitlement or counted toward the applicable aggregate period under section 3695 of this title shall be the period of participation in the vocational rehabilitation program for which the veteran failed to receive credit or with respect to which the veteran lost training time, as determined by the Secretary.".

(2) Section 3103 is amended by adding at the end the following new subsection:

"(e) In any case in which the Secretary has determined that a veteran was prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility otherwise prescribed in this section as a result of being ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10, such period of eligibility shall not run for the period of such active duty service plus four months.

(d) CONFORMING AMENDMENTS.—Sections 3013(f)(2)(B) and 3231(a)(5)(B)(ii) of such title are each amended by striking ", in connection with such War,".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as of September 11, 2001.

SEC. 104. ACCELERATED PAYMENTS OF EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL FOR EDUCATION LEADING TO EMPLOYMENT IN HIGH TECHNOLOGY INDUSTRY.

(a) IN GENERAL.—(1) Chapter 30 is amended by inserting after section 3014 the following new section:

"§3014A. Accelerated payment of basic educational assistance for education leading to employment in high technology industry

"(a) An individual described in subsection (b) who is entitled to basic educational assistance under this subchapter may elect to receive an accelerated payment of the basic educational assistance allowance otherwise payable to the individual under section 3015 of this title.

"(b) An individual described in this subsection is an individual who is—

"(1) enrolled in an approved program of education that leads to employment in a high technology industry (as determined pursuant to regulations prescribed by the Secretary); and

"(2) charged tuition and fees for the program of education that, when divided by the number of months (and fractions thereof) in the enrollment period, exceeds the amount equal to 200 percent of the monthly rate of basic educational assistance allowance otherwise payable to the individual under section 3015 of this title.

"(c)(1) The amount of the accelerated payment of basic educational assistance made to an individual making an election under subsection (a) for a program of education shall be the lesser of—

"(A) the amount equal to 60 percent of the established charges for the program of education; or

"(B) the aggregate amount of basic educational assistance to which the individual remains entitled under this chapter at the time of the payment.

"(2) In this subsection, the term 'established charges', in the case of a program of education, means the actual charges (as determined pursuant to regulations prescribed by the Secretary) for tuition and fees which similarly circumstanced nonveterans enrolled in the program of education would be required to pay. Established charges shall be determined on the following basis:

"(A) In the case of an individual enrolled in a program of education offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the term, quarter, or semester.

"(B) In the case of an individual enrolled in a program of education not offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the entire program of education.

"(3) The educational institution providing the program of education for which an accelerated payment of basic educational assistance allowance is elected by an individual under subsection (a) shall certify to the Secretary the amount of the established charges for the program of education.

"(d) An accelerated payment of basic educational assistance made to an individual under this section for a program of education shall be made not later than the last day of the month immediately following the month in which the Secretary receives a certification from the educational institution regarding—

"(1) the individual's enrollment in and pursuit of the program of education; and

"(2) the amount of the established charges for the program of education.

"(e)(1) Except as provided in paragraph (2), for each accelerated payment of basic educational assistance made to an individual under this section, the individual's entitlement to basic educational assistance under this chapter shall be charged the number of months (and any fraction thereof) determined by dividing the amount of the accelerated payment by the full-time monthly rate of basic educational assistance allowance otherwise payable to the individual under section 3015 of this title as of the beginning date of the enrollment period for the program of education for which the accelerated payment is made.

"(2) If the monthly rate of basic educational assistance allowance otherwise payable to an individual under section 3015 of this title increases during the enrollment period of a program of education for which an accelerated payment of basic educational assistance is made under this section, the charge to the individual's entitlement to basic educational assistance under this chapter shall be determined by prorating the entitlement chargeable, in the matter provided for under paragraph (1), for the periods covered by the initial rate and increased rate, respectively, in accordance with regulations prescribed by the Secretary.

"(f) The Secretary may not make an accelerated payment under this section for a program of education to an individual who has received an advance payment under section 3680(d) of this title for the same enrollment period.

"(g) The Secretary shall prescribe regulations to carry out this section. The regulations shall include requirements, conditions, and methods for the request, issuance, delivery, certification of receipt and use, and recovery of overpayment of an accelerated payment under this section.".

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 3014 the following new item:

"3014A. Accelerated payment of basic educational assistance for education leading to employment in high technology industry.".

(b) RESTATEMENT AND ENHANCEMENT OF CERTAIN ADMINISTRATIVE AUTHORITIES.—Subsection (g) of section 3680 is amended to read as follows:

"DETERMINATION OF ENROLLMENT, PURSUIT, AND ATTENDANCE

"(g)(1) The Secretary may, pursuant to regulations which the Secretary shall prescribe, determine and define with respect to an eligible veteran and eligible person the following:

"(A) Enrollment in a course or program of education or training.

"(B) Pursuit of a course or program of education or training.

"(C) Attendance at a course or program of education or training.

"(2) The Secretary may withhold payment of benefits to an eligible veteran or eligible person until the Secretary receives such proof as the Secretary may require of enrollment in and satisfactory pursuit of a program of education by the eligible veteran or eligible person. The Secretary shall adjust the payment withheld, when necessary, on the basis of the proof the Secretary receives.

"(3) In the case of an individual other than an individual described in paragraph (4), the Secretary may accept the individual's monthly certification of enrollment in and satisfactory pursuit of a program of education as sufficient proof of the certified matters.

"(4) In the case of an individual who has received an accelerated payment of basic educational assistance under section 3014A of this title during an enrollment period for a program of education, the Secretary may accept the individual's certification of enrollment in and satisfactory pursuit of the program of education as sufficient proof of the certified matters if the certification is submitted after the enrollment period has ended.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2002.

and shall apply with respect to enrollments in courses or programs of education or training beginning on or after that date.

SEC. 105. ELIGIBILITY FOR MONTGOMERY GI BILL BENEFITS OF CERTAIN ADDITIONAL VIETNAM ERA VETERANS.

(a) ACTIVE DUTY PROGRAM.—Section 3011(a)(1) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by adding "or" at the end of subparagraph (B); and

(3) by adding at the end the following new subparagraph:

"(C) as of December 31, 1989, was eligible for educational assistance benefits under chapter 34 of this title and—

"(i) was not on active duty on October 19, 1984;

"(ii) reenlists or reenters on a period of active duty on or after October 19, 1984; and

"(iii) on or after July 1, 1985, either—

"(I) serves at least three years of continuous active duty in the Armed Forces; or

"(II) is discharged or released from active duty (aa) for a service-connected disability, for a medical condition which preexisted such service on active duty and which the Secretary determines is not service connected, for hardship, or for a physical or mental condition that was not characterized as a disability, as described in subparagraph (A)(ii)(I) of this paragraph, (bb) for the convenience of the Government, if the individual completed not less than 30 months of continuous active duty after that date, or (cc) involuntarily for the convenience of the Government as a result of a reduction in force, as determined by the Secretary of the military department concerned in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy;".

(b) SELECTED RESERVE PROGRAM.—Section 3012(a)(1) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by adding "or" at the end of subparagraph (B); and

(3) by adding at the end the following new subparagraph:

"(C) as of December 31, 1989, was eligible for educational assistance under chapter 34 of this title and—

"(i) was not on active duty on October 19, 1984;

"(ii) reenlists or reenters on a period of active duty on or after October 19, 1984; and

"(iii) on or after July 1, 1985—

"(I) serves at least two years of continuous active duty in the Armed Forces, subject to subsection (b) of this section, characterized by the Secretary concerned as honorable service; and

"(II) subject to subsection (b) of this section and beginning within one year after completion of such two years of service, serves at least four continuous years in the Selected Reserve during which the individual participates satisfactorily in training as prescribed by the Secretary concerned;".

(c) TIME FOR USE OF ENTITLEMENT.—Section 3031 is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(3) in the case of an individual who becomes entitled to such assistance under section 3011(a)(1)(C) or 3012(a)(1)(C) of this title, on the date of the enactment of this paragraph."; and

(2) in subsection (e)(1), by striking "section 3011(a)(1)(B) or 3012(a)(1)(B)" and inserting "section 3011(a)(1)(B), 3011(a)(1)(C), 3012(a)(1)(B), or 3012(a)(1)(C)".

SEC. 106. INCREASE IN MAXIMUM ALLOWABLE ANNUAL SENIOR ROTC EDUCATIONAL ASSISTANCE FOR ELIGIBILITY FOR BENEFITS UNDER THE MONTGOMERY GI BILL.

(a) IN GENERAL.—Sections 3011(c)(3)(B) and 3012(d)(3)(B) are each amended by striking "$2,000" and inserting "$3,400".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to educational assistance allowances paid under chapter 30 of title 38, United States Code, for months beginning after the date of the enactment of this Act.

SEC. 107. EXPANSION OF WORK-STUDY OPPORTUNITIES.

(a) FIVE-YEAR EXPANSION OF QUALIFYING WORK-STUDY ACTIVITIES.—Subsection (a) of section 3485 is amended to read as follows:

"(a)(1) Individuals utilized under the authority of subsection (b) shall be paid an additional educational assistance allowance (hereinafter in this section referred to as 'work-study allowance'). Such allowance shall be paid in return for an individual's entering into an agreement described in paragraph (3).

"(2) Such work-study allowance shall be paid in an amount equal to the product of—

"(A) the applicable hourly minimum wage; and

"(B) the number of hours worked during the applicable period.

"(3) An agreement described in this paragraph is an agreement of an individual to perform services, during or between periods of enrollment, aggregating not more than a number of hours equal to 25 times the number of weeks in the semester or other applicable enrollment period, required in connection with a qualifying work-study activity.

"(4) For the purposes of this section, the term 'qualifying work-study activity' means any of the following:

"(A) The outreach services program under subchapter II of chapter 77 of this title as carried out under the supervision of a Department employee or, during the five-year period beginning on the date of the enactment of the Veterans Education and Benefits Expansion Act of 2001, outreach services to servicemembers and veterans furnished by employees of a State approving agency.

"(B) The preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the Department.

"(C) The provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, including, during the five-year period beginning on the date of the enactment of the Veterans Education and Benefits Expansion Act of 2001, the provision of such care to veterans in a State home for which payment is made under section 1741 of this title.

"(D) Any other activity of the Department as the Secretary determines appropriate.

"(E) In the case of an individual who is receiving educational assistance under chapter 1606 of title 10, an activity relating to the administration of that chapter at Department of Defense, Coast Guard, or National Guard facilities.

"(F) During the five-year period beginning on the date of the enactment of the Veterans Education and Benefits Expansion Act of 2001, an activity relating to the administration of a national cemetery or a State veterans' cemetery.

"(5) An individual may elect, in a manner prescribed by the Secretary, to be paid in advance an amount equal to 40 percent of the total amount of the work-study allowance agreed to be paid under the agreement in return for the individual's agreement to perform the number of hours of work specified in the agreement (but not more than an amount equal to 50 times the applicable hourly minimum wage).

"(6) For the purposes of this subsection and subsection (e), the term 'applicable hourly minimum wages' means—

"(A) the hourly minimum wage under section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)); or

"(B) the hourly minimum wage under comparable law of the State in which the services are to be performed, if such wage is higher than the wage referred to in subparagraph (A) and the Secretary has made a determination to pay such higher wage.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to agreements entered into under section 3485 of title 38, United States Code, on or after the date of the enactment of this Act.

SEC. 108. ELIGIBILITY FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE OF SPOUSES AND SURVIVING SPOUSES OF VETERANS WITH TOTAL SERVICE-CONNECTED DISABILITIES.

(a) DESIGNATION OF ELIGIBILITY.—Section 3501(a)(1)(D) is amended—

(1) by inserting "(i)" after "(D)"; and

(2) by inserting "(ii)" after "or".

(b) RESTATEMENT AND EXPANSION OF TREATMENT OF USE OF ELIGIBILITY.—(1) Section 3511 is amended by adding at the end the following new subsection:

"(c) Any entitlement used by an eligible person as a result of eligibility under section 3501(a)(1)(A)(iii), 3501(a)(1)(C), or 3501(a)(1)(D)(i) of this title shall be deducted from any entitlement to which such person may subsequently be entitled under this chapter.".

(2) Section 3512 is amended by striking subsection (g).

(c) DELIMITING PERIOD.—(1) Section 3511(a)(1) is amended by adding at the end the following new sentence: "In no event may the aggregate educational assistance afforded to a spouse made eligible under both 3501(a)(1)(D)(i) and 3501(a)(1)(D)(ii) of this title exceed 45 months.".

(2) Paragraph (1) of section 3512(b) is amended to read as follows:

"(1)(A) Except as provided in subparagraph (B), a person made eligible by subparagraph (B) or (D) of section 3501(a)(1) of this title may be afforded educational assistance under this chapter during the 10-year period beginning on the date (as determined by the Secretary) the person becomes an eligible person within the meaning of section 3501(a)(1)(B), 3501(a)(1)(D)(i), or 3501(a)(1)(D)(ii) of this title. In the case of a surviving spouse made eligible by clause (ii) of section 3501(a)(1)(D) of this title, the 10-year period may not be reduced by any earlier period during which the person was eligible for educational assistance under this chapter as a spouse made eligible by clause (i) of that section.

"(B) Notwithstanding subparagraph (A), an eligible person referred to in that subparagraph may, subject to the Secretary's approval, elect a later beginning date for the 10-year period than would otherwise be applicable to the person under that subparagraph. The beginning date so elected may be any date between the beginning date determined for the person under subparagraph (A) and whichever of the following dates applies:

"(i) The date on which the Secretary notifies the veteran from whom eligibility is derived that the veteran has a service-connected total disability permanent in nature.

"(ii) The date on which the Secretary determines that the veteran from whom eligibility is derived died of a service-connected disability.".

(3) Section 3512(b) is further amended by striking paragraph (3).

(4) The amendments made by this subsection shall apply with respect to any determination

(whether administrative or judicial) of the eligibility of a spouse or surviving spouse for educational assistance under chapter 35 of title 38, United States Code, made on or after the date of the enactment of this Act, whether pursuant to an original claim for such assistance or pursuant to a reapplication or attempt to reopen or readjudicate a claim for such assistance.

SEC. 109. EXPANSION OF SPECIAL RESTORATIVE TRAINING BENEFIT TO CERTAIN DISABLED SPOUSES OR SURVIVING SPOUSES.

(a) IN GENERAL.—Section 3540 is amended by striking "section 3501(a)(1)(A) of this title" and inserting "subparagraphs (A), (B), and (D) of section 3501(a)(1) of this title".

(b) CONFORMING AMENDMENTS.—(1) Section 3541(a) is amended in the matter preceding paragraph (1) by striking "of the parent or guardian".

(2) Section 3542(a) is amended—

(A) by striking "the parent or guardian shall be entitled to receive on behalf of such person" and inserting "the eligible person shall be entitled to receive"; and

(B) by striking "upon election by the parent or guardian of the eligible person" and inserting "upon election by the eligible person".

(3) The second sentence of section 3543(a) is amended by striking "the parent or guardian for the training provided to an eligible person" and inserting "for the training provided to the eligible person".

(4) Section 3543 is amended by adding at the end the following new subsection:

"(c) In a case in which the Secretary authorizes training under section 3541(a) of this title on behalf of an eligible person, the parent or guardian shall be entitled—

"(1) to receive on behalf of the eligible person the special training allowance provided for under section 3542(a) of this title;

"(2) to elect an increase in the basic monthly allowance provided for under such section; and

"(3) to agree with the Secretary on the fair and reasonable amounts which may be charged under subsection (a).".

SEC. 110. INCLUSION OF CERTAIN PRIVATE TECHNOLOGY ENTITIES IN DEFINITION OF EDUCATIONAL INSTITUTION.

(a) IN GENERAL.—Sections 3452(c) and 3501(a)(6) are each amended by adding at the end the following new sentence: "Such term also includes any private entity (that meets such requirements as the Secretary may establish) that offers, either directly or under an agreement with another entity (that meets such requirements), a course or courses to fulfill requirements for the attainment of a license or certificate generally recognized as necessary to obtain, maintain, or advance in employment in a profession or vocation in a high technology occupation (as determined by the Secretary).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to enrollments in courses beginning on or after the date of the enactment of this Act.

SEC. 111. DISTANCE EDUCATION.

(a) IN GENERAL.—Subsection (a)(4) of section 3680A is amended—

(1) by inserting "(A)" after "leading"; and

(2) by inserting before the period the following: ", or (B) to a certificate that reflects educational attainment offered by an institution of higher learning".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to enrollments in independent study courses beginning on or after the date of the enactment of this Act.

TITLE II—COMPENSATION AND PENSION PROVISIONS

SEC. 201. MODIFICATION AND EXTENSION OF AUTHORITIES ON PRESUMPTION OF SERVICE-CONNECTION FOR HERBICIDE-RELATED DISABILITIES OF VIETNAM VETERANS.

(a) PRESUMPTIVE PERIOD FOR RESPIRATORY CANCERS.—(1)(A) Subparagraph (F) of subsection (a)(2) of section 1116 is amended by striking "within 30 years" and all that follows through "May 7, 1975".

(B) The amendment made by subparagraph (A) shall take effect January 1, 2002.

(2) The Secretary of Veterans Affairs shall enter into a contract with the National Academy of Sciences, not later than six months after the date of the enactment of this Act, for the performance of a study to include a review of all available scientific literature on the effects of exposure to an herbicide agent containing dioxin on the development of respiratory cancers in humans and whether it is possible to identify a period of time after exposure to herbicides after which a presumption of service-connection for such exposure would not be warranted. Under the contract, the National Academy of Sciences shall submit a report to the Secretary setting forth its conclusions. The report shall be submitted not later than 18 months after the contract is entered into.

(3) For a period of six months beginning on the date of the receipt of the report of the National Academy of Sciences under paragraph (2), the Secretary may, if warranted by clear scientific evidence presented in the National Academy of Sciences report, initiate a rulemaking under which the Secretary would specify a limit on the number of years after a claimant's departure from Vietnam after which respiratory cancers would not be presumed to have been associated with the claimant's exposure to herbicides while serving in Vietnam. Any such limit under such a rule may not take effect until 120 days have passed after the publication of a final rule to impose such a limit.

(4)(A) Subject to subparagraphs (B) and (C), if the Secretary imposes such a limit under paragraph (3), that limit shall be effective only as to claims filed on or after the effective date of that limit.

(B) In the case of any veteran whose disability or death due to respiratory cancer is found by the Secretary to be service-connected under section 1116(a)(2)(F) of title 38, United States Code, as amended by paragraph (1), such disability or death shall remain service-connected for purposes of all provisions of law under such title notwithstanding the imposition, if any, of a time limit by the Secretary by rulemaking authorized under paragraph (3).

(C) Subaragraph (B) does not apply in a case in which—

(i) the original award of compensation or service connection was based on fraud; or

(ii) it is clearly shown from military records that the person concerned did not have the requisite service or character of discharge.

(b) PRESUMPTION THAT DIABETES MELLITUS (TYPE 2) IS SERVICE-CONNECTED.—Subsection (a)(2) of section 1116 is further amended by adding at the end the following new subparagraph:

"(H) Diabetes Mellitus (Type 2).".

(c) PRESUMPTION OF EXPOSURE TO HERBICIDE AGENTS IN VIETNAM DURING VIETNAM ERA.—(1) Section 1116 is further amended—

(A) by transferring paragraph (3) of subsection (a) to the end of the section and redesignating such paragraph, as so transferred, as subsection (f);

(B) by redesignating paragraph (4) of subsection (a) as paragraph (3); and

(C) in subsection (f), as transferred and redesignated by subparagraph (A) of this paragraph—

(i) by striking "For the purposes of this subsection, a veteran" and inserting "For purposes of establishing service connection for a disability or death resulting from exposure to a herbicide agent, including a presumption of service-connection under this section, a veteran"; and

(ii) by striking "and has a disease referred to in paragraph (1)(B) of this subsection".

(2)(A) The heading of that section is amended to read as follows:

"§1116. Presumptions of service connection for diseases associated with exposure to certain herbicide agents; presumption of exposure for veterans who served in the Republic of Vietnam".

(B) The item relating to that section in the table of sections at the beginning of chapter 11 is amended to read as follows:

"1116. Presumptions of service connection for diseases associated with exposure to certain herbicide agents; presumption of exposure for veterans who served in the Republic of Vietnam.".

(d) EXTENSION OF AUTHORITY TO PRESUME SERVICE-CONNECTION FOR ADDITIONAL DISEASES.—(1) Subsection (e) of such section is amended by striking "10 years" and all that follows through "Agent Orange Act of 1991" and inserting "on September 30, 2015".

(2) Section 3(i) of the Agent Orange Act of 1991 (38 U.S.C. 1116 note) is amended by striking "10 years" and all that follows and inserting "on October 1, 2014.".

SEC. 202. PAYMENT OF COMPENSATION FOR PERSIAN GULF WAR VETERANS WITH CERTAIN CHRONIC DISABILITIES.

(a) ILLNESSES THAT CANNOT BE CLEARLY DEFINED.—(1) Subsection (a) of section 1117 is amended to read as follows:

"(a)(1) The Secretary may pay compensation under this subchapter to a Persian Gulf veteran with a qualifying chronic disability that became manifest—

"(A) during service on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; or

"(B) to a degree of 10 percent or more during the presumptive period prescribed under subsection (b).

"(2) For purposes of this subsection, the term 'qualifying chronic disability' means a chronic disability resulting from any of the following (or any combination of any of the following):

"(A) An undiagnosed illness.

"(B) A medically unexplained chronic multisymptom illness (such as chronic fatigue syndrome, fibromyalgia, and irritable bowel syndrome) that is defined by a cluster of signs or symptoms.

"(C) Any diagnosed illness that the Secretary determines in regulations prescribed under subsection (d) warrants a presumption of service-connection.".

(2) Subsection (c)(1) of such section is amended—

(A) in the matter preceding subparagraph (A), by striking "for an undiagnosed illness (or combination of undiagnosed illnesses)"; and

(B) in subparagraph (A), by striking "for such illness (or combination of illnesses)".

(b) SIGNS OR SYMPTOMS THAT MAY INDICATE UNDIAGNOSED ILLNESSES.—(1) Such section is further amended by adding at the end the following new subsection:

"(g) For purposes of this section, signs or symptoms that may be a manifestation of an undiagnosed illness or a chronic multisymptom illness include the following:

"(1) Fatigue.

"(2) Unexplained rashes or other dermatological signs or symptoms.

"(3) Headache.

"(4) Muscle pain.

"(5) Joint pain.

"(6) Neurological signs and symptoms.

"(7) Neuropsychological signs or symptoms.

"(8) Signs or symptoms involving the upper or lower respiratory system.

"(9) Sleep disturbances.

"(10) Gastrointestinal signs or symptoms.

"(11) Cardiovascular signs or symptoms.

"(12) Abnormal weight loss.

"(13) Menstrual disorders.".

(2) Section 1118(a) is amended by adding at the end the following new paragraph:

"(4) For purposes of this section, signs or symptoms that may be a manifestation of an undiagnosed illness include the signs and symptoms listed in section 1117(g) of this title.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on March 1, 2002.

(d) CLARIFICATION OF AUTHORITY TO PRESUME SERVICE-CONNECTION FOR ADDITIONAL DISEASES.—(1) Sections 1117(c)(2) and 1118(e) are each amended by striking "10 years" and all that follows through "of 1998" and inserting "on September 30, 2011".

(2) Section 1603(j) of the Persian Gulf War Veterans Act of 1998 (38 U.S.C. 1117 note) is amended by striking "10 years" and all that follows and inserting "on October 1, 2010.".

SEC. 203. PRESERVATION OF SERVICE CONNECTION FOR UNDIAGNOSED ILLNESSES TO PROVIDE FOR PARTICIPATION IN RESEARCH PROJECTS BY PERSIAN GULF WAR VETERANS.

(a) AUTHORITY FOR SECRETARY TO PROVIDE FOR PARTICIPATION WITHOUT LOSS OF BENEFITS.—Section 1117 is amended by adding after subsection (g), as added by section 202(b), the following new subsection:

"(h)(1) If the Secretary determines with respect to a medical research project sponsored by the Department that it is necessary for the conduct of the project that Persian Gulf veterans in receipt of compensation under this section or section 1118 of this title participate in the project without the possibility of loss of service connection under either such section, the Secretary shall provide that service connection granted under either such section for disability of a veteran who participated in the research project may not be terminated. Except as provided in paragraph (2), nothwithstanding any other provision of law any grant of service-connection protected under this subsection shall remain service-connected for purposes of all provisions of law under this title.

"(2) Paragraph (1) does not apply in a case in which—

"(A) the original award of compensation or service connection was based on fraud; or

"(B) it is clearly shown from military records that the person concerned did not have the requisite service or character of discharge.

"(3) The Secretary shall publish in the Federal Register a list of medical research projects sponsored by the Department for which service connection granted under this section or section 1118 of this title may not be terminated pursuant to paragraph (1).".

(b) EFFECTIVE DATE.—The authority provided by subsection (h) of section 1117 of title 38, United States Code, as added by subsection (a), may be used by the Secretary of Veterans Affairs with respect to any medical research project of the Department of Veterans Affairs, whether commenced before, on, or after the date of the enactment of this Act.

SEC. 204. REPEAL OF LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT INSTITUTIONALIZED VETERANS.

(a) REPEAL.—Section 5503 is amended—

(1) by striking subsections (b) and (c); and

(2) by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 1114(r) is amended by striking "section 5503(e)" and inserting "section 5503(c)".

(2) Section 5112 is amended by striking subsection (c).

SEC. 205. EXTENSION OF ROUND-DOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS.

Sections 1104(a) and 1303(a) are amended by striking "2002" and inserting "2011".

SEC. 206. EXPANSION OF PRESUMPTIONS OF PERMANENT AND TOTAL DISABILITY FOR VETERANS APPLYING FOR NON-SERVICE-CONNECTED PENSION.

(a) IN GENERAL.—Section 1502(a) is amended by striking "such a person" and all that follows through the end of the subsection and inserting the following: "such person is any of the following:

"(1) A patient in a nursing home for long-term care because of disability.

"(2) Disabled, as determined by the Commissioner of Social Security for purposes of any benefits administered by the Commissioner.

"(3) Unemployable as a result of disability reasonably certain to continue throughout the life of the person.

"(4) Suffering from—

"(A) any disability which is sufficient to render it impossible for the average person to follow a substantially gainful occupation, but only if it is reasonably certain that such disability will continue throughout the life of the person; or

"(B) any disease or disorder determined by the Secretary to be of such a nature or extent as to justify a determination that persons suffering therefrom are permanently and totally disabled.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 17, 2001.

SEC. 207. ELIGIBILITY OF VETERANS 65 YEARS OF AGE OR OLDER FOR VETERANS' PENSION BENEFITS.

(a) IN GENERAL.—(1) Subchapter II of chapter 15 is amended by inserting after section 1512 the following new section:

"§ 1513. Veterans 65 years of age and older

"(a) The Secretary shall pay to each veteran of a period of war who is 65 years of age or older and who meets the service requirements of section 1521 of this title (as prescribed in subsection (j) of that section) pension at the rates prescribed by 1521 of this title and under the conditions (other than the permanent and total disability requirement) applicable to pension paid under that section.

"(b) If a veteran is eligible for pension under both this section and section 1521 of this title, pension shall be paid to the veteran only under section 1521 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1512 the following new item:

"1513. Veterans 65 years of age and older.".

(b) CONFORMING AMENDMENTS.—(1) Section 1521(f)(1) is amended by inserting "or the age and service requirements prescribed in section 1513 of this title," after "of this section,".

(2) Section 1522(a) is amended by inserting "1513 or" after "under section".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of September 17, 2001.

TITLE III—TRANSITION AND OUTREACH PROVISIONS

SEC. 301. AUTHORITY TO ESTABLISH OVERSEAS VETERANS ASSISTANCE OFFICES TO EXPAND TRANSITION ASSISTANCE.

Section 7723(a) is amended by inserting after the first sentence the following new sentence: "The Secretary may maintain such offices on such military installations located elsewhere as the Secretary, after consultation with the Secretary of Defense, determines to be necessary to carry out such purposes.".

SEC. 302. TIMING OF PRESEPARATION COUNSELING.

(a) IN GENERAL.—(1) The first sentence of section 1142(a)(1) of title 10, United States Code, is amended to read as follows: "Within the time periods specified in paragraph (3), the Secretary concerned shall (except as provided in paragraph (4)) provide for individual preseparation counseling of each member of the armed forces whose discharge or release from active duty is anticipated as of a specific date.".

(2) Such section is further amended by adding at the end the following new paragraphs:

"(3)(A) In the case of an anticipated retirement, preseparation counseling shall commence as soon as possible during the 24-month period preceding the anticipated retirement date. In the case of a separation other than a retirement, preseparation counseling shall commence as soon as possible during the 12-month period preceding the anticipated date. Except as provided in subparagraph (B), in no event shall preseparation counseling commence later than 90 days before the date of discharge or release.

"(B) In the event that a retirement or other separation is unanticipated until there are 90 or fewer days before the anticipated retirement or separation date, preseparation counseling shall begin as soon as possible within the remaining period of service.

"(4)(A) Subject to subparagraph (B), the Secretary concerned shall not provide preseparation counseling to a member who is being discharged or released before the completion of that member's first 180 days of active duty.

"(B) Subparagraph (A) shall not apply in the case of a member who is being retired or separated for disability.".

(b) CONFORMING AMENDMENT.—The second sentence of section 1144(a)(1) of title 10, United States Code, is amended by striking "during the 180-day period" and all that follows and inserting "within the time periods provided under paragraph (3) of section 1142(a) of this title, except that the Secretary concerned shall not provide preseparation counseling to a member described in paragraph (4)(A) of such section.".

SEC. 303. IMPROVEMENT IN EDUCATION AND TRAINING OUTREACH SERVICES FOR SEPARATING SERVICEMEMBERS AND VETERANS.

(a) PROVIDING OUTREACH THROUGH STATE APPROVING AGENCIES.—Section 3672(d) is amended by inserting "and State approving agencies" before "shall actively promote the development of programs of training on the job".

(b) ADDITIONAL DUTY.—Such section is further amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) In conjunction with outreach services provided by the Secretary under chapter 77 of this title for education and training benefits, each State approving agency shall conduct outreach programs and provide outreach services to eligible persons and veterans about education and training benefits available under applicable Federal and State law.".

SEC. 304. IMPROVEMENT OF VETERANS OUTREACH PROGRAMS.

Section 7722(c) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2) Whenever a veteran or dependent first applies for any benefit under laws administered by the Secretary (including a request for burial or related benefits or an application for life insurance proceeds), the Secretary shall provide to

the veteran or dependent information concerning benefits and health care services under programs administered by the Secretary. Such information shall be provided not later than three months after the date of such application.''.

TITLE IV—HOUSING MATTERS

SEC. 401. INCREASE IN HOME LOAN GUARANTY AMOUNT FOR CONSTRUCTION AND PURCHASE OF HOMES.

Section 3703(a)(1) is amended by striking ''$50,750'' each place it appears in subparagraphs (A)(i)(IV) and (B) and inserting ''$60,000''.

SEC. 402. NATIVE AMERICAN VETERAN HOUSING LOAN PILOT PROGRAM.

(a) Extension of Pilot Program.—Section 3761(c) is amended by striking ''December 31, 2001'' and inserting ''December 31, 2005''.

(b) Authorization of the Use of Certain Federal Memorandums of Understanding.—Section 3762(a)(1) is amended—

(1) by inserting ''(A)'' after ''(1)'';

(2) by striking ''and'' after the semicolon and inserting ''or''; and

(3) by adding at the end the following:

''(B) the tribal organization that has jurisdiction over the veteran has entered into a memorandum of understanding with any department or agency of the United States with respect to direct housing loans to Native Americans that the Secretary determines substantially complies with the requirements of subsection (b); and''.

(c) Extension of Annual Report.—Section 3762(j) is amended by striking ''2002'' and inserting ''2006''.

SEC. 403. MODIFICATION OF LOAN ASSUMPTION NOTICE REQUIREMENT.

Section 3714(d) is amended to read as follows:

''(d) With respect to a loan guaranteed, insured, or made under this chapter, the Secretary shall provide, by regulation, that at least one instrument evidencing either the loan or the mortgage or deed of trust therefor, shall conspicuously contain, in such form as the Secretary shall specify, a notice in substantially the following form: 'This loan is not assumable without the approval of the Department of Veterans Affairs or its authorized agent'.''.

SEC. 404. INCREASE IN ASSISTANCE AMOUNT FOR SPECIALLY ADAPTED HOUSING.

Section 2102 is amended—

(1) in the matter preceding paragraph (1) of subsection (a), by striking ''$43,000'' and inserting ''$48,000''; and

(2) in subsection (b)(2), by striking ''$8,250'' and inserting ''$9,250''.

SEC. 405. EXTENSION OF OTHER HOUSING AUTHORITIES.

(a) Housing Loans for Members of the Selected Reserve.—Section 3702(a)(2)(E) is amended by striking ''September 30, 2007'' and inserting ''September 30, 2009''.

(b) Enhanced Loan Asset Sale Authority.—Section 3720(h)(2) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2011''.

(c) Home Loan Fee Authorities.—The table in section 3729(b)(2) is amended by striking ''October 1, 2008'' each place it appears and inserting ''October 1, 2011''.

(d) Procedures Applicable to Liquidation Sales on Defaulted Home Loans Guaranteed by the Department of Veterans Affairs.—Section 3732(c)(11) is amended by striking ''October 1, 2008'' and inserting ''October 1, 2011''.

SEC. 406. CLARIFYING AMENDMENT RELATING TO ELIGIBILITY OF MEMBERS OF THE SELECTED RESERVE FOR HOUSING LOANS.

Section 3729(b)(4)(B) is amended by inserting before the period the following: ''who is eligible under section 3702(a)(2)(E) of this title''.

TITLE V—OTHER MATTERS

SEC. 501. INCREASE IN BURIAL BENEFITS.

(a) Burial and Funeral Expenses.—(1) Clause (1) of section 2307 is amended by striking ''$1,500'' and inserting ''$2,000''.

(2) The amendment made by paragraph (1) shall apply to deaths occurring on or after September 11, 2001.

(b) Plot Allowance.—(1) Section 2303(b) is amended by striking ''$150'' each place it appears and inserting ''$300''.

(2) The amendments made by paragraph (1) shall apply to deaths occurring on or after December 1, 2001.

SEC. 502. GOVERNMENT MARKERS FOR MARKED GRAVES AT PRIVATE CEMETERIES.

(a) Government Marker Benefit.—Section 2306 of title 38, United States Code, is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

''(d)(1) The Secretary shall furnish, when requested, an appropriate Government marker at the expense of the United States for the grave of an individual described in paragraph (2) or (5) of subsection (a) who is buried in a private cemetery, notwithstanding that the grave is marked by a headstone or marker furnished at private expense. Such a marker may be furnished only if the individual making the request for the Government marker certifies to the Secretary that the marker will be placed on the grave for which the marker is requested.

''(2) Any marker furnished under this subsection shall be delivered by the Secretary directly to the cemetery where the grave is located.

''(3) The authority to furnish a marker under this subsection expires on December 31, 2006.

''(4) Not later than February 1, 2006, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the use of the authority under this subsection. The report shall include the following:

''(A) The rate of use of the benefit under this subsection, shown by fiscal year.

''(B) An assessment as to the extent to which markers furnished under this subsection are being delivered to cemeteries and placed on grave sites consistent with the provisions of this subsection.

''(C) The Secretary's recommendation for extension or repeal of the expiration date specified in paragraph (3).''.

(b) Design of Marker.—Subsection (c) of such section is amended by striking ''subsection (a) or (b)'' and inserting ''subsection (a), (b), or (d)''.

(c) Cross Reference Correction.—Subsection (a)(5) of such section is amended by striking ''chapter 67'' and inserting ''chapter 1223''.

(d) Effective Date.—The amendments made by subsections (a) and (b) shall apply with respect to markers for the graves of individuals dying on or after the date of the enactment of this Act.

SEC. 503. INCREASE IN AMOUNT OF ASSISTANCE FOR AUTOMOBILE AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS.

Section 3902(a) is amended by striking ''$8,000'' and inserting ''$9,000''.

SEC. 504. EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Paragraph (7) of subsection (d) of section 5503, as redesignated by section 204(a), is amended by striking ''September 30, 2008'' and inserting ''September 30, 2011''.

SEC. 505. PROHIBITION ON PROVISION OF CERTAIN BENEFITS WITH RESPECT TO PERSONS WHO ARE FUGITIVE FELONS.

(a) Prohibition.—(1) Chapter 53 is amended by inserting after section 5313A the following new section:

“§5313B. Prohibition on providing certain benefits with respect to persons who are fugitive felons

''(a) A veteran who is otherwise eligible for a benefit specified in subsection (c) may not be paid or otherwise provided such benefit for any period during which such veteran is a fugitive felon. A dependent of a veteran who is otherwise eligible for a benefit specified in subsection (c) may not be paid or otherwise provided such benefit for any period during which such veteran or such dependent is a fugitive felon.

''(b) For purposes of this section:

''(1) The term 'fugitive felon' means a person who is a fugitive by reason of—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, for an offense, or an attempt to commit an offense, which is a felony under the laws of the place from which the person flees; or

''(B) violating a condition of probation or parole imposed for commission of a felony under Federal or State law.

''(2) The term 'felony' includes a high misdemeanor under the laws of a State which characterizes as high misdemeanors offenses that would be felony offenses under Federal law.

''(3) The term 'dependent' means a spouse, surviving spouse, child, or dependent parent of a veteran.

''(c) A benefit specified in this subsection is a benefit under any of the following:

''(1) Chapter 11 of this title.

''(2) Chapter 13 of this title.

''(3) Chapter 15 of this title.

''(4) Chapter 17 of this title.

''(5) Chapter 19 of this title.

''(6) Chapter 30, 31, 32, 34, or 35 of this title.

''(7) Chapter 37 of this title.

''(d)(1) The Secretary shall furnish to any Federal, State, or local law enforcement official, upon the written request of such official, the most current address maintained by the Secretary of a person who is eligible for a benefit specified in subsection (c) if such official—

''(A) provides to the Secretary such information as the Secretary may require to fully identify the person;

''(B) identifies the person as being a fugitive felon; and

''(C) certifies to the Secretary that apprehending such person is within the official duties of such official.

''(2) The Secretary shall enter into memoranda of understanding with Federal law enforcement agencies, and may enter into agreements with State and local law enforcement agencies, for purposes of furnishing information to such agencies under paragraph (1).''.

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 5313A the following new item:

''5313B. Prohibition on providing certain benefits with respect to persons who are fugitive felons.''.

(b) Sense of Congress on Entry Into Memoranda of Understanding and Agreements.—It is the sense of Congress that the memoranda of understanding and agreements referred to in section 5313B(d)(2) of title 38, United States Code (as added by subsection (a)), should be entered into as soon as practicable after the date of the enactment of this Act, but not later than six months after that date.

SEC. 506. LIMITATION ON PAYMENT OF COMPENSATION FOR VETERANS REMAINING INCARCERATED SINCE OCTOBER 7, 1980.

(a) LIMITATION.—Section 5313 of title 38, United States Code, other than subsection (d) of that section, shall apply with respect to the payment of compensation to or with respect to any veteran described in subsection (b).

(b) COVERED VETERANS.—A veteran described in this subsection is a veteran who is entitled to compensation and who—

(1) on October 7, 1980, was incarcerated in a Federal, State, or local penal institution for a felony committed before that date; and

(2) remains so incarcerated for conviction of that felony as of the date of the enactment of this Act.

(c) EFFECTIVE DATE.—This section shall apply with respect to the payment of compensation for months beginning on or after the end of the 90-day period beginning on the date of the enactment of this Act.

(d) COMPENSATION DEFINED.—For purposes of this section, the term "compensation" has the meaning given that term in section 5313 of title 38, United States Code.

SEC. 507. ELIMINATION OF REQUIREMENT FOR PROVIDING A COPY OF NOTICE OF APPEAL TO THE SECRETARY OF VETERANS AFFAIRS.

(a) REPEAL.—Section 7266 is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking "(1)" after "(a)";

(2) by redesignating paragraph (2) as subsection (b);

(3) by redesignating paragraph (3) as subsection (c) and redesignating subparagraphs (A) and (B) thereof as paragraphs (1) and (2); and

(4) by redesignating paragraph (4) as subsection (d) and by striking "paragraph (3)(B)" therein and inserting "subsection (c)(2)".

SEC. 508. INCREASE IN FISCAL YEAR LIMITATION ON NUMBER OF VETERANS IN PROGRAMS OF INDEPENDENT LIVING SERVICES AND ASSISTANCE.

(a) INCREASE IN LIMITATION.—Section 3120(e) is amended by striking "five hundred" and inserting "2,500".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 30, 2001.

SEC. 509. TECHNICAL AND CLERICAL AMENDMENTS.

(a) REPEAL OF EXPIRED PROVISION.—(1) Section 712 is repealed.

(2) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 712.

(b) CORRECTION OF WORD OMISSION.—Section 1710B(c)(2)(B) is amended by inserting "on" before "November 30, 1999".

(c) REPEAL OF ERRONEOUS CROSS REFERENCE.—Section 1729B(b) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(d) CORRECTION OF CROSS REFERENCE.—Section 3695(a)(5) is amended by striking "1610" and inserting "1611".

(e) STYLISTIC CORRECTION.—Section 1001(a)(2) of the Veterans' Benefits Improvements Act of 1994 (Public Law 103–446; 38 U.S.C. 7721 note) is amended by striking "and" at the end of subparagraph (C).

(f) CORRECTION OF PREVIOUS AMENDMENT.—Effective November 30, 1999, and as if included therein as originally enacted, section 204(e)(3) of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1563) is amended by striking "and inserting 'a';" and inserting "the first place it appears and inserting 'an';".

TITLE VI—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SEC. 601. FACILITATION OF STAGGERED TERMS OF JUDGES THROUGH TEMPORARY EXPANSION OF THE COURT.

(a) IN GENERAL.—Section 7253 is amended by adding at the end the following new subsection:

"(h) TEMPORARY EXPANSION OF COURT.—(1) During the period from January 1, 2002, through August 15, 2005, the authorized number of judges of the Court specified in subsection (a) is increased by two.

"(2)(A) Of the two additional judges authorized by this subsection—

"(i) only one may be appointed pursuant to a nomination made in 2002; and

"(ii) only one may be appointed pursuant to a nomination made in 2003.

"(B) If a judge is not appointed under this subsection pursuant to a nomination made in 2002, a judge may be appointed under this subsection pursuant to a nomination made in 2004. If a judge is not appointed under this subsection pursuant to a nomination made in 2003, a judge may be appointed under this subsection pursuant to a nomination made in 2004. In either case, such an appointment may be made only pursuant to a nomination made before October 1, 2004.

"(3) The term of office and the eligibility for retirement of a judge appointed under this subsection, other than a judge described in paragraph (4), are governed by the provisions of section 1012 of the Court of Appeals for Veterans Claims Amendments of 1999 (title X of Public Law 106–117; 113 Stat. 1590; 38 U.S.C. 7296 note) if the judge is one of the first two judges appointed to the Court after November 30, 1999.

"(4) A judge of the Court as of the date of the enactment of this subsection who was appointed to the Court before January 1, 1991, may accept appointment as a judge of the Court under this subsection notwithstanding that the term of office of the judge on the Court has not yet expired under this section. The term of office of an incumbent judge who receives an appointment as described in the preceding sentence shall be 15 years, which includes any period remaining in the unexpired term of the judge. Any service following an appointment under this subsection shall be treated as though served as part of the original term of office of that judge on the Court.

"(5) Notwithstanding paragraph (1), an appointment may not be made to the Court if the appointment would result in there being more than seven judges on the Court who were appointed after January 1, 1997. For the purposes of this paragraph, a judge serving in recall status under section 7257 of this title shall be disregarded in counting the number of judges appointed to the Court after such date.".

(b) STYLISTIC AMENDMENTS.—That section is further amended—

(1) in subsection (b), by inserting "APPOINTMENT.—" before "The judges";

(2) in subsection (c), by inserting "TERM OF OFFICE.—" before "The term";

(3) in subsection (f), by striking "(f)(1)" and inserting "(f) REMOVAL.—(1)"; and

(4) in subsection (g), by striking "(g)(1)" and inserting "(g) RULES.—(1)'.

SEC. 602. REPEAL OF REQUIREMENT FOR WRITTEN NOTICE REGARDING ACCEPTANCE OF REAPPOINTMENT AS CONDITION TO RETIREMENT FROM THE COURT.

Section 7296(b)(2) is amended by striking the second sentence.

SEC. 603. TERMINATION OF NOTICE OF DISAGREEMENT AS JURISDICTIONAL REQUIREMENT FOR THE COURT.

(a) TERMINATION.—Section 402 of the Veterans' Judicial Review Act (division A of Public Law 100–687; 102 Stat. 4122; 38 U.S.C. 7251 note) is repealed.

(b) ATTORNEY FEES.—Section 403 of the Veterans' Judicial Review Act (102 Stat. 4122; 38 U.S.C. 5904 note) is repealed.

(c) CONSTRUCTION.—The repeal in subsection (a) may not be construed to confer upon the United States Court of Appeals for Veterans Claims jurisdiction over any appeal or other matter not within the jurisdiction of the Court as provided in section 7266(a) of title 38, United States Code.

(d) APPLICABILITY.—The repeals made by subsections (a) and (b) shall apply to any appeal filed with the United States Court of Appeals for Veterans Claims—

(1) on or after the date of the enactment of this Act; or

(2) before the date of the enactment of this Act but in which a final decision has not been made under section 7291 of title 38, United States Code, as of that date.

SEC. 604. REGISTRATION FEES.

(a) FEES FOR COURT-SPONSORED ACTIVITIES.—Subsection (a) of section 7285 is amended by adding at the end the following new sentence: "The Court may also impose a registration fee on persons (other than judges of the Court) participating at judicial conferences convened pursuant to section 7286 of this title or in any other court-sponsored activity.".

(b) USE OF FEES.—Subsection (b) of such section is amended by striking "for the purposes of (1)" and all that follows through the period and inserting "for the following purposes:

"(1) Conducting investigations and proceedings, including employing independent counsel, to pursue disciplinary matters.

"(2) Defraying the expenses of—

"(A) judicial conferences convened pursuant to section 7286 of this title; and

"(B) other activities and programs of the Court that are intended to support and foster communication and relationships between the Court and persons practicing before the Court or the study, understanding, public commemoration, or improvement of veterans law or of the work of the Court.".

(c) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§ 7285. Practice and registration fees".

(2) The item relating to such section in the table of sections at the beginning of chapter 72 is amended to read as follows:

"7285. Practice and registration fees.".

SEC. 605. ADMINISTRATIVE AUTHORITIES.

(a) IN GENERAL.—Subchapter III of chapter 72 is amended by inserting after section 7286 the following new section:

"§ 7287. Administration

"Notwithstanding any other provision of law, the Court of Appeals for Veterans Claims may exercise, for purposes of management, administration, and expenditure of funds of the Court, the authorities provided for such purposes by any provision of law (including any limitation with respect to such provision of law) applicable to a court of the United States (as that term is defined in section 451 of title 28), except to the extent that such provision of law is inconsistent with a provision of this chapter.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item related to section 7286 the following new item:

"7287. Administration.".

Mr. ROCKEFELLER. Mr. President, as chairman of the Committee on Veterans' Affairs, I urge the Senate to pass H.R. 1291, the proposed "Veterans Education and Benefits Expansion Act of 2001."

The pending measure is the final compromise version of an omnibus bill that improves a wide variety of veterans benefits, such as the amount and flexibility of the Montgomery GI bill, enhances compensation to Gulf War veterans, as well as to Vietnam veterans with Agent Orange-related conditions, increases the VA home loan guaranty amount, extends VA's authority to provide home loans to Reservists and on Native American tribal land, and augments burial benefits. The key provisions are described in more detail below. I refer my colleagues seeking more detail to the Joint Explanatory Statement accompanying this statement.

H.R. 1291, which I will refer to as the "compromise agreement," makes significant enhancements to educational benefits for veterans and their families. I thank my colleagues in the House for working with our committee staff to enhance the education benefits that help pay back veterans for the service they have given our Nation. Today's Montgomery GI bill, MGIB, provides a valuable recruitment and retention tool for the Armed Services. As a transition benefit, it allows veterans to gain the skills they need to adjust productively to civilian life when they return from service.

I am very pleased that the compromise bill, in section 101, will increase the MGIB basic monthly benefit to $800 per month beginning in January 2002, $900 in 2002, and $985 in 2003. I am even more proud that H.R. 1291 also takes the next step to keep pace with education needed for success in high-technology fields. As our colleagues know, many servicemembers leave the military with skills that place them in demand for careers in the technology sector. But even these veterans may require additional coursework to convert their military skills to civilian careers. Sections 104 and 110 of the committee bill will allow veterans to use their Montgomery GI bill educational benefits to pay for short-term, high technology courses that enable veterans to earn the credentials they need to gain entry to lucrative civilian-sector careers.

Currently, the MGIB provides a basic monthly benefit for education costs. This payment structure is designed to assist veterans pursuing traditional 4-year degrees at universities. However, in today's fast paced, high-tech economy, traditional degrees may not always be the best option. Many veterans are pursuing forms of nontraditional training, such as short-term courses that lead to certification in a technical field. In certain fields, these certifications are a prerequisite to employment.

These courses, such as Microsoft or Cisco systems training, may be offered through training centers, private contractors to community colleges, or the companies themselves. They often last just a few weeks or months, and can cost many thousands of dollars. The way MGIB is paid out in monthly disbursements is not suited to this course structure. For example, MGIB would pay less than $1,400 for a 2-month course that could cost as much as $10,000.

The percentage of veterans who actually use the MGIB benefits they have earned and paid for is startlingly low, 45 percent of eligible veterans, according to VA's Program Evaluation of the Montgomery GI bill published in April 2000, despite almost full enrollment in the program by servicemembers. By increasing the flexibility of the MGIB program, we will permit more veterans to take advantage of these benefits. This legislation gives veterans the right to choose the kind of educational program that will be best for them.

This legislation will modify the payment method to accommodate the compressed schedule of these courses. Specifically, section 104 allows veterans to receive an accelerated payment equal to 60 percent of the cost of the program. This is comparable to VA's MGIB benefit for flight training, for which VA reimburses 60 percent of the costs. The dollar value of the accelerated payment would then be deducted from the veteran's remaining entitlement. Section 110 allows courses offered by these providers to be covered by MGIB.

I am extremely proud that section 103 of this legislation will restore educational and vocational rehabilitation and training benefits for servicemembers and reservists who must leave their course of study to serve on active duty, such as military members called away to serve in connection with the current National Emergency declared in response to the events of September 11, 2001. This provision will amend a provision that restores such entitlements for servicemembers and reservists called to active duty for the Persian Gulf War. In 1997, Congress similarly expanded educational benefits restoration for the Selected Reserve Program.

Section 102 will increase the Dependent's Educational Allowance, DEA, for dependents and eligible spouses of veterans. Congress created this educational program in 1968 to provide educational opportunities to children whose education would be impeded or interrupted because of the disability or death of a parent from a disease or injury incurred or aggravated in the Armed Forces. In addition, surviving spouses of veterans who do not remarry are generally eligible for the educational allowance in order to assist them in preparing to support themselves and their families at the standard-of-living level that the veteran could have been expected to provide for his or her family but for the service-connected disability or death. Children and surviving spouses of servicemembers who are missing in action for 90 days, captured in the line of duty by a hostile force, or detained or interned by a foreign government, are also eligible for the educational allowance.

DEA is available for full-time, three-quarter time or half-time attendance at an institution of higher learning, for students taking correspondence courses, pursuing special restorative training, or apprenticeship training. The increase in DEA for full-time students would be to $670 from $608 on January 1, 2002, with no cost-of-living adjustment that year. The allowance for a three-quarter time student would increase to $503 from $456, and the allowance for half-time pursuit would increase to $335 from $304.

As many of my colleagues remember, questions about the long-term consequences of exposure to Agent Orange arose during the Vietnam War. Decades later, veterans of that war still await clear answers. A series of ongoing reviews by the National Academy of Sciences has helped to provide some of those answers, such as the potential link between exposure to chemicals in Agent Orange and respiratory cancers. The legislation before us would continue these scientific reviews, and extend the Secretary of Veterans Affairs' authority to act upon new scientific evidence.

Currently, Vietnam veterans can claim service-connected benefits for respiratory cancers, but only if those cancers are diagnosed within 30 years of their Vietnam service. Section 201 would remove that time limit, which the last scientific review preliminarily found to be without clear basis. However, to ensure that this decision is based upon sound evidence, the provision also allows the Secretary to request a scientific review by NAS specifically addressing whether a time limit on manifestation of respiratory cancers is warranted, and to impose such a limit if supported by scientific findings. Should the Secretary's requested review result in a finding of a more restrictive latency period for manifestation of these respiratory cancers, the compromise agreement would ensure that the families and survivors of these veterans remain eligible for VA benefits. Finally, this bill also restores a VA presumption, eliminated by a Court decision, that all in-country Vietnam veterans were exposed to Agent Orange.

Following the Gulf War, returning troops began to report a range of unexplained illnesses that many attributed to their service, but that could not be linked conclusively to a specific battlefield hazard. In 1994, Congress passed the Persian Gulf War Veterans' Benefits Act, allowing the Secretary to compensate certain Gulf War veterans disabled by "undiagnosed illnesses" for which no other causes could be identified. The term "undiagnosed illnesses" has been interpreted by VA to preclude any veteran from eligibility who has received a diagnosis, even if that diagnosis is merely a descriptive label for a collection of unexplained symptoms. This legislation would authorize the Secretary to compensate an eligible Gulf War veteran disabled by a "medically unexplained chronic multisymptom illness defined by a cluster of signs or symptoms," such as chronic fatigue syndrome or fibromyalgia. Rather than defining Gulf War illnesses, section 202 of this legislation would correct an unfair situation that penalizes Gulf War veterans whose physicians have embraced changes in medical terminology in the past decade.

Since 1933, there has been a prohibition on paying benefits to an incompetent veteran who has no dependents and who has assets of $1,500 or more, if the veteran is being provided institutional health care by the Government. Then, incompetent individuals might be institutionalized for years. It was believed that a large estate based on the veteran's benefits should not be allowed to build up just to pass to the state upon the veteran's death. Now, treatment modalities have changed and veterans are more likely to cycle in and out of treatment, which results in virtually constant suspension and reinstatement of their benefits.

Last year, in Public Law 106–419, Congress addressed this anomaly in law. Although we had hoped to fully eliminate the disparate and discriminatory treatment of incompetent veterans, due to cost restraints we were only able to raise the dollar amount of the cutoff to five times the 100 percent compensation rate. I am enormously proud that Section 204 would fully repeal the limitation on payment thereby ending decades of prejudice and discrimination against these veterans.

The committee bill also enhances and extends home loan programs. As most of our colleagues appreciate, VA does not provide a direct home loan for servicemembers and veterans. Instead, it provides a guaranty to mortgage lenders should the borrower veteran be unable to meet the payments and go into foreclosure. A VA guaranty allows a veteran to buy a home valued at up to four times the guaranty amount. The price of homes in major metropolitan areas has increased significantly in the last several years, yet the VA guaranty amount has not been increased since 1994. VA estimates that during fiscal year 2001, VA will have guaranteed 250,000 loans for veterans. Section 401 will increase the home loan guaranty amount to $60,000 from the current $50,750, supporting a loan of up to $240,000.

Section 403 will extend for 2 years the authority for housing loan guaranties for members of the Selected Reserve, currently set to expire in 2007. Reservists must serve 6 years in order to become eligible for a VA-guaranteed loan. In order for the home loan to be used as a recruiting incentive now, the benefit must be authorized beyond 6 years. It is especially appropriate that we recognize the importance of those who serve in the Selected Reserves as we rely on them yet again, in this time of national crisis.

In conclusion, I want to thank Senator SPECTER and his benefits staff, Bill Tuerk, Jon Towers, and Chris McNamee, for diligently working with me and my benefits staff, Bill Brew, Mary Schoelen, Julie Fischer, Bridget Baylin, Chris Reinard, and Dahlia Melendrez, to craft this legislation during this extraordinary year. I urge my colleagues to support these vital enhancements to veterans benefits. As has been the case in previous years and is particularly important in light of our country's current military actions, this truly represents a bipartisan commitment to our Nation's veterans.

I ask unanimous consent that the Joint Explanatory Statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 1291, COMPROMISE AGREEMENT, THE VETERANS EDUCATION AND BENEFITS EXPANSION ACT OF 2001

The Senate considered S. 1088, as amended, struck the existing text and incorporated it into H.R. 1291, then passed it by unanimous consent on December 7, 2001.

EDUCATION MATTERS

Increases the rate of the basic benefit of the Montgomery G.I. Bill (MGIB) from the current $672 per month to $800 per month beginning on January 1, 2002; $900 per month on October 1, 2002; and $985 per month on October 1, 2003.

Increases the Dependent's Educational Allowance to $670 from $608 for dependents and spouses of veterans who are totally disabled or who die as a result of a service-connected condition, effective January 1, 2002.

Restores lost educational and vocational rehabilitation benefits for servicemembers and reservists who must leave their course of study to serve on active duty, such as military members called away to serve in the current National Emergency.

Creates flexibility in the payment method for MGIB to partially pay for short-term/high tech courses. It would accelerate payment of up to 60 percent of the cost of an approved program that leads to employment in a high technology industry.

COMPENSATION AND PENSION MATTERS

Removes the arbitrary 30-year limit for manifestation of Agent Orange-related respiratory cancers in Vietnam veterans and tasks the National Academy of Sciences (NAS) to continue reviewing scientific evidence on effects of dioxin or herbicide exposure through October 1, 2014.

Extends authority of the VA to presume service connection for additional diseases as based on future NAS reports through September 30, 2015.

Codifies presumption that Type 2 diabetes in Vietnam veterans exposed to Agent Orange is service-connected.

Authorizes the Secretary to pay compensation to Gulf War veteran chronically disabled by a diagnosed, but medically unexplained multisymptom illness, such as chronic fatigue syndrome.

Allows the Secretary to protect the grant of service connection for an undiagnosed illness when a Persian Gulf War veteran participates in a VA-sponsored medical research project.

HOUSING MATTERS

Increases the VA home loan guaranty amount to $60,000 from the current $50,750. The VA guaranty amount has not been increased since 1994.

Extends the Native American veterans housing loan program, which allows loans on tribal lands for four years. Extends the authority for housing loan guaranties for members of the Selected Reserves for two years.

Increases the grant for specially adapted housing for severely disabled veterans to $48,000 from $43,000.

BURIAL MATTERS

Increases VA burial benefits for service-connected deaths of veterans from $1,500 to $2,000.

Allows VA to furnish a bronze marker to permanently commemorate the service of a veteran on an already marked grave in a private cemetery.

EXPLANATORY STATEMENT ON HOUSE AMENDMENT TO SENATE AMENDMENTS TO H.R. 1291

The House amendment to the Senate amendments to H.R. 1291 reflect a compromise agreement that the House and Senate Committees on Veterans' Affairs have reached on H.R. 801, H.R. 1291, H.R. 2540, H.R. 3240, and S. 1088. H.R. 801 passed the House on March 27, 2001. H.R. 1291 passed the House on June 19, 2001. H.R. 2540 passed the House on July 31, 2001. H.R. 3240 passed the House on November 13, 2001. The Senate considered S. 1088 (hereinafter known as the "Senate bill") on December 7, 2001. This measure was incorporated in H.R. 1291 as an amendment and passed the Senate by unanimous consent on December 7, 2001.

The House and Senate Committees on Veterans' Affairs have prepared the following explanation of H.R. 1291, as amended, (hereinafter referred to as the "Compromise Agreement"). Differences between the provisions contained in the Compromise Agreement and the related provisions of H.R. 801, H.R. 1291, H.R. 2540, H.R. 3240, and S. 1088 are noted in this document, except for clerical corrections, conforming changes made necessary by the Compromise Agreement, and minor drafting, technical, and clarifying changes.

Title I—Educational Assistance Provisions

INCREASES IN RATES OF BASIC EDUCATIONAL ASSISTANCE UNDER THE MONTGOMERY GI BILL

Current law

Section 3011 of title 38, United States Code, establishes basic educational assistance entitlement under the All-Volunteer Force Educational Assistance Program, commonly referred to as the Montgomery GI Bill or MGIB—Active Duty program. Section 3015 establishes the base amount of such educational assistance at the monthly rate of $528 for a 3-year period of service and $429 for a 2-year period of service. These amounts increased to $650 per month and $528 per month, respectively, on November 1, 2000. With the addition of a cost-of-living adjustment (COLA) on October 1, 2001, the rates are $672 and $546, respectively.

House bill

Section 2(a)(1) of H.R. 1291 would amend section 3015(a)(1) to increase the amount of educational benefits under the Montgomery GI Bill for an approved program of education on a full-time basis from the current monthly rate of $650 ($672 with (COLA) for an obligated period of active duty of 3 or more years to $800 effective October 1, 2001, $950 effective October 1, 2002, and $1,100 effective October 1, 2003.

Section 2(a)(2) of H.R. 1291 would amend section 3015(b)(1) of title 38, United States Code, to increase the amount of educational benefits for an obligated period of active duty of 2 years from the current monthly rate of $528 ($546 with COLA) to $650 effective October 1, 2001, $772 effective October 1, 2002, and $894 effective October 1, 2003.

Section 2(b) of H.R. 1291 would suspend the statutory annual adjustment in MGIB rates based on the Consumer Price Index beginning in fiscal year 2002 and reinstate that adjustment beginning in fiscal year 2005.

Senate bill

Section 101 of the Senate bill would increase the amount of educational benefits under the Montgomery GI Bill for veterans whose original service obligation was 3 or more years to $700 in fiscal year 2002, $800 in fiscal year 2003, and $950 in fiscal year 2004. For veterans whose original service obligation was 2 years, the monthly educational benefit would be increased to $569 in fiscal year 2002, $650 in fiscal year 2003, and $772 in fiscal year 2004.

Compromise agreement

Section 101 of the compromise agreement would increase the amount of educational benefits under the Montgomery GI Bill for an obligated period of active duty of 3 or more years to $800 effective January 1, 2002; $900 effective October 1, 2002; and $985 effective October 1, 2003. For service obligation of 2 years, increases are to $650 effective January 1, 2002; $732 effective October 1, 2002; and $800 effective October 1, 2003. The COLA is suspended for Fiscal Years 2003 and 2004.

INCREASE IN RATES OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

Current law

Chapter 35 of title 38, United States Code, provides educational assistance to spouses and dependent children of veterans who are totally disabled or who die as a result of a service-connected condition. Eligible persons are paid at a monthly rate of $588, $441, and $294, respectively, for full, three-quarter, and half-time studies. The cost-of-living adjustment (COLA) furnished on October 1, 2001, increased these rates to $608, $456, and $304, respectively.

House bill

The House bills contain no comparable provision.

Senate bill

Section 106 of the Senate bill would increase the monthly amount of education benefits provided under chapter 35 of title 38, United States Code, for full-time students from $588 ($608 with the COLA) to $690, from $441 ($456 of COLA) to $517 for three-quarter time students, and from $294 ($306 with the COLA) to $345 for half-time students (rates in current law after cost-of-living adjustment). These increases would take effect October 1, 2001.

Compromise agreement

Section 102 of the compromise agreement would follow the language of the Senate bill, except that it would increase the monthly amount of education benefits provided to full-time students in traditional education programs, training in business or industry, correspondence courses or special restorative training from $608 to $670 on January 1, 2002. The compromise agreement would also include increases for on-job training, apprenticeship, and farm cooperative programs.

RESTORATION OF CERTAIN EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO ACTIVE DUTY

Current law

Sections 3013(f)(2), 3231(a)(5), and 3511(a)(2)(B)(i) of title 38, United States Code, provide that no educational allowance paid to servicemembers, reservists, or eligible dependents shall be counted against the total length or amount of their education entitlement if the pursuit of an educational objective was interrupted as a result of being ordered to serve in connection with the Persian Gulf War.

House bill

H.R. 3240 would restore entitlement under the Montgomery GI Bill (MGIB), Veterans' Educational Assistance Program (VEAP), and Survivors' and Dependents' Educational Assistance program (DEA) for any servicemembers, reservists, or DEA recipients called to active duty during Operation Enduring Freedom and at any time in the future.

Senate bill

Section 105 of the Senate bill would restore entitlement under the MGIB, VEAP, and Survivor's and DEA programs for any servicemembers, reservists, or DEA recipients called to active duty in connection with the National Emergency declared by the Presidential Proclamation dated September 14, 2001.

Compromise bill

Section 103 of the compromise agreement follows the House language and adds entitlement restoration for persons pursuing education or training under chapter 31 of title 38, United States Code. Further, the period during which the person may use his or her educational benefits under chapters 31 or 35 would be the period equal to the length of active service for which the person is recalled, plus four months.

ACCELERATED PAYMENTS OF EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL FOR EDUCATION LEADING TO EMPLOYMENT IN HIGH TECHNOLOGY INDUSTRY

Current law

Section 3014 of title 38, United States Code, provides that the basic educational benefit available under the Montgomery GI Bill be disbursed in up to 36 monthly installments. Benefits are provided for each month in which the MGIB participant is certified to be participating in a course of study. If requested by a veteran, section 3680(d)(2) of title 38, United States Code, allows for an advance payment of educational assistance in an amount equivalent to the allowance for the month, or fraction thereof, in which pursuit of an education program will commence, plus the allowance for the succeeding month. This payment structure is geared primarily toward the pursuit of traditional two- and four-year degrees.

House bill

The House bills contain no comparable provision.

Senate bill

Section 103 of the Senate bill would further expand the Montgomery GI Bill benefit to accommodate a compressed schedule of courses leading to employment in a high technology industry by authorizing accelerated payment covering up to 60% of the cost of a high technology course, provided the cost of such course exceeds 200% of the monthly MGIB rate. This lump sum would be deducted from the veteran's remaining MGIB entitlement.

Compromise agreement

Section 104 of the compromise agreement follows the Senate language, effective October 1, 2002.

ELIGIBILITY FOR MONTGOMERY GI BILL BENEFITS OR CERTAIN ADDITIONAL VIETNAM-ERA VETERANS

Current law

Section 3011 of title 38, United States Code, provides that a Vietnam-era veteran may convert his or her Vietnam-era GI Bill benefit to the Montgomery GI Bill educational benefit, if the veteran had eligibility for Vietnam-era GI Bill benefits as of December 31, 1989, was on active duty on October 19, 1984, and served 3 continuous years after June 30, 1985.

House bill

The House bills contain no comparable provision.

Senate bill

Section 104 of the Senate bill would enable Vietnam-era veterans to convert their Vietnam-era GI Bill benefits to Montgomery GI Bill benefits if the veteran had eligibility for the Vietnam-era GI Bill benefits as of December 31, 1989, was not on active duty on October 19, 1984, and served 3 continuous years in the Armed Forces on or after July 1, 1985.

Compromise agreement

Section 105 of the compromise agreement follows the Senate language.

INCREASE IN MAXIMUM ALLOWABLE ANNUAL ROTC AWARD FOR ELIGIBILITY FOR BENEFITS UNDER THE MONTGOMERY GI BILL

Current law

Sections 3011(c)(3)(B) and 3012(d)(3)(B) of title 38, United States Code, provide that $2,000 is the maximum annual amount of a partial scholarship that a participant in the Senior Reserve Officers' Training Corps (SROTC) may receive and still be eligible for basic educational assistance entitlement for service on active duty under the Montgomery GI Bill educational assistance program.

House bill

Section 101 of H.R. 801 would increase from $2,000 to $3,400 per year the amount a student under SROTC may receive in scholarship assistance and still retain eligibility for the Montgomery GI Bill—Active Duty under chapter 30, of title 38, United States Code.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 106 of the compromise agreement follows the House language.

EXPANSION OF WORK-STUDY OPPORTUNITIES

Current law

Section 3485(a)(1) of title 38, United States Code, establishes work-study policies for veteran-students and eligible dependents. In general, VA work-study students may prepare or process VA paperwork at schools or VA facilities, provide care at VA hospitals and domiciliaries, or work at Department of Defense facilities in certain circumstances.

House bill

Section 102 of H.R. 801 would expand work-study opportunities for veteran-students and eligible dependents to include: outreach services furnished by State Approving Agencies to servicemembers and veterans; activities for veteran-students and/or dependents (who have declared an academic major) within the department of an academic discipline that complements and reinforces the program of education pursued by the veteran-student; and the provision of chapter 17 of title 38, United States Code, domiciliary care and nursing home and hospital care to veterans, including state veterans homes.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 107 of the compromise agreement follows the House language that excludes work-study opportunities within the department of the veteran-student's academic discipline, and adds additional work-study opportunities through national and state veterans cemeteries.

ELIGIBILITY FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE BENEFITS OF SPOUSES AND SURVIVING SPOUSES OF VETERANS WITH TOTAL SERVICE-CONNECTED DISABILITIES

Current law

Spouses of veterans who die of service-connected conditions, who are rated as totally and permanently disabled, or who die while rated as totally and permanently disabled, are eligible for Survivors' and Dependents' Educational Assistance (DEA) benefits. Prior to Ozer v. Principi, a 2001 decision by the U.S. Court of Appeals for Veterans Claims, 14 Vet. App. 257 (2001), VA applied a 10-year delimiting period during which spouses were eligible to use their DEA benefits. VA had been following regulations stating that the 10-year delimiting period began when eligibility is first established. However, the statute which authorized the DEA regulations prescribed that a spouse may not receive educational assistance beyond 10 years after the last occurrence of three eligibility criteria, one of which is the veteran's death. In its Ozer decision, the Court invalidated the VA regulation, reasoning that the delimiting period established by VA was in conflict with the authorizing statute.

House bill

The House bills contains no comparable provision.

Senate bill

Section 107 of the Senate bill would reinstate a 10-year delimiting period in which spouses may, upon first becoming eligible, use DEA benefits. Spouses made eligible for DEA under more than one of the eligibility criteria would have two separate 10-year delimiting periods in which to use their DEA benefits, but in no case would their aggregate entitlement exceed 45 months.

Compromise agreement

Section 108 of the compromise agreement follows the Senate language.

EXPANSION OF SPECIAL RESTORATIVE TRAINING BENEFIT TO CERTAIN DISABLED SPOUSES OR SURVIVING SPOUSES

Current law

Section 3541 of title 38, United States Code, provides that eligible children entitled to assistance under the Survivors' and Dependents' Educational Assistance program of chapter 35 may receive special restorative training to overcome or lessen the effects of a physical or mental disability and enable them to undertake a program of education.

House bill

Section 104 of H.R. 801 would expand the special restorative training benefit provided under the chapter 35 program to include certain disabled spouses or surviving spouses.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 109 of the compromise agreement follows the House language.

INCLUSION OF CERTAIN PRIVATE TECHNOLOGY ENTITIES IN THE DEFINITION OF EDUCATIONAL INSTITUTION

Current law

Section 3452(c) of title 38, United States Code, defines "educational institution" as any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers' college, college, normal school, professional school, university, scientific or technical institution furnishing education for adults. Section 3501(a)(6) of title 38, United States Code, uses a substantively identical definition with the addition of any other institution if it furnishes education at the secondary school level or above.

House bill

Section 103 of H.R. 801 would expand the definition of an educational institution to include any private entity that offers, either directly or under an agreement with another entity, a course or courses to fulfill a requirement for the attainment of a license or certificate generally recognized as necessary to obtain, maintain, or advance in employment in a profession or vocation in a technological occupation, as determined by the Secretary.

Senate bill

Section 105 of the Senate bill contains a substantively identical provision.

Compromise agreement

Section 110 of the compromise agreement follows the Senate language.

DISTANCE EDUCATION

Current law

Section 3680A(a)(4) of title 38, United States Code, limits the enrollment of an eligible veteran to an accredited independent study program (including open circuit television) leading to a standard college degree.

House bill

Section 105 of H.R. 801 would permit eligible veterans to receive VA education benefits while pursuing non college-degree courses that are offered through independent study by institutions of higher learning.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 111 of the compromise agreement follows the House language.

Title II—Compensation and Pension Provisions

MODIFICATION AND EXTENSION OF AUTHORITIES ON PRESUMPTION OF SERVICE-CONNECTION FOR HERBICIDE-RELATED DISABILITIES OF VIETNAM-ERA VETERANS

Current law

Under section 1116(a)(2)(F) of title 38, the presumption of service-connection with respect to respiratory cancers is limited to those cancers manifesting within 30 years of a servicemember's last active-duty date in Vietnam.

The CAVC decision in McCartt v. West, 12 Vet. App. 164 (1999) held that the Department of Veterans Affairs (VA) can only presume exposure to Agent Orange if the Vietnam veteran has one of the diseases listed as related to such exposure in 38 U.S.C. §1116(a) or 38 CFR §3.309(e). VA practice prior to this decision had been to presume exposure for anyone who had served in Vietnam during the statutorily defined period of war unless there was affirmative evidence to the contrary.

Section 1116 authorizes the Secretary of Veterans' Affairs to establish, through regulation, a presumption of service-connection for diseases associated with exposure to Agent Orange. The Secretary is further authorized to contract with the National Academy of Sciences for the purposes of studying the effects of dioxin, and is required to base the establishment of a presumption of service-connection on NAS findings. This authority commenced in 1993 and will expire at the end of Fiscal Year 2003.

House bill

Section 201 of H.R. 2540 codifies VA's July 9, 2001, regulation providing benefits for Vietnam veterans with Type 2 diabetes.

Senate bill

Section 201 of the Senate bill would remove the 30-year limitation on the manifestation of respiratory cancer. This section would also change the result of the CAVC decision in McCartt by requiring VA to presume exposure to Agent Orange for all persons serving in Vietnam during the statutorily defined period of that conflict.

Section 201 would extend the Secretary's authority to determine a presumption of service-connection for additional diseases; based on future NAS Reports, through 2011. VA's authority to contract with the NAS to review scientific evidence on the effects of dioxin or herbicide exposure would be extended through 2011.

Compromise agreement

Section 201(a)(1) of the compromise agreement follows the Senate language, but modifies the effective date for subsection (a) of the Senate bill to January 1, 2002. Section 201(a)(2) of the compromise directs the Secretary to enter into a contract with the National Academy of Sciences specifically to review available scientific literature on exposure to herbicides and dioxin and the development of respiratory cancers. Section 201(a)(3) allows the Secretary to consider whether an upper limit on manifestation of respiratory cancers can be supported, and to impose such a limit by regulation if warranted, by available scientific evidence. Section 201(4) protects a grant of service-connection made under this section for purposes of all benefits administered by the Secretary; section 201(b) of the compromise agreement provides a statutory presumption of service-connection of Diabetes Type 2 for veterans exposed to Agent Orange and follows the House language; section 201(c) of the compromise agreement presumes that veterans who served in the Republic of Vietnam during the time period when herbicides were used were exposed to herbicides and follows the Senate language; and section 201(d) of the compromise agreement extends the Secretary's authority to contract with NAS through October 1, 2014, and extends the Secretary's authority to determine a presumption of service-connection through September 30, 2015.

PAYMENT OF COMPENSATION FOR PERSIAN GULF WAR VETERANS WITH CERTAIN CHRONIC DISABILITIES

Current law

Public Law 103-446 gave the Secretary the authority to compensate a Gulf War veteran who suffers from disabilities that cannot be diagnosed or clearly defined, when other causes cannot be identified. Section 1117 of title 38, United States Code, sets forth parameters for compensating disabilities occurring in Gulf War veterans.

House bill

Section 202 of H.R. 2540 would expand, effective April 1, 2002, the definition of "undiagnosed illness" for Gulf War veterans to include fibromyalgia, chronic fatigue syndrome, and chronic multisymptom illness, as well as other illnesses that cannot be clearly defined. Signs and symptoms listed in the House bill that are associated with an undiagnosed illness include headache, muscle pain, joint pain, neurologic signs or symptoms, neuropsychological signs or symptoms, signs or symptoms involving the respiratory system (upper or lower), sleep disturbances, gastrointestinal signs or symptoms, cardiovascular signs or symptoms, abnormal weight loss, and/or menstrual disorders.

Senate bill

Section 202(b) of the Senate bill would expand the definition of "undiagnosed illness" by adding poorly defined chronic multisymptom illnesses of unknown etiology, regardless of diagnosis, characterized by two or more of the symptoms already listed in VA regulations. This section would also extend the presumptive period for service connection for Gulf War veterans by 10 years.

Compromise agreement

Section 202 of the compromise agreement authorizes the Secretary effective March 1, 2002, to pay compensation to any eligible Gulf War veteran chronically disabled by an "undiagnosed illness," a "medically unexplainable chronic multisymptom illness defined by a cluster of signs or symptoms," or "any diagnosed illness that the Secretary determines in regulations prescribed under subsection (d) warrants a presumption of service-connection" (or any combination of these). The term "undiagnosed illnesses" has been interpreted by VA to preclude from eligibility for benefits under sections 1117 or 1118 of title 38, United States Code, any veteran who has received a diagnosis, even if that diagnosis is merely a descriptive label for a collection of unexplained symptoms. This provision's addition of "medically unexplained chronic multisymptom illness defined by a cluster of signs or symptoms" to the list of compensable conditions fully implements the intent of Public Law 103-446. Public Law 103-446 authorized the Secretary to compensate certain Gulf War veterans disabled by symptoms that could not be connected conclusively to specific wartime exposures otherwise not compensable under other existing statutory bases.

In selecting this language, it is the intent of the Committees to ensure eligibility for chronically disabled Gulf War veterans not withstanding a diagnostic label by a clinician in the absence of conclusive pathophysiology or etiology. The compromise agreement's definition encompasses a variety of unexplained clinical conditions, characterized by overlapping symptoms and signs, that share features such as fatigue, pain, disability out of proportion to physical findings, and inconsistent demonstration of laboratory abnormalities. Aaron and Buchwald, A Review of the Evidence for Overlap Among Unexplained Clinical Conditions, 134(9) Annals of Internal Med:868-880 (2001). Although chronic fatigue syndrome, fibromyalgia, and irritable bowel syndrome are the most common diagnoses under this definition, other conditions that may be characterized similarly include other chronic musculoskeletal pain disorders and chronic headache disorders.

By listing the first three diagnoses as examples, it is the Committees' intend to give guidance to the Secretary rather than to limit eligibility for compensation based upon other similarly described conditions that may be defined or redefined in the future. The Committees do not intent this definition to assert that the cited syndromes can be clinically or scientifically linked to Gulf War service based on current evidence, nor do they intend to include chronic multisymptom illnesses of partially understood etiology and pathophysiology such as diabetes or multiple sclerosis.

In evaluating chronic multisymptom illnesses, the Committees expect that VA will develop a schedule for rating disabilities based on severity of symptoms and the degree to which these impair a veteran's ability to obtain and retain substantially gainful employment. The ratings schedule already established by VA in section 4.88b of 38 CFR (6354) for chronic fatigue syndrome bases the degree of disability on the veteran's incapacitation rather than specific medical findings. This schedule can be used as a model for rating disabilities stemming from chronic multisymptom illnesses in general.

The compromise agreement includes a technical correction substituting a date certain of October 1, 2010, for "10 years after the last day of the fiscal year in which the National Academy of Sciences (NAS) submits the first report" as written under current law in section 1603(j) of the Persian Gulf War Veterans Act of 1998. This provision requires the Secretary to contract with the NAS for five biennial reports on Gulf War health issues. The compromise also amends sections 1117 and 1118 of title 38, United States Code, to clarify that the authority of the Secretary to determine that a disease warrants presumptive service-connection based on these NAS reports continuing through September 30, 2011.

PRESERVATION OF SERVICE CONNECTION FOR UNDIAGNOSED ILLNESSES TO PROVIDE FOR PARTICIPATION IN RESEARCH PROJECTS BY GULF WAR VETERANS

Current law

Under current law, the Secretary does not have specific authority to protect a Persian Gulf War veteran's grant of service connection for an undiagnosed illness if, as a result of participating in a medical research study, the condition is diagnosed.

House bill

Section 203 of H.R. 2540 would authorize the Secretary to protect the grant of service connection for an undiagnosed illness when a Persian Gulf War veteran participates in a VA-sponsored medical research project. The Secretary would be required to publish in the Federal Register any medical research project whose participants would be protected under this section. The Secretary's authority extends to research projects commenced before, on or after date of enactment.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 203 of the compromise agreement protects veterans participating in medical research projects sponsored by the Department from loss of service-connection if the Secretary determines that such protection is necessary for conduct of the medical research. The Secretary is required to publish in the Federal Register a list of medical research projects sponsored by the Department for which service-connection is protected under this section.

REPEAL OF THE LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT VETERANS

Current law

Subsections (b) and (c) of section 5503 of title 38, United States Code, establishes that compensation and pension benefits cannot be issued to an incompetent, institutionalized veteran with no dependents whose assets exceed five times the 100-percent compensation rate. Public Law 106-419 raised the dollar amount of the cutoff from $1,500 to its present level.

House bill

The House bills contain no comparable provision.

Senate bill

Section 209 of the Senate bill would repeal the asset limitation on payment of benefits to incompetent institutionalized veterans who have no dependents.

Compromise agreement

Section 204 of the compromise agreement follows the Senate language.

EXTENSION OF ROUND-DOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS

Current law

Under sections 1104 and 1303 of title 38, United States Code, the Secretary has the authority to round down to the next lower whole dollar amount in the computation of cost-of-living adjustments through fiscal year 2002.

House bill

The House bills contain no comparable provision.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 205 of the compromise agreement extends the Secretary's authority to round down to the next lower whole dollar amount the computation of cost-of-living adjustments through Fiscal Year 2011.

EXPANSION OF PRESUMPTIONS OF PERMANENT AND TOTAL DISABILITY FOR VETERANS APPLYING FOR NONSERVICE-CONNECTED PENSION

Current law

Under section 1502(a) of title 38, United States Codes, applicants for nonservice-connected pensions are considered to be totally and permanently disabled if they are unemployable, unable to follow a gainful occupation, or determined by the Secretary to be totally and permanently disabled. It is the Committees' understanding that VA regional office directors have been verbally instructed to implement a policy of presuming permanent and total disability for veterans who are patients in nursing homes for long-term care, or veterans determined permanently disabled by the Social Security Administration.

House bill

The House bills contain no comparable provision.

Senate bill

Section 203 of the Senate bill would presume that veterans who are in nursing homes for long-term care; are determined to be permanently disabled by the Social Security Administration (SSA); are at least 65 years old and have no current, recurring income from employment; or are unemployable as a result of a disability reasonably certain to continue throughout life, are permanently and totally disabled for purposes of nonservice-connected pension. This provision would be made retroactive to September 10, 2001.

Compromise agreement

According to information provided to the Committees, VA has recently instructed its employees to adjudicate pension claims for veterans who are patients in long-term care facilities or who have been determined to be permanently disabled by the Social Security Administration without requiring a VA determination of disability. The Committees express their strong disapproval of the verbal manner in which the policy changes concerning evaluation of disability for patients in long-term care and those determined disabled by SSA were implemented. Verbally advising VA regional office directors to implement major policy changes without issuing either formal regulations or written guidance invites misinterpretation and confusion. The Committees strongly urge the Secretary to communicate all interpretative changes to policy in writing to appropriate officials, to make such instructions available to the public, and to comply with the notice and comment requirements of the Administrative Procedures Act for all substantive rules.

Section 206(a)(1) of the compromise agreement provides specific statutory authority for the evidentiary presumption verbally communicated to regional office directors for determining the eligibility of patients in a nursing home for long-term care to be disabled for purposes of pension benefits. The compromise agreement follows the Senate language and provides for an effective date of September 17, 2001, the date VA regional offices are believed to have implemented this policy.

Section 206(a)(2) of the compromise agreement provides that persons who have been determined disabled by the Social Security Administration (SSA) will be considered disabled for purposes of pension benefits. Since the Committees believe that a SSA disability determination is an appropriate evidentiary basis for considering a veteran disabled, the compromise agreement considers a veteran disabled if SSA has made a determination of disability. The bill provides for an effective date of September 17, 2001, the date VA regional offices are believed to have implemented this policy.

Section 206(a)(3) of the compromise agreement provides that a person shall be considered disabled if the veteran is unemployable as a result of disability reasonably certain to continue throughout the life of the person. The compromise agreement follows the Senate language.

Section 206(a)(4) restates provisions currently contained in section 1502(a)(1) and (2) of current law. The compromise agreement follows the Senate language.

ELIGIBILITY OF VETERANS 65 YEARS OF AGE OR OLDER FOR VETERANS' PENSION BENEFITS

Current law

Public Law 90–77 provided that a veteran is presumed disabled for purposes of pension benefits at age 65. Public Law 101–508 revoked the Secretary's authority to presume that a veteran was disabled for purposes of pension benefits at age 65. Although the Secretary lacks statutory authority to presume disability at age 65, it is the Committees' understanding that VA regional office directors were verbally instructed to implement a policy of presuming disability for pension applicants aged 65 and older.

House bill

The House bills contain no comparable provision.

Senate bill

Section 203(a)(3) of the Senate bill would restore the presumption of disability for purposes of pension eligibility at age 65 for veterans who based on evidence available to the Secretary have no current recurring income from employment.

Compromise agreement

According to information provided to the Committees, VA has recently instructed its employees to adjudicate pension claims for veterans who are aged 65 or older and who have no wages from employment without requiring a VA determination of disability. The Committees express their strong disapproval of the Secretary's decision to ignore the requirements of Public Law 101–508 prohibiting a presumption of disability for purposes of pension eligibility at age 65 by verbally reinstating the policy. when the Secretary believes that legislation passed by Congress and enacted into law is unwise or administratively inefficient, it is the Secretary's responsibility to propose appropriate legislation to the Congress so that the problem identified can be corrected. Verbally instructing VA regional office directors to ignore statutory requirements and to presume that veterans are disabled at age 65 without authorizing legislation violates current law. The Committees expect the Secretary to advise Congress of any statutory provisions, which in the judgment of the Secretary are detrimental to caring for our Nation's veterans, and to transmit appropriate corrective legislative proposals for consideration.

Section 207 of the compromise agreement provides that a pension will be provided to wartime veterans aged 65 and older without regard to disability. These veterans must still meet the nondisability requirements of section 1521 of title 38, United States Code, such as income and net worth. In determining that benefits will be provided at age 65 without regard to employment status, the Committees noted that any veteran employed full-time and receiving at least a minimum wage would not qualify for pension based on the pension income limitation.

Nonetheless, the Committees agree that a policy of requiring proof of disability for an aged wartime veteran with incomes below the pension benefit amount involves use of scarce agency resources without a commensurate return. The Committees have determined that aged wartime veterans should be provided a needs-based pension under conditions similar to that provided for veterans of the Indian Wars and the Spanish-American War. The compromise agreement renders a wartime veteran eligible for a needs-based pension upon attaining age 65 effective September 17, 2001, the date VA regional offices are believed to have implemented a policy of providing a presumption of disability for wartime veterans aged 65 and older.

Title III—Transition and Outreach Provisions

AUTHORITY TO ESTABLISH OVERSEAS VETERANS ASSISTANCE OFFICES TO EXPAND TRANSITION ASSISTANCE

Current law

Sections 7722, 7723 and 7724 of title 38, United States Code, set forth VA's responsibilities with respect to outreach services, including outreach provided to separating servicemembers and eligible dependents. These sections do not specifically provide for the establishment and maintenance of veterans' assistance offices on military installations outside of the United States, its territorial possessions, or the Commonwealth of Puerto Rico. Through a funding arrangement with the Department of Defense, VA currently assigns representatives overseas on a rotational basis in a number of locations with large military populations.

House bill

Section 201(a) of H.R. 801 would amend section 7723(a) of title 38, United States Code, to give the Secretary specific discretionary authority to establish veterans' assistance offices on such military installations in other locations as the Secretary determines necessary. In doing so, the Secretary would be required to consult with the Secretary of Defense.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 301 of the compromise agreement follows the House language.

TIMING OF PREPARATION COUNSELING

Current law

The Departments of Defense, Veterans Affairs, and Labor assist separating servicemembers with benefits and services to facilitate a successful transition to civilian life. Currently, section 1142(a)(1) of title 10, United States code, requires that preseparation counseling begin not less than 90 days prior to discharge or release.

House bill

Section 202 of H.R. 801 would change the timing of preseparation counseling to begin as soon as possible during the 24-month period preceding an anticipated retirement and as soon as possible during the 12-month period preceding other separations, but in no event later than 90 days before the date of discharge or release. In case of an unanticipated retirement or other separation with 90 days fewer prior to separation, preseparation counseling shall begin as soon as possible within the remaining period of service. Except in the case of a servicemember who is being retired or separated for a disability, the Secretary concerned would not be permitted to provide preseparation counseling to a servicemember who is being discharged or released before the completion of that servicemember's first 180 days of active duty service.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 302 of the compromise agreement follows the House language.

IMPROVEMENT IN EDUCATION AND TRAINING OUTREACH SERVICES FOR SEPARATING SERVICEMEMBERS AND VETERANS

Current law

Section 3672(d) of title 38, United States Code, requires that the Secretary of Veterans Affairs actively promote the development of programs for purposes of section 3677 (on the job training) and section 3687 (apprenticeship or other on-job training).

House bill

Section 203 of H.R. 801 would require that State Approving Agencies (SAA), in addition to the Secretary, actively promote the development of VA programs of training on the job (including programs of apprenticeship) under chapter 36 of title 38, United States Code. Section 203 would also require SAAs, in conjunction with outreach services furnished by the Secretary for education and training benefits under chapter 77 of title 38, United States Code, to conduct programs and provide outreach services to eligible persons and veterans about education and training benefits available under applicable Federal and State law.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 303 of the compromise agreement follows the House language.

IMPROVEMENT OF VETERANS OUTREACH PROGRAMS

Current law

Section 7722(c) of title 38, United States Code requires the Secretary to distribute full information to eligible veterans and eligible dependents regarding all benefits and services to which they may be entitled under laws administered by the Department and may, to the extent feasible, distribute information on other governmental programs (including manpower and training programs) that the Secretary determines would be beneficial to veterans.

House bill

Section 205 of H.R. 801 would require VA, whenever a veteran or dependent first applies for any benefit (including a request for burial or related benefits or on application for life insurance proceeds), to provide information concerning all benefits and health services under programs administered by the Secretary.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 304 of the compromise agreement follows the House language with a modification that the Secretary provides the information within 3 months of the veteran or dependent making an initial contact with VA.

Title IV—Housing Matters

INCREASE OF THE VA HOME LOAN GUARANTY AMOUNT FOR CONSTRUCTION AND PURCHASE OF HOMES

Current law

Under section 3703 of title 38, United States Code, VA currently provides a guaranty of up to $50,750 on home mortgage loans issued to eligible veterans by private lenders.

House bill

The House bills contain no comparable provision.

Senate bill

Section 301 of the Senate bill would increase the maximum home mortgage loan guaranty amount to $63,175.

Compromise agreement

Section 401 of the compromise agreement would increase the maximum home mortgage loan guaranty amount to $60,000.

NATIVE AMERICAN VETERAN HOUSING LOAN PILOT PROGRAM

Current law

Section 3761 of title 38, United States Code, established a pilot program whereby the Secretary may make direct housing loans to Native American veterans to permit such veterans to purchase, construct, or improve dwellings on trust land. The pilot program expires on December 31, 2001.

Current law requires a tribe to enter into a Memorandum of Understanding (MOU) with VA before VA can make home loans to member of that tribe.

House bill

Section 404(a) of H.R. 2540 would extend to December 31, 2005, VA's direct loan program for Native American veterans living on trust lands. Section 404(b) would amend section 3762(a)(1) of title 38, United States Code, to permit VA to make a direct housing loan to a member of a Native American tribe that has entered into an MOU with another federal agency if that MOU generally conforms to the requirements of VA's program.

Senate bill

Section 302 of the Senate bill extends the Native American veterans housing loan program to December 31, 2005. It also extends the requirement of an annual report under section 3762(j) through 2006.

Compromise agreement

Section 402 of the compromise agreement follows the House language with the addition of the reporting requirement until 2006.

MODIFICATION OF LOAN ASSUMPTION NOTICE REQUIREMENT

Current law

Section 3714(d) of title 38, United States Code, requires that all VA loans and security instruments contain on the first page in letters two and one half times the size of the regular type face used in the document, a statement that the loan is not assumable without approval of VA or its authorized agent.

House bill

Section 405 of H.R. 2540 would modify the requirement in section 73714(d) of title 38, United States Code, by requiring that such notice appear conspicuously on at least one instrument (such as a VA rider) under guidelines established by VA in regulations.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 403 of the compromise agreement follows the House language.

INCREASE IN ASSISTANCE AMOUNT FOR SPECIALLY ADAPTED HOUSING

Current law

The Secretary is authorized in chapter 21 of title 38, United States Code, to assist eligible veterans in acquiring suitable housing and adaptations with special fixtures made necessary by the nature of the veterans's service-connected disability, and with the necessary land. The assistance authorized for a severely disabled veteran shall not exceed $43,000. The amount authorized for less severely disabled veterans shall not exceed $8,250.

House bill

Section 305 of H.R. 801 would increase the grant for specially adapted housing for severely disabled veterans to $48,000 and for less severely disabled veterans to $9,250.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 404 of the compromise agreement follows the House language.

EXTENSION OF OTHER HOUSING AUTHORITIES

Current law

Subsection 3702(a)(2)(E) of title 38, United States Code, authorizes VA to provide housing loan guaranties to members of the Selected Reserve through September 30, 2007; subsection 3720(h)(2) authorizes VA to issue guaranties of timely principal and interest payments on trust-issued securities backed by vendee loans through December 31, 2008; subsection 3729(b)(2) authorizes VA to charge a loan fee for VA home loan guaranties through October 1, 2008; and subsection 3732(c)(11) of title 38, United States Code, authorizes VA to apply specified procedures for liquidation sales to defaulted home loans guaranteed by VA through October 1, 2008.

House bill

The House bills contain no comparable provision.

Senate bill

Section 303(a) of the Senate bill extends VA's authority to provide housing loan guaranties to members of the Selected Reserve through September 30, 2011; section 303(b) extends VA's loan asset sale authority through December 31, 2011; section 303(c) extends the VA's authority to charge a loan fee for VA home loan guaranties through October 1, 2011; and section 303(d) extends VA's authority to apply procedures for liquidation sales to defaulted home loans guaranteed by VA through October 1, 2011.

Compromise agreement

Section 405(a) of the compromise agreement extends the housing loan guaranties to members of the Selected Reserve through September 30, 2009; sections 405(b) through (d) of the compromise agreement follows the Senate language.

Title V—Other Matters

INCREASE IN BURIAL BENEFITS

Current law

Under section 2307 of title 38, United States Code, the Secretary, upon request of the survivors of a veteran, shall pay the burial and funeral expenses incurred in connection with the death of a veteran. In the case of a veteran who dies as the result of a service-connected disability, the amount would not exceed the greater of (1) $1,500, or (2) the amount authorized to be paid under section 8134(a) of title 5, United States Code, in the case of a federal employee whose death occurs as the result of an injury sustained in the performance of duty. In the case of non-service-connected deaths, section 2302 of title 38, United States Code provides for a payment in the amount of $300 for veterans in receipt of compensation or pension. Section 2303(b) of title 38, United States Code, also authorizes the Secretary to pay a $150 plot allowance for eligible veterans buried in a state or private cemetery.

House bill

Section 301(a) of H.R. 801 would increase the burial and funeral allowance payable for service-connected deaths from $1,500 to $2,000, and for nonservice connected deaths from $300 to $500. Section 301(b) would increase the burial plot allowance from $150 to $300. Section 301(c) would require that such amounts payable under sections 2302 (funeral expenses), 2303 (plot allowance), and 2307 (death from service-connected disability) would be indexed to cost-of-living increases in benefits paid under the Social Security Act, title 42, United States Code.

Senate bill

Section 401 of the Senate bill would increase the burial benefits for service-connected deaths from $1,500 to $2,000.

Compromise agreement

Section 501 of the compromise bill would increase burial benefits for service-connected deaths from $1,500 to $2,000 effective September 11, 2001, and increase the plot allowance from $150 to $300 effective December 1, 2001.

GOVERNMENT MARKERS FOR MARKED GRAVES AT PRIVATE CEMETERIES

Current law

Section 2306 of title 38 limits the provision of headstones and grave markers by VA to the unmarked graves of veterans, or to commemorate the grave of an eligible person whose remains are unavailable. A veteran's family is permitted to obtain a private marker later. However, if a veteran's family obtains a private marker first, the VA may not furnish a headstone or grave marker.

House bill

The House bill contains no comparable provision.

Senate bill

Section 402 of S. 1088 would allow the Secretary of VA to furnish bronze markers for already privately marked graves. This section would permit the marker to be located in an appropriate place to be determined by the cemetery concerned, within the grounds of the cemetery. Eligibility for grave markers would apply to deaths occurring after the date of enactment of this provision and deaths occurring before its enactment, but after November 1, 1990, so long as the request for the marker is made within 4 years after the enactment date.

Compromise agreement

Section 502 of the compromise agreement creates a five-year program requiring the Secretary to furnish a bronze marker to those families that request a government marker for the marked grave of a veteran at a private cemetery. The Secretary is required to furnish the marker directly to the cemetery and the family is required to place the marker on the veteran's gravesite. Not later then February 1, 2006, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the use of this five-year authority to include: the rate and cost of the use of the benefit by fiscal year; an assessment if the extent to which markers are being delivered to cemeteries and placed on gravesites; and the Secretary's' recommendation for extension or repeal of the December 31, 2006, expiration date. The Committees note that the Secretary should implement this provision in a flexible manner in light of requests for grave markers predating this provision.

INCREASE IN AMOUNT OF ASSISTANCE FOR AUTOMOBILE AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS

Current law

Under section 3902(a) of title 38, United States Code, the Secretary may pay up to $8,000 (including all state, local, and other taxes) to an eligible disabled service member or veteran to purchase an automobile.

House bill

Section 304 of H.R. 801 would increase the amount of assistance for automobile grants from $8,000 to $9,000.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 503 of the compromise agreement follows the House language.

EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE

Current law

Under section 5503(f) of title 38, United States Code, VA pension paid to certain veterans receiving Medicaid-covered nursing home care is reduced to $90 per month. VA's authority to reduce the pension amount expires on September 30, 2008.

House bill

The House bills contain no comparable provision.

Senate bill

Section 210 of the Senate bill would extend through September 30, 2011, the $90 per month cap on VA pensions paid to certain veterans receiving Medicaid-covered nursing home care.

Compromise agreement

Section 504 of the compromise agreement follows the Senate language.

PROHIBITION OF VETERANS RECEIVING BENEFITS WHILE FUGITIVE FELONS

Current law

Public Law 104-193 bars fugitive felons from receiving Supplemental Security Insurance from the Social Security Administration and food stamps from the Department of Agriculture. Currently, there is no law barring veterans who are fugitive felons from receiving VA benefits.

House bill

The House bills contain no comparable provision.

Senate bill

Section 207 of the Senate bill would prohibit veterans and eligible dependents from receiving veterans benefits while a "fugitive," which is defined under this section as fleeing to avoid prosecution, or custody or confinement after conviction, for an offense, or an attempt to commit an offense, which is a felony under the laws of the place from which the veteran flees.

Compromise agreement

Section 505 of the compromise agreement substantially follows the Senate language.

LIMITATION ON PAYMENT OF COMPENSATION FOR VETERANS REMAINING INCARCERATED SINCE OCTOBER 7, 1980

Current law

Under section 5313(d) of title 38, United States Code, compensation paid to any veteran incarcerated after October 7, 1980, is reduced to a level equal to the compensation rate for a 10 percent disability with the balance allowed to be apportioned to the veteran's dependents, if any.

House bill

The House bills contain no comparable provision.

Senate bill

Section 208 of the Senate bill would apply the restrictions listed in section 5313(d) of title 38, United States Code, to veterans incarcerated before October 7, 1980. This provision would not affect any payments made prior to the enactment of this legislation.

Compromise agreement

Section 506 of the compromise agreement follows the Senate language. It is the Committees' hope that VA will receive all necessary cooperation from the state and federal prison systems in implementing this provision, such as the timely compiling of data of incarcerated veterans affected by this change in law.

ELIMINATION OF REQUIREMENT FOR PROVIDING A COPY OF NOTICE OF APPEAL TO THE SECRETARY OF VETERANS AFFAIRS

Current law

Section 7266(b) of title 38, United States Code, requires an individual appealing a decision of the Board of Veterans' Appeals to furnish the Secretary of Veterans Affairs with a copy of his or her notice of appeal to the U.S. Court of Appeals for Veterans Claims.

House bill

Section 406 of H.R. 2540 repeals section 7266(b) of title 38, United States Code.

Senate bill

The Senate bill contains no comparable provision.

Compromise agreement

Section 507 of the compromise agreement follows the House language.

INCREASE IN FISCAL YEAR LIMITATION ON THE NUMBER OF VETERANS IN PROGRAMS OF INDEPENDENT LIVING SERVICES AND ASSISTANCE

Current law

Under section 3120 of title 38, United States Code, VA's Vocational Rehabilitation and Employment Service maintains an independent living program designed to assist service-disabled veterans, who are to disabled to retrain for employment, in achieving and maintaining defined independent living outcomes. Subsection 3120(e) of this title limits participation in this program to no more than 500 veteran participants per fiscal year. Despite this limitation, VA has been providing services to approximately 2,400 veterans per year.

House bill

The House bills contain no comparable provision.

Senate bill

Section 501 of the Senate bill would eliminate the 500-veteran cap for participants of the independent living program, and would retain first priority to veterans for whom there is a reasonable feasibility of achieving a vocational goal but for their service-connected condition.

Compromise agreement

Section 508 of the compromise agreement would increase the maximum number of veterans allowed to participate in the VA independent living program to 2,500, and would retain first priority to veterans for whom there is a reasonable feasibility of achieving a vocational goal but for their service-connected condition.

While the Committees acknowledge the value of this program, the Committees strongly disapprove of VA's apparent decision to ignore the limitations in current law. When a limitation contains in current law proves detrimental to veterans, the Committees expect that the Secretary will not proceed to ignore the law, but rather to present the Congress with appropriate corrective legislation. In the event that the number currently authorized proves to be insufficient to meet the needs of our Nation's disabled veterans, the Committees direct the Secretary to propose appropriate legislation to Congress.

Title VI—U.S. Court of Appeals for Veterans Claims

FACILITATION OF STAGGERED TERMS OF JUDGES THROUGH TEMPORARY EXPANSION OF THE COURT

Current law

Section 7253 of title 38, United States Code, requires that the U.S. Court of Appeals for

Veterans Claims (CAVC) shall be composed of no more than seven judges and one shall be chief judge. After the Court's establishment in 1988, the initial seven judges were appointed within 16 months of one another. A new judge was appointed in 1997 to fill a vacancy created by the death of one of the originally appointed judges. The chief judge retired in 2000, and his seat has not yet been filled. By 2005, the terms of five of the remaining judges will have ended. This will likely leave four simultaneously vacant seats by 2005.

House bill

The House bills contain no comparable provision.

Senate bill

Section 601 of the Senate bill would temporarily expand the membership of the CAVC by two seats until August 2005 in order to bridge the retirement of the original judges.

Compromise agreement

Section 601 of the compromise agreement follows the Senate language.

REPEAL OF REQUIREMENT FOR WRITTEN NOTICE REGARDING ACCEPTANCE OF RE-APPOINTMENT AS CONDITION TO RETIREMENT FROM THE COURT

Current law

Section 7296(b)(2) of title 38, United States Code, requires a judge who has not been reappointed following the expiration of his or her appointed term, before that judge is 65 years old, as a precondition to retirement, to advise the President, in writing, that the judge is willing to accept reappointment.

House bill

The House bills contain no comparable provision.

Senate bill

Section 602 of the Senate bill would repeal the requirement that a judge provide written notice indicating willingness to accept reappointment as a precondition to retirement from the CAVC.

Compromise agreement

Section 602 of the compromise agreement follows the Senate language.

TERMINATION OF NOTICE OF DISAGREEMENT AS JURISDICTIONAL REQUIREMENT FOR THE COURT

Current law

Under section 402 of the Veterans' Judicial Review Act (Public Law 100-687; 38 U.S.C. §7251 note) (VJRA), a Notice of Disagreement (NOD) must have been filed on or after November 18, 1988, in order to establish jurisdiction necessary for the CAVC to review a claimant's case. Section 403 of the VJRA (102 Stat. 4122; 38 U.S.C. §5904 note) limits the payment of attorney fees to cases in which a post-November 17, 1988, NOD has been filed.

House bill

The House bills contain no comparable provision.

Senate bill

Section 603(a) of the Senate bill would eliminate the post-November 17, 1988, NOD as a prerequisite to jurisdiction at the CAVC. It would not affect the requirement of a NOD to trigger appeal within VA of a decision nor any other prerequisite to review at the Court. Section 603(b) of the Senate bill would similarly eliminate the limitation on payment of attorney fees to those cases in which a post-November 17, 1988, NOD has been filed.

Compromise agreement

Section 603 of the compromise agreement follows the Senate language.

REGISTRATION FEES

Current law

Section 7285 of title 38, United States Code, provides that the CAVC may impose periodic registration fees on persons admitted to practice before the Court. These fees may be used for purposes of hiring independent counsel to pursue disciplinary matters and defraying administrative costs for the implementation of the standards of proficiency prescribed for practice before the Court.

House bill

Section 301(a) of H.R. 2540 would authorize the Court to collect registration fees for persons participating in a judicial conference or other Court-sponsored activities where appropriate.

Section 301(b) of H.R. 2540 would amend section 7285(b) of title 38, United States Code, to add that registration fees paid to the Court may also be used generally in connection with practitioner disciplinary proceedings and in support of certain bench-and-bar veterans' law educational activities.

Senate bill

Section 604 of the Senate bill contains a comparable provision.

Compromise agreement

Section 604 of the compromise agreement follows the House language.

ADMINISTRATIVE AUTHORITIES

Current law

The CAVC, established by Congress under Article I of the United States Constitution to exercise judicial power, has unusual status as an independent tribunal that does not have the same general administrative authority as courts established under Article III of the Constitution. Because of its status, the Court does not have available to it certain general authorities that would normally be available were it part of the executive branch or another administrative structure.

House bill

Section 302 of H.R. 2540 would add a new section 7287 to title 38, United States Code, to make available to the Court generally the same management, administrative, and expenditure authorities that are available to Article III courts of the United States.

Senate bill

Section 605 of the Senate bill contains a comparable provision.

Compromise agreement

Section 605 of the compromise agreement follows the House language.

LEGISLATIVE PROVISIONS NOT ADOPTED

AUTHORITY FOR ACCELERATED PAYMENTS OF BASIC EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL

Current law

Section 3014 of title 38 provides that the basic educational benefit available under the Montgomery GI Bill be disbursed in up to 36 monthly installments. Benefits are provided for each month in which the MGIB participant is certified to be participating in a course of study. If requested by a veteran, section 3680(d)(2) of title 38 allows for an advance payment of educational assistance in an amount equivalent to the allowance for the month, or fraction thereof, in which pursuit of an education program will commence, plus the allowance for the succeeding month.

House bill

The House bills contain no comparable provision.

Senate bill

Section 102 of the Senate bill would allow Montgomery GI Bill participants to receive their otherwise monthly payment as an accelerated lump-sum payment for the month in which a course of study begins, plus up to 4 months worth of educational assistance allowance. In the case of a term, quarter, or semester, the accelerated lump-sum payment would equal the amount of the aggregate monthly educational assistance allowance for the entire term, quarter, or semester.

PRESUMPTIVE PERIOD FOR UNDIAGNOSED ILLNESSES

Current law

Section 1117(b) of title 38 United States Code authorizes the Secretary to extend the period of presumption of service connection for Persian Gulf War veterans disabled by undiagnosed illnesses by regulation. On October 12, 2001, the Secretary published a regulation extending the presumptive period through December 31, 2006.

House bill

Section 204 of H.R. 2540 extends the presumptive period for undiagnosed illnesses to December 31, 2003.

Senate bill

Section 202(a) of the Senate bill extended the presumptive period for undiagnosed illnesses to December 31, 2011, or such later date as the Secretary may prescribe by regulation.

REVISION OF RULES WITH RESPECT TO NET WORTH LIMITATION FOR ELIGIBILITY FOR PENSIONS FOR VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED FROM A NONSERVICE-CONNECTED DISABILITY

Current law

The VA Pension Program at chapter 15 of title 38, United States Code, provides financial assistance based upon need to veterans who have had at least 90 days of military service, including at least one day of wartime service, and who are totally and permanently disabled for employment purposes as a result of disability not related to their military service. In determining eligibility for pension benefits, VA is required to consider not only the family income, but also the family's "net worth." The value of farm and ranch land is included in determining net worth unless VA determines that land can be sold at "no substantial sacrifice," section 3.275 of chapter 38, Code of Federal Regulations.

House bill

Section 306 of H.R. 801 would revise the rule with respect to net worth limitation for VA's means-tested pension program by excluding the value of property used for farming, ranching, or similar agricultural purposes.

Senate bill

The Senate bill contains no comparable provision.

MODIFICATION OF THE TIME LIMITATION FOR RECEIPT OF CLAIM INFORMATION

Current law

Under section 5103(b) of title 38 there exists a one-year time limit, following notification by the Secretary, on the receipt of information and evidence necessary to substantiate a claim for benefits based on an already complete or substantially complete application. Public Law 106-475 established this time limitation and eliminated an identical limitation on the receipt of information and evidence necessary to complete an application for benefits.

House bill

The House bills contain no comparable provision.

Senate bill

Section 205 of the Senate bill would restore the one-year time limit on the receipt of information or evidence necessary to complete an application following notification by the Secretary. It would also eliminate the existing one-year time limit on information or evidence necessary to substantiate a claim based on a completed or substantially complete application.

MODIFICATION OF THE EFFECTIVE DATE OF CHANGE IN RECURRING INCOME FOR PENSION PURPOSES

Current law

Section 5112(b)(4) of title 38, United States code, requires VA pensions be reduced or discontinued effective the first day of the month following the month in which the pensioner's net income is reported to have increased.

House bill

The House bills contain no comparable provision.

Senate bill

Section 206 of the Senate bill would modify the effective date of reduction or discontinuation of compensation or pension by reason of a change in recurring income to the first day of the year following the year in which the pensioner's net income is reported to have changed.

PAYMENT OF INSURANCE PROCEEDS TO AN ALTERNATE BENEFICIARY WHEN FIRST BENEFICIARY CANNOT BE IDENTIFIED

Current law

Under chapter 19 of title 38, United States Code, there is no time limitation for a first-named beneficiary of a National Service Life Insurance (NSLI) or a United States Government Life Insurance (USGLI) policy to file a claim for proceeds. As a result, when the insured dies and the beneficiary does not file a claim, VA is required to hold the unclaimed funds indefinitely in order to honor any possible future claims by that beneficiary. VA is not permitted to pay the proceeds to an alternate beneficiary unless VA can determine that the first beneficiary predeceased the policyholder.

House bill

Section 401 of H.R. 2540 would grant the Secretary of Veterans Affairs the authority to authorize payment of NSLI or USGLI proceeds to an alternate beneficiary when the proceeds have not been claimed by the first-named beneficiary within three years following the death of the policyholder. If no beneficiary has filed a claim within five years of the veteran's death, benefits could be paid to such person as the Secretary determines is equitably entitled to the proceeds of the policy.

Senate bill

The Senate bill contains no comparable provision.

EXTENSION OF COPAYMENT REQUIREMENT FOR OUTPATIENT PRESCRIPTION MEDICATIONS

Current law

Section 1722A(c) of title 38, United States Code, furnishes the Secretary the authority, through September 30, 2002, to require a copayment of $2 for each 30-day supply of medication VA furnishes a veteran on an outpatient basis for the treatment of a nonservice connected disability or condition.

House bill Section 402 of H.R. 2540 would extend until September 30, 2006, the authority of the Secretary to require a $2 copayment for each 30-day supply of medication.

Senate bill

The Senate bill contains no comparable provision.

DEPARTMENT OF VETERANS AFFAIRS HEALTH SERVICES IMPROVEMENT FUND MADE SUBJECT TO APPROPRIATIONS

House bill

Section 403 of H.R. 2540 would amend section 1729B of title 38, United States Code, by making the availability of funds in the VA's Health Services Improvement Fund subject to the provisions of appropriations acts effective October 1, 2001.

Senate bill

The Senate bill contains no comparable provision.

PILOT PROGRAM FOR EXPANSION OF TOLL-FREE TELEPHONE ACCESS TO VETERANS SERVICE REPRESENTATIVES

Current law

VA provides various toll-free automated telephone response systems for veterans to furnish them information on VA benefits and services.

House bill

Section 407 of H.R. 2540 would establish a two-year nationwide pilot program to test the benefit and cost effectiveness of expanding current access to VA veterans service representatives through a toll-free telephone number. Under the pilot program, the Secretary would be required to expand the available hours of such access to veterans service representatives to not less than twelve hours on each regular business day across U.S. time zones and not less than six hours on Saturday. The pilot would also require that such service representatives have available to them information about veterans benefits provided by all other federal departments and agencies, and state governments.

Senate bill

The Senate bill contains no comparable provision.

CODIFICATION OF RECURRING PROVISIONS IN ANNUAL DEPARTMENT OF VETERANS AFFAIRS APPROPRIATIONS ACTS

Current law

Each year the Congress appropriates funds to the Department of Veterans Affairs as part of the Departments of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act. Although the amount of the appropriations varies from year to year, the purposes for which appropriations are made are generally fixed, and change little, if any, from year to year.

House bill

Section 409 of H.R. 2540 would codify recurring provisions in annual Department of Veterans Affairs Appropriations Acts.

Senate bill

The Senate bill contains no comparable provision.

ORDERS FOR FRIDAY, DECEMBER 14, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., Friday, December 14; that immediately following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, there will be no rollcall votes tomorrow. The next rollcall votes will occur on Tuesday, December 18, at approximately 11 a.m.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:08 p.m., adjourned until Friday, December 14, 2001, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate December 13, 2001:

DEPARTMENT OF TRANSPORTATION

JOHN MAGAW, OF MARYLAND, TO BE UNDER SECRETARY OF TRANSPORTATION FOR SECURITY FOR A TERM OF FIVE YEARS. (NEW POSITION)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROBERT B. HOLLAND, III, OF TEXAS, TO BE UNITED STATES ALTERNATE EXECUTIVE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF TWO YEARS, VICE MICHAEL MAREK, TERM EXPIRED.

EXECUTIVE OFFICE OF THE PRESIDENT

ANDREA G. BARTHWELL, OF ILLINOIS, TO BE DEPUTY DIRECTOR FOR DEMAND REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY, VICE FRED W. GARCIA, RESIGNED.

DEPARTMENT OF JUSTICE

NEHEMIAH FLOWERS, OF MISSISSIPPI, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF MISSISSIPPI FOR THE TERM OF FOUR YEARS, VICE EISENHOWER DURR.

ARTHUR JEFFREY HEDDEN, OF TENNESSEE, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF TENNESSEE, FOR THE TERM OF FOUR YEARS, VICE JOSEPH CLYDE FOWLER, JR.

DAVID GLENN JOLLEY, OF TENNESSEE, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF TENNESSEE FOR THE TERM OF FOUR YEARS, VICE WESLEY JOE WOOD.

DENNIS CLUFF MERRILL, OF OREGON, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF OREGON FOR THE TERM OF FOUR YEARS, VICE REGINALD B. MADSEN, RESIGNED.

MICHAEL WADE ROACH, OF OKLAHOMA, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS, VICE PATRICK J. WILKERSON.

ERIC EUGENE ROBERTSON, OF WASHINGTON, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF WASHINGTON FOR THE TERM OF FOUR YEARS, VICE ROSA MARIA MELENDEZ, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 13, 2001:

THE JUDICIARY

WILLIAM P. JOHNSON, OF NEW MEXICO, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF NEW MEXICO.

FREDERICK J. MARTONE, OF ARIZONA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF ARIZONA.

CLAY D. LAND, OF GEORGIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF GEORGIA.

HOUSE OF REPRESENTATIVES—*Thursday, December 13, 2001*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. GUTKNECHT).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 13, 2001.

I hereby appoint the Honorable GIL GUTKNECHT to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Represenatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God of the ancient covenant with Abraham, be with us now.

You spoke to the man of faith and broke the silence of human history. You said to Abraham:

"I am God Almighty. Live always in my presence and be perfect, so that I may set my covenant between myself and you and multiply your descendants."

As God Almighty, in personal relationship with the human family, You become the God of the living, the God of our father Abraham, Isaac, Jacob, and their descendants in faith.

Because of this relationship with You, people even to this day stay in dialogue with You. By prayer, living in Your presence, and daily efforts to being faithful to Your covenant, Your people themselves change. Although You the Almighty do not change, You perfect Your people of faith according to Your design, Your call, and Your purpose.

Renew today Your covenant with Your people. Make of us a people of promise and hope, a people bound to be faithful to their commitments, a people who respect all the living. As descendants of Abrahamic faith, believing in a living God, may all Your people come together in peace through justice and compassion, both now and forever.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Pennsylvania (Mr. GEKAS) come forward and lead the House in the Pledge of Allegiance.

Mr. GEKAS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain ten 1-minute speeches on each side.

LACK OF PERFORMANCE IS REFLECTED IN OUTCOME

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, we are here on December 13 in our Nation's Capitol awaiting some progress from the other Chamber. The economy is in trouble. Joblessness is increasing. Unemployment and layoffs are occurring around our Nation. It seems like on the other end of this hallway they are tone deaf to the problems facing average Americans.

The House passed an economic stimulus bill, the President has a blueprint for an economic stimulus bill, and somewhere over on the other side of this wonderful, majestic building are people that do not get it. They do not understand the pain and anguish of Americans who are suffering. They do not recognize as we head into the holidays that people need some hope in the economy and the stock market needs a little boost.

Now, I pray over the next couple of days that they find their direction and find their way to assist average Americans in making a more secure future for themselves and their families. They can leave this Capitol without doing anything, and they will be the do-nothing other body. I am trying to avoid using the term, because I do not want to be admonished by the Chair. But I think most Americans are disgusted by their lack of performance, and it will be reflected.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair must admonish the Member that it is a violation of House rules to speak disparagingly about Members of other body.

HAPPY 70TH BIRTHDAY TO MITZIE WILSON, A PILLAR OF THE COMMUNITY

(Mr. MASCARA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MASCARA. Mr. Speaker I rise today to pay tribute to Mitzie Wilson, an outstanding American, friend and neighbor from Charleroi, Pennsylvania, my hometown. She, her husband, Don, and her son, Glenn, are considered pillars of the community. She will celebrate her 70th birthday on January 17, 2002. We wish her a happy birthday and many more to come.

While many of us in Congress talk about the importance of family values, Mitzie and her family serve as a model that every American should emulate. They are the first to offer to take neighbors for doctor visits, pick up prescriptions at a drugstore, and shovel walks for elderly neighbors. As if that were not enough, her son is a volunteer firefighter in Charleroi, Pennsylvania. Mrs. Mascara and I have been the recipients of their kind acts.

Finally, Mitzie served our country as a member of the Air Forces, United States Air Force serving in Guam. Happy birthday, Mitzie. We are proud to know you and to be considered your friend.

TERRORISM IN INDONESIA MUST BE ADDRESSED AS PART OF WAR ON TERRORISM

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, I rise today out of concern over the serious internal terrorist attacks occurring in Indonesia.

A terrorist extremist group, Laskar Jihad, led by a man by the name of Jafar Umar Thalib, has caused tremendous destruction, death, and internal displacement of the Indonesian people. In Poso, Central Sulawesi, villagers are presently fleeing in terror as Laskar Jihad attacks and burns their homes and kills innocent people.

Credible reports in the news media have revealed links because the Laskar Jihad and the al Qaeda organization. During the attacks in Poso, foreigners

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

from countries like Pakistan and Afghanistan have been seen among the terrorists. There is not only a strong ideological link, but also an important financial link between al Qaeda and Laskar Jihad.

Mr. Speaker, it is vital that we work proactively with the Indonesian Government as their officials seek to appropriately respond to terrorism and as they continue to establish democracy and stability in their Nation.

This is another front in the international war on terrorism that should be addressed.

BIN LADEN CANNOT HIDE MUCH LONGER

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Osama bin Laden is holed up in Tora Bora. Reports say that bin Laden is near the precipice of his great demise. The cornerstone of his condominium is crumbling, and they predict he will fall.

Think about it. Bin Laden was always one who was flexing his muscles, strutting his stuff, scaring people to death.

Beam me up. I now officially deem bin Laden as "bin hiden." This gutless coward from Tora Bora has no balsam, period.

I yield back with a famous quote of Mohammed Ali. Bin Laden can run, but bin Laden cannot hide much longer.

STAFF DESERVE RESPECT AND APPRECIATION

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, the Bible tells us that the testing of our faith develops perseverance, and perseverance must finish its work that we might be mature, complete, not lacking in anything.

At this hour, Mr. Speaker, as every day since the emergency adjournment of the Congress on October 17., my Washington staff labors on card tables and folding chairs in the relative obscurity of a Rayburn office building banquet hall. These dedicated young people have been exiled from our Washington office ever since we learned that trace elements of anthrax were discovered there; and they have been laboring, Mr. Speaker, with astonishing integrity and astonishing commitment and dedication to the thousands of people we serve across east central Indiana. Bill Smith, Ron Arnold, Jennifer Marsh, Patrick Wilson, Stephen Piepgrass, Ryan Fisher, Andrew Kincaid, Chris Kiefer, and Mary Breeding all deserve recognition for their patient endurance in the trial of serving and especially for their patience in putting up with me.

When I asked each one of them whether or not they might talk with their parents about a better place to work after 9-11 and even after the anthrax scare, I told them there was only one family that had to be in Washington, D.C. to serve the people in this district and that was mine; and to their undying credit, every one of them stayed. They labor at this very hour on behalf of the people of the second district, and they deserve our respect and appreciation.

THE LOCAL LAW ENFORCEMENT HATE CRIMES PREVENTION ACT

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise today to urge the Republican leadership to bring the bill of the gentleman from Michigan (Mr. CONYERS), H.R. 1343, the Local Law Enforcement Hate Crimes Prevention Act, to the House floor before we leave next week.

Communities across the Nation, including Marin and Sonoma Counties, where I work and that I am privileged to represent, are horrified by the brutal crimes committed against innocent Sikhs, Arabs, Indians, and people of Muslim faith. Our children are watching in horror as their moms, their dads, brothers, sisters and close friends are being harassed, spit on, beaten, and, even worse, killed.

These hate crimes are happening in their neighborhoods, their schools, and their places of worship. Does this Congress want to stand by and let our children be subjected to this kind of hate, or will the 107th Congress recognize the problem at hand and take the action necessary to reverse this trend by bringing H.R. 1343 forward?

Mr. Speaker, we must past this bipartisan bill now.

LACK OF ACTION IS DISAPPOINTING

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYUN of Kansas. Mr. Speaker, in the aftermath of the September 11 attacks, we saw our Nation unite as never before. For a time this unity exhibited itself in Washington in a refreshing spirit of bipartisanship.

Unfortunately, today while the American people remain united behind the war, some in the other body are united behind the majority leader in their desire to obstruct certain important pieces of legislation. Here in the House we passed an economic stimulus package, a ban on human cloning, a faith-based bill, an energy bill, just to name a few. What action has the other body taken on these items in response? Absolutely none.

To borrow a word from the majority leader in the other body, this lack of action is disappointing.

All of us in Congress are sent here to get a job done. The leader of the other body should not be allowed to single-handedly derail the people's business.

Mr. Speaker, I urge the people on the other side of the Capitol to put business over politics and allow votes on these important bills.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Once again, the Chair will admonish Members not to characterize the action or inaction of the other body.

PROTECTING OUR NEIGHBORS

(Mr. INSLEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INSLEE. Mr. Speaker, one of the real bright spots following September 11 in this country has been the number of times that Americans have stood up for tolerance and against hate. Last weekend I was at the Northgate Mosque north of Seattle to visit a mosque where people had actually tried to burn down the mosque. When I got there, there were four people standing out in front of the mosque waiving at people driving by, and I asked folks in the mosque what those folks were doing. They said that they were a neighborhood watch guard that had been established by the neighbors of the mosque, none of whom were Muslim, of the Muslim faith, to guard the mosque.

I think there has been a lot of good sides that we have shown the world of protecting our neighbors in this regard.

□ 1015

Now the U.S. Congress ought to do its part and pass the Local Law Enforcement Hate Crimes Prevention Act so that we can help local law enforcement help the folks in these neighborhoods protect those who are the subject of hate.

That is the American message, and I think it would be a good holiday statement by the U.S. House of Representatives.

LIFE LION 15TH ANNIVERSARY

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, Hershey, Pennsylvania, of course, is known throughout the world as the chocolate capital of the world, but there is another institution in Hershey which also is well known and well accepted in the larger community. That is the Penn State Hershey Medical Center.

One of the fantastic services they provide is what is called the Life Lion, L-I-O-N, Life Lion service of helicopter emergency retrieval of accident victims and emergency victims of all types for transportation to the Medical Center, or for transportation from the medical center to another institution that is more specialized in the kind of medical services required. This helicopter unit is made up of a pilot, a paramedic, and a flight nurse, and is nonstop throughout all the days and all the weeks of the year.

What is important for us, and why I bring it to Members' attention here today, is that this has been serving as a model throughout the Nation for similar types of services, and today they are celebrating 15 years of excellent service to the community.

H.R. 1343, LOCAL LAW ENFORCEMENT HATE CRIMES PREVENTION ACT OF 2001

(Ms. DEGETTE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DEGETTE. Mr. Speaker, earlier this year a young man in Colorado was brutally beaten and left for dead in southwestern Colorado because he was transgendered and openly gay. His attacker left him in the cold night to die alone, and his body was later found in the advanced stages of decomposition with a broken skull and a slash on his abdomen.

Despite the fact that the attacker later bragged about "killing a fag," the crime has yet to be declared a hate crime, and local prosecutors are without resources to fully investigate the crime.

That is why I rise today to call upon the House to pass H.R. 1343, the Hate Crimes Prevention Act. This bill would provide Federal financial and technical assistance to State and local governments to prosecute these horrifying hate crimes and would allow the Federal Government to prosecute crimes where State or local authorities refuse to act.

Congress must pass H.R. 1343 to bring justice for this young man's death and the many hate crimes throughout America.

RECOGNIZING MAJOR JAMES HENSIEN OF THE UNITED STATES MARINE CORPS

(Mrs. JO ANN DAVIS of Virginia asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I rise today to recognize Major James Hensien of the United States Marine Corps, who has spent the past year working in my office as Marine Corps Fellow.

As part of the fellowship program, Major Hensien has exemplified the impeccable characteristics that one would expect from an officer of the United States Marines.

Major Hensien has played a key role in my office, advising me on military affairs, both nationally and within my Virginia district.

As Major Hensien's 1-year fellowship comes to a close, I would be doing our Nation a disservice if I failed to recognize Major Hensien and the Marine Corps Fellowship Program for the outstanding service and contributions they have given to Congress and America.

I would like to thank Major Hensien for his service this past year and extend my compliments to the United States Marine Corps Fellowship Program for their continued pursuit of excellence. Major Hensien is a credit to the Marine Corps, and an example of the quality of our men and women in uniform.

Once again, I would like to thank Major Hensien for his service and wish him God speed in all of his future endeavors.

HATE CRIME PREVENTION

(Ms. SOLIS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SOLIS. Mr. Speaker, today I rise again to support the Local Law Enforcement Hate Crimes Prevention Act of 2001, introduced by my good friend, the gentleman from Michigan (Mr. CONYERS). The act promotes a strict enforcement of hate crimes, providing Federal assistance to States and local jurisdictions to prosecute these cowardly crimes.

In my own district, in the city of Azusa, we have experienced several hate crimes. In fact, in 1999, 11 hate crimes were reported, Latinos fighting with African Americans. Unfortunately, in this past year, Azusa has already experienced nine hate crimes alone, and those were the only ones that were reported. What about the ones that were not reported?

Earlier this month, a Molotov cocktail was maliciously thrown at three different homes, African American families, and almost killed a young child. In one of these outrageous attacks, the bomb landed in the bedroom of a 6-year-old boy.

We must stand to protect our children and communities from these hateful actions. I want to be able to tell the people in my district that here in Washington, D.C. we are doing something about hate crimes. We need to empower our law enforcement and give more support to combat hate crimes.

AMERICA'S BLOOD SUPPLY READINESS MUCH IMPROVED

(Mr. FLETCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLETCHER. Mr. Speaker, I rise to draw my colleagues' attention to largely overlooked yet significant accomplishments on the homeland security front.

Before the tragic events of September 11, the United States had a blood inventory of about 2 to 3 days. Critical blood shortages often meant cancellation of elective surgery and a national vulnerability to any sudden and widespread need for blood.

Today, thanks to hundreds of thousands who have donated blood, and to the American Red Cross working tirelessly to collect it, we have tripled our supply to a 10-day national inventory of liquid red cells. This means enough blood to treat the immediate needs of 50,000 critically injured patients; and as a physician, I understand just how important that is.

However, blood is a perishable commodity, and sustaining an adequate supply will require 25,000 donations a day. That is why it is critical to our homeland health security that we encourage the national habit of giving blood twice a year.

I hope all of us will encourage our friends and family to do so by calling 1–800–GIVE LIFE.

CALLING FOR A VOTE ON H.R. 1343, LOCAL LAW ENFORCEMENT HATE CRIMES PREVENTION ACT OF 2001

(Ms. CARSON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. CARSON of Indiana. Mr. Speaker, before September's explosions of hatred, we needed hate crimes legislation to help local jurisdictions across the country deal with crimes motivated by prejudice. After, as we experienced the hate-filled behavior of some of our own people, the need is underscored.

Since then, word has come to us at home and on the Hill of wanton attacks upon Americans of Arab and Muslim descent. In my hometown, young people fueled by hatred brutally attacked a young Hoosier Air Force veteran of Thai descent, intent upon vengeance.

Hatred is a thing bad in itself. Unchecked, it is our bitter enemy. When it powers violence, its reach is extended into the realm where terror is born, multiplying its victims.

202 of us have cosponsored H.R. 1343. I implore those who control the flow of business here to let us vote, Mr. Speaker, to underscore the determination of this House that hatred has no home in our land.

IT IS TIME FOR THE SENATE MAJORITY TO ACT

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, last month, prior to Thanksgiving, the House passed the Economic Security Recovery Act. The other body has yet to act on this important legislation.

The Associated Press recently quoted the Senate majority leader as saying an economic growth bill is "not as front burner an issue" as other important business.

I beg to differ. The House has done its work. We passed a solid bill to jumpstart America's economy, create jobs, and restore consumer confidence; and that spending puts more money in the pockets of working Americans.

Mr. Speaker, President Bush has asked the Congress to get to work and get something done on this important issue. So far the leaders in the Senate majority have failed to heed the call and are refusing to act on this legislation.

To ignore the plight of millions of Americans who are hurting right now because they are unemployed is wrong and irresponsible.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GUTKNECHT). The Chair would once again admonish Members that it is a violation of House rules to disparage action or inaction by the other body.

LET US PASS A REAL ECONOMIC STIMULUS PACKAGE WHICH HELPS HARD-WORKING AMERICANS AND THEIR FAMILIES

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I could not help but join my colleagues in asking that the Local Law Enforcement Hate Crimes Prevention Act of 2001 be brought to the floor of the House immediately. There is a need for this Nation to stand up against hateful acts.

But I come this morning to speak about something that I think is overwhelming to many Americans. It is the season to be jolly, but not for all. Unemployment is at a 6-year high.

I want to join the gentleman from Kansas (Mr. MOORE) in asking for an immediate freestanding bill to help the now 8 million unemployed Americans, families like those in my district, whose only breadwinner earned $75,000. He took care of a family of eight. Now he earns zero because he has lost his job.

We need a bill now that extends unemployment insurance benefits, that provides help for health insurance coverage. We do not need the Republican large corporate tax cut of $26 billion. Let us pass a real economic stimulus package that stimulates the economy for hard-working Americans who have now lost their jobs.

Let this truly be a season to be jolly for all of the children and hard-working Americans that have made this country great.

WE MUST PRIORITIZE SPENDING TO AVOID LEAVING A BIGGER DEBT FOR OUR CHILDREN

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, this is a great opportunity for me to talk about spending because one of this body's most capable chairmen of the Committee on Appropriations, BILL YOUNG, is here before us. I see a great challenge facing us next year. With revenues down and spending for the aftermath of Sept. 11 up, it is going to be a challenge to hold the line on a budget. Increasing our debt means that we are leaving a larger mortgage to our kids and our grandkids.

With any emergency, whether a business, or a family, or a government, we should start prioritizing. The family or business would reduce unnecessary spending so as to have money for the emergency.

Here in Washington we should look at some less-important expenditures of the Federal Government or those that can be delayed. Use the money saved for the important things Congress should do to help strengthen the economy and fight the war on terror.

Mr. Speaker, I would conclude by reporting that our current debt is $5.879 trillion; our debt limit is $5.95 trillion. If we do not prioritize, we are going to be increasing our debt and leaving a greater burden for our kids.

AMERICA IS FIRING THE STARTING GUN ON A NEW ARMS RACE

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, this Administration has Arms Control Amnesia. The President has decided to unilaterally withdraw from the Anti-ballistic Missile Treaty. He and his administration do this without really fully understanding what the response from China will be.

In fact, if we decide that we are going to attempt to deploy a system, by the way, one on which we have already spent $50 billion without any real success, then there is a very high probability that there will be a dramatic increase in Chinese expenditures on their missiles that will be pointed at the United States. We have already been through that arms race for generations. It is time for us to end that race.

The ostensible justification for pulling out, however, is September 11. That event was not caused by the absence of a missile defense; it is because we did not have a policy of thinking about thoroughly the terrorist threats that could in fact jeopardize the lives of ordinary Americans.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. J. Res. 78, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2002

Mr. YOUNG of Florida. Mr. Speaker, pursuant to the previous order of the House, I call up the joint resolution (H. J. Res. 78) making further continuing appropriations for the fiscal year 2002, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 78 is as follows:

H.J. RES. 78

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 107–44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof "December 21, 2001".

The SPEAKER pro tempore. Pursuant to the order of the House of Wednesday, December 12, 2001, the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) will each control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before the House, House Joint Resolution 78, will extend the current continuing resolution until December 21, at which time we hope to have all of the appropriations bills completed and on the President's desk.

☐ 1030

Mr. Speaker, this is a noncontroversial CR. The terms and conditions of the previous continuing resolution will remain in effect. All ongoing activities will be continued at current rates, under the same terms and conditions as fiscal year 2001, with the exception of the agencies covered by the fiscal year 2002 appropriations bills that have already been enacted into law.

Nine of the fiscal year 2002 13 appropriations bills have already been signed, plus two supplemental appropriations bills. One more 2002 bill is awaiting the President's signature. That is the District of Columbia appropriations bill.

Most of the government agencies are already operating at fiscal year 2002 levels. We are prepared to present the three remaining bills, the Foreign Operations bill, the Labor-HHS bill and the Defense bill when the House reconvenes next week, and we expect those bills to be completed and ready to go through the process.

I urge the House to move the CR to the Senate and so we can get on with the rest of the business of the day.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, I certainly want to rise in support of this continuing resolution. I think the gentleman is correct. We are hoping that by a week from this coming Friday or Saturday someone will have found the off button for this Congress and will be able to actually press it and shut it down for the Christmas season. Things can always get in the way, but I hope that they do not.

As the gentleman has indicated, there are about three major impediments to our adjourning remaining. One is the Labor, Health, Education appropriation bill. We are very close to agreement on that. The second is the Defense appropriations bill, to which has been added the post-September 11 anti-terrorism supplemental. And then we have the potential for a stimulus package which could either wind up being a true stimulus to the economy or just another tax boondoggle. This committee has no control over what is produced on that score.

Let me simply say, I want to take a couple of minutes because of remarks made by previous speaker about what we face next year. I think it is useful to note that while this House has had many a fight this year, that all but one of the appropriation bills, that this House passed, passed with broad bipartisan support, and the Chairman of the committee and I, I think, have developed a very good working relationship on those bills.

I have noted with considerable frustration the fact that some people in this institution manage with spectacular frequency to aim at the wrong targets in blaming, or in trying to assess blame for the loss of the surplus or for the fact that the House has not been able to shut down.

Willie Sutton, the famous bank robber, used to say that the reason he robbed banks was that that is where the money was. The problem is that we have too many people in this institution and elsewhere, including some who make their business with a pen or a computer, there are too many people who blame the appropriations process, when, in fact, in terms of budget problems, that is where the gnats are. And as a result, we keep making the same mistakes and recreating deficits all over again.

Someone said once, I do not remember if it is my favorite philosophy, Archie the cockroach, or if it was Will Rogers, one of the two, who said that experience is that quality that enables you to recognize a mistake when you make it again, and that is what I think this Congress will go down in history as being noted for.

In 1981, this Congress passed President Reagan's budgets, and those budgets essentially quadrupled our deficits over the next few years because they separated consideration of tax matters from budget matters, and they wound up blowing a huge hole in the side of the deficit by promising very large tax cuts, which had to be paid for by borrowing a huge amount of money at the same time the defense budget was being doubled.

It took us 20 years to dig out from those deficits. We finally reached the point just 3 years ago where, I think, every American and certainly most people in this institution, if not all, took great pride in the fact that we had actually turned the corner and appeared as though we would be facing a string of surpluses. Some of us thought the size of those surpluses would be more modest than others, but nonetheless, we faced a string of surpluses, and now, this Congress, in one short year, has blown them all.

Mr. Speaker, I am inserting in the RECORD at this point an analysis prepared by the House Committee on the Budget minority staff which is entitled "What Happened to the Surpluses," and if you look at that, you will see that we started this year with huge expectations, huge surpluses for as far as the eye could see, but by the end of the year, they are gone for three reasons essentially.

THE DISSIPATION OF THE BUDGET SURPLUS, 2001

EXECUTIVE SUMMARY

1. On November 28, 2001, President Bush claimed that his Administration "brought sorely needed fiscal discipline to Washington." On the same day, OMB Director Mitchell Daniels warned the country not to expect another budget surplus until 2005—after President Bush's term of office is up. The unified budget surplus of $304 billion projected for FY 2002, and the cumulative surplus of $5.629 trillion projected over ten years, which this Administration inherited, are gone. Director Daniels blamed the economy and the fight against terrorism, and absolved the President's tax cuts. In fact, last June's tax cut is most responsible for wiping out the surplus, and the Republican stimulus plan, with further permanent tax cuts, would only dig the hole deeper.

2. The Republican tax cut contributed more than half—54.7 percent—of this worsening of the surplus, based on the bipartisan, bicameral estimates of the Budget Committee staffs.

3. The worsening of the economy, which began well before September 11, has had a significant impact in the near term (2001 to 2003). But, beyond those next few years, the effect of the economy fades as recovery takes hold. The role of increased spending—to counter terrorism and to address other priorities—is not significant.

4. On net, virtually all of today's estimated cumulative ten-year surplus of $2.604 trillion comes from the Social Security Trust Fund surplus, and is concentrated in the future years, where the outlook is most uncertain.

5. These events and estimates prove even more that the tax cut was irresponsible. It made the budget more vulnerable to unforeseen crises, economic misfortune, and ultimately the burdens of the baby boomers' retirement.

> . . . we brought sorely needed fiscal discipline to Washington, D.C. . . . we fought for and got a budget that was realistic, that didn't grow way beyond the means of our government.—President George Bush, November 28, 2001.

> . . . it is regrettably my conclusion that we are unlikely to return to balance in the federal accounts before possibly fiscal '05.—OMB Director Mitchell Daniels, November 28, 2001.

OMB Director Mitchell Daniels has warned the country not to expect another budget surplus until 2005—after President George Bush's term of office is up. Director Daniels blamed the economy and the fight against terrorism; he absolved the President's tax cuts. In fact, the Administration advocates further permanent tax cuts in its economic stimulus plan. The Administration's June tax cut wiped out most of the surplus and now they want to dig the hole deeper.

From May to October of this year—a period of five months—the projected 2002 unified budget surplus of $304 billion disappeared, and the ten-year projected surplus dropped from $5.629 trillion to $2.604 trillion. More bad news is sure to come with the economic and budget updates next January. Furthermore, on net, all of today's estimated cumulative ten-year surplus of $2.604 trillion comes from the Social Security and Medicare Trust Fund surpluses. What little surplus remains is concentrated in the future years, where the outlook is most uncertain.

How did this happen? Economic cycles and the terrorist attacks surely contributed. But there is no doubt that the greatest part of this fiscal injury was self-inflicted—through an excessive tax cut.

After the Congressional Budget Office (CBO) significantly increased its projections of the budget surpluses over the ten-year horizon at the beginning of this year, the Administration and Congressional Republicans proceeded to commit virtually every scrap of the projected surplus that they could to the tax cut. The Congress passed, and the President signed, a $1.346 trillion tax cut over the eleven fiscal years 2001–2011. With an additional $0.386 trillion due to increased debt service, the total budgetary hit from the tax cut comes to $1.732 trillion. Over ten years, the tax cut did leave an ostensible "reserve" of about $500 billion; but the vast bulk of that sum, 86 percent, arose in the last five years—at which time budget projections are most uncertain.

What is even more disturbing, the Congressional Republicans, supported by the White House, pursued their tax cut to the exclusion of all other priorities, including a prudent and responsible budget reserve. In his budget address to the Congress in February, the President emphasized that he would address the programmatic needs of the government, pay down the debt, "[a]nd then, when money is still left over," provide a tax cut. But on the contrary, what the White House and the congressional Republicans in fact did was to pass the tax cut first—before retiring debt, before even submitting a defense budget, before passing a farm bill, before providing Medicare prescription drug coverage, and so on. Now, well after the beginning of the next fiscal year, most of these other priorities have not been addressed, much less fulfilled, and the surplus is gone.

Subsequent developments have demonstrated clearly just how imprudent this tax cut was. First, the Administration, which had been talking down the economy since early December of 2000 to sell its tax cut, saw the economy deteriorate in a self-fulfilling prophecy. And since September 11, the economy has slumped even further, while the unavoidable costs of terror-fighting and war have mounted.

Because of the further slowing of the economy (and associated technical factors), economists of the House and Senate Budget Committee staffs have estimated, on a bipartisan basis, that the surpluses in 2002 through 2004 will be reduced by $80 billion, $56 billion, and $8 billion (exclusive of net interest) respectively. These revisions are in addition to the reestimates CBO already had made in August.

The President and the Congress have provided $40 billion in additional funding to deal with the damage and the security threats, half of which is assumed to recur in future years. Congress appropriated $5 billion in cash assistance for the airline industry, backed $15 billion in loan guarantees, and provided the airlines with relief from liability for the disaster as well. The President's $18 billion defense budget amendment to his original placeholder request has been built into the appropriations process, and further additions for defense appear inevitable. Again, on a bipartisan, bicameral basis, the staffs of the two Budget Committees have concluded that the total costs of these initiatives, plus debt service (on these programs plus the economic reestimates) will reduce the surplus by $124 billion in 2002, and by $793 billion over 2002–2011. And these estimates ignore the stimulus bill that is making its way through the Congress, and other unaddressed priorities such as the farm bill, education, expiring tax provisions, and the ballooning individual alternative minimum tax.

The President's enacted tax cut remains by far the largest single contributor to the deterioration of the budget outlook over the next ten years. Not including the stimulus bill or any other pending tax initiatives, the tax cut contributed more than half—54.7 percent—to the depletion of the surplus over the ten years 2002–2011.

The worsening of the economy (including technical reestimates) has had a significant impact in the near term (2001 to 2003 or so). Economic and technical factors dominate the figures (62.8 percent) in 2002. However, beyond those next few years, the effect of the economy fades as recovery is projected to take hold. for the last five years of the budget window, the share of the tax cut in the total worsening is over 60 percent—even assuming that all of the tax provisions will sunset at the end of 2010.

The impact of increased spending unrelated to the terrorist attack is small, averaging only 11.1 percent over the ten-year budget window. (For purposes of this analysis, all of the ten-year consequences of the President's request for $18 billion per year of additional defense spending are included in this non-terror-related category.) Clearly, the effect of terrorism on the spending side of the budget is far from certain at this time. However, the bipartisan Budget Committee estimates suggests that the cost of recent and likely imminent action will be a small piece of the overall puzzle. Estimated anti-terror spending averages 11.0 percent of the worsening of the surplus over the ten years. (The impact of spending is projected to take a small jump in 2011, if the tax cut actually sunsets at the beginning of that year.)

Although today's estimated cumulative ten-year surplus remains as large as $2.604 trillion, that figure is not comforting on closer examination. At the beginning of this year, the bipartisan goal in the Congress was to reserve the entire Social Security and Medicare Trust Fund surpluses, which were estimated in August to total $2.955 trillion ($2.551 trillion for Social Security, and $9.404 trillion for Medicare). Thus, the remaining projected unified surplus, on net over ten years, comes totally from those Trust Fund surpluses. The surplus that remains is still concentrated in future years, and even that surplus is likely to be eroded by the new economic and budget projections in January.

The deterioration of the surplus because of the weakening of the economy and the costs of resisting terrorism does not absolve the tax cut. Any future economic weakness, and any added costs for fighting terrorism will reduce the percentage of the total surplus deterioration that is directly due to the tax cut; and the reduction of that percentage might lead some to conclude that the tax cut is less at fault for the worsening budget. Taken to its extreme, this argument would say that the worse the budget gets, the less bad an idea the tax cut was.

But in a broader sense, such an argument misses a more important point: recent events prove even more that the tax cut was unwise. A central element in leadership and stewardship is to be prudent, to be prepared for adverse contingencies. It is not good stewardship to choose policies that make the budget more vulnerable—to tragedies, to economic misfortune, or ultimately to the burdens of the baby boomers' retirement.

The budget is almost certain to revert to unified deficit in 2002, and quite possibly in 2003 and 2004 as well. The direction for subsequent years is heavily dependent upon the state of the economy. But the Republican tax cut played a central role in these developments. This fact should serve as a cautionary flag to the Administration and Congressional Republicans who are now promoting a second tax cut which will dig the hole even deeper—a fact which should inform future policy choices, lest budget outcomes prove even worse.

This document demonstrates that the tax cut that passed earlier in the year contributed to more than half of the erosion of the surplus, 54.7 percent.

It points out that another significant portion was caused by the events in the aftermath of the September 11 attack on this country. And it also describes the remaining factors that led to the total disappearance of those surpluses.

Now not only are we facing the likelihood of no surpluses for the next few years, we are facing the likelihood of substantial deficits.

This Congress after they passed the first tax cut, this House again went on another binge, promising what it could not responsibly deliver, and wound up offering the largest corporations in this country more than $25 billion cumulatively in 15-year retroactive tax cuts in the form of the repeal of the corporate minimum tax. And it has gone on to similar spending binges on the tax side of the ledger. And the tragedy, in addition to the loss of the surplus, has been that those tax cuts have been primarily directed at the people who need them least; and, therefore, they are tax cuts which are likely to have the least stimulative effect on the economy.

If you provide additional unemployment compensation to people, if you help them to pay for their health insurance if they have lost their job, they will spend, they will spend that money immediately and that will stimulate the economy. But the tax cut passed earlier in the year by our majority friends in this House, when fully effective, will provide a $52,000-a-year tax cut to the wealthiest people in this country. They will not spend most of this money. They will bank it. They will pocket it. That will not stimulate the economy. And yet that is what this Congress is hell-bent on doing. They are trying to do even more in that misguided stimulus package.

So while though the Congress is doing that and while the majority leadership is doing all of that, they are objecting to efforts on the part of some of us to provide additional homeland security by providing a small $5.3 billion add-on to the budget for homeland security items as the Senate did last week. It just seems to me that that demonstrates that, in terms of protecting the country against future deficits, this House leadership has a spectacular ability to eat the hole in the doughnut, but they are not doing anything to deal with the doughnut.

So I do not know where that leaves us for next year, but it does not leave us in a very promising position. And the problem is that it will not only affect the country negatively next year, it will affect the country's economy negatively for a number of years to come.

We have seen this Congress, in 1 short year, squander the opportunity to use those surpluses, to do something with about the problems that still remain in Medicare, in Social Security, in prescription drugs, in quality education. So I think in the end, this Congress will go down in history as a Congress of missed opportunities, misplaced priorities.

I think that in the last 4 months what we have seen is an administration which has provided a very well managed war and a very poorly managed economy. I regret that dichotomy because in the end, it will come home to bite each and every working American; and that is something that simply did not have to happen.

But the gentleman from Florida (Mr. YOUNG) is correct. This resolution needs to be passed. I hope that it will be the last one that needs to be passed and that we can produce these two or three bills that remain on the docket when the Congress reassembles on Wednesday next, as I understand the plan is.

I do want to thank the gentleman. I hope this is the last time we are going to be on the floor with one of these. I do want to thank the gentleman for doing his duty. When you are the Chair of the Committee on Appropriations or, for that matter, any member of the Committee on Appropriations, it is your job to expose the entire institution to reality. Everyone can have political philosophy. Everyone can have their ideology. Everyone can have their political preferences. But in the end, numbers do not lie. Members of Congress can lie about the numbers, but the numbers themselves do not lie.

The fact is that the gentleman has tried to stick to the facts. He has been victorious sometimes and he has been overrun sometimes. And I know if his judgment were allowed to prevail, this Congress could have ended a whole lot sooner with really very minor adjustments in the overall budget, but adjustments that nonetheless would have been very important in strengthening the security of this country. And I regret on those matters that we will have to address them at a later day.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank my friend and colleague, the gentleman from Wisconsin (Mr. OBEY), the ranking member on the Committee on Appropriations because he is right. When he pointed out how well the appropriations process has worked this year, he is exactly right; and that is because we had a good working relationship. We had some differences but we worked them out. And we got, except for one bill, we got very substantial votes on the other bills and I think that is a very good sign.

We got off to a little late start this year because the President was late getting started since it took a while to decide who was going to be President. So we were fairly late in getting the detailed appropriations request from the administration. But once we got started, it has been a while ago now, but I hope the House Members will remember that we actually passed all of our appropriations bills, except 3, prior to the July 4 recess. And two of those three that we did not pass, well, actually, all 3 of them, we were very late getting the District of Columbia budget request. So that bill is usually late because we are late getting their request.

The other 2 were Labor HHS and Health and Education, and that was because H.R. 1 had not passed yet. Shortly after H.R. 1 passed, which is the Education bill, then we did pass our Labor, Health and Education bill.

□ 1045

The other was national defense, and we were asked to hold up on the national defense bill until such time as the President could send us his budget amendment. That amendment arrived about the first week of July. Shortly after we received it, we began to do some hearings on the budget amendment. Then the August recess came; and so we sat in this Capitol building on September 11 to mark up that bill in the subcommittee, and it was that morning that the terrible, tragic terrorist attacks on the United States took place. The building was evacuated, the subcommittee had to leave, and following that we had to do the supplementals; so that bill got delayed. But the bulk of our work was completed in the House prior to the July 4 recess, and Members ought to be proud of that.

There is another reason we have had to have several continuing resolutions. If Members remember, one of the biggest complaints in previous years was that at the end of the process, we lumped five or six or seven bills altogether in an omnibus bill that no one had an opportunity to really understand what was in it, and months later we found things in the omnibus bill that surprised many of us. The hue and cry went up, no more omnibus bills.

Mr. Speaker, no omnibus bill this year. All 13 appropriations bills plus two supplementals have been done as they should be done.

So we come to the end of the process and the gentleman from Wisconsin (Mr. OBEY) is correct, we both believe when the House comes back next week the final appropriations bills will be prepared to be voted on, and the House will have completed its appropriations business by next week.

I thank Members for the support and correction that they have given us on both sides of the aisle. We have worked around our differences. As the gentleman from Wisconsin (Mr. OBEY) said, we were victorious on occasion. We lost a few, but the House worked its will. That is what the House is all about, the House works its will.

We have had strong leadership from the Republican side. The Speaker of the House has been a very strong leader and very strong supporter of the appropriations process. He understood the difficulties that we faced, and understood some of the decisions we had to make. But we come to the end of the process now. I think everyone is still smiling at each other, everyone is still shaking hands after the bills are completed, so I think we end the appropriations season with a pretty good feeling, and I thank all Members for that. I particularly thank the chairmen and ranking members of the subcommittees, and I particularly thank the gentleman from Wisconsin (Mr. OBEY) as the ranking member, and I thank the members of the staff.

A lot of Members do not know this, but on so many occasions, to get an appropriations bill through the process requires many, many, many 24-hour days where the staff actually stays throughout the night. My staff is led by Jim Dyer, our clerk, and the staff of the ranking member is led by Scott Lilly. We have a good staff relationship. Some of these people work 24 hours a day on many, many days during an appropriation season. And it seems like the appropriation season goes all year long some years.

Mr. OBEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, when people here say that the staff has worked 24 hours around the clock, I think they think that is just figuratively. That is not the case. There are a number of occasions when many staffers on this committee have had to work for literally 2 to 3 days without ever having an hour of sleep. They have worked straight through. That will have to happen again if we are to finish the defense bill and the Labor-HHS bill in accordance with the schedule.

I do want to issue one warning because we have been told with respect to homeland security items, strengthening the FBI, giving greater security at the border, providing greater assistance to local public health officials in the event of an outbreak of biological or chemical attacks on this country by terrorists, we have been told do not worry, we can do that in March. There is plenty of time to do that in March. Members said that again to me yesterday.

If we look at the calendar for next year, this Congress is scheduled in January to have exactly 1 full day of session on January 24 and one-half day on January 23. The following week we will meet only after 5 p.m., and the next day there will be no votes after 2. So that is about 2 legislative days in the entire month of January.

If we look at the calendar for February, I see there are 6 full legislative days scheduled in February, and 3 other days where there will be no real action until after 6:30 in the evening. Give or take, that is about 7 working days.

In March, the same thing, about 7½ full working days. If the Congress is to seriously consider supplemental appropriations for defense and for homeland security, to expect this Congress with that few number of working days to actually get something from the President, hold hearings, produce a bill in the House, send it to the Senate, have the Senate pass it and have those differences worked out, it would be phenomenally rare if Congress were able to act that quickly. For those who say "Do not worry about any security issues remaining, we can get this done by March," I suggest to those Members to read the calendar. It is not so likely.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 10 seconds to urge Members to support this continuing resolution.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GUTKNECHT). All time for debate has expired.

The joint resolution is considered as having been read for amendment.

Pursuant to the order of the House of Wednesday, December 12, 2001, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1438, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 316 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 316

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 1438) to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

This morning, the Committee on Rules met and granted a rule providing for further consideration of S. 1438, the fiscal year 2002 Department of Defense Authorization Act. The rule waives all points of order against the conference report and against its consideration. The rule also provides that the conference report shall be considered as read.

Mr. Speaker, this rule allows us to finish up our work on the defense bill. All of us, on both sides of the aisle, recognize that we must provide for our military in this time of crisis. Indeed, the gentleman from Texas (Mr. FROST) who is managing this rule for the minority, has always been a strong advocate for our men and women in uniform.

The American people realize how important this is because we can leave nothing to chance. The primary purpose of the Federal Government is to defend our citizens, and the military is our primary source of that defense. We must act quickly to give our men and women in uniform the tools that they need to patrol our borders and to prevent terrorist attacks.

So let us pass this rule and pass the underlying defense bill. At the end of the day, we will have provided $343 billion to our Armed Forces, the largest increase in support for our military since the mid-1980s. These funds include $7 billion to fight terrorist, and at this crucial time in our history, this bill is most important.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we speak, Mr. Speaker, the brave men and women of the U.S. military are halfway around the world waging and winning the war on terrorism. Their courage and professionalism are a fitting tribute to the strength and unity of the United States of America.

At the same time, the American people have pulled together to support the war abroad, and to protect each other here at home.

Here in Congress, there is strong bipartisan support for America's Armed Forces. The history of this defense authorization bill reflects that fact. In August, the House Committee on Armed Services reported its original version on a bipartisan vote of 58–1. The full House then passed H.R. 2586 by a vote of 398–17 on September 25. I am confident that another large, bipartisan majority will pass this conference report today.

Mr. Speaker, that is because Democrats and Republicans are strongly committed to America's national defense and to the first rate military that carries it out. The security of the United States of America is not a partisan issue.

Mr. Speaker, this is a good conference report, and the gentleman from Arizona (Chairman STUMP) and the gentleman from Missouri (Mr. SKELTON), the ranking Member, deserve tremendous credit for their hard work for America's troops.

This conference report provides $7 billion to combat terrorism and defeat weapons of mass destruction, a substantial and much-needed increase. It provides for a significant military pay raise, and for substantial increases in critical readiness accounts. It strengthens research for tomorrow's weapons and equipment, while providing the weapons and equipment the U.S. military needs today.

Mr. Speaker, I am especially pleased by the substantial quality of life improvements in this bill. It includes a significant pay raise of between 5 and 10 percent for every member of the military. And to boost critical midlevel personnel retention, much of the pay raise will be directed toward junior officers.

The bill also significantly increases health benefits for servicemembers and their families, and it provides $10.5 billion, some $528 million more than the President requested, for military construction and family housing, because the men and women who defend America should not have to live and work in substandard facilities.

□ 1100

I am also pleased that this conference report continues to fund the wide range of weapons programs that ensure our military superiority throughout the world. For instance, it includes more than $2.6 billion for the initial production of 13 of the F–22 Raptor aircraft, the next-generation air dominance fighter for the Air Force. The conference report also includes $379 million for F–22 advance procurement for fiscal year 2003, and more than $865 million for research and development for this aircraft.

Additionally, Mr. Speaker, the conference report provides some $1.5 billion for continued development of the Joint Strike Fighter, the high-technology, multi-role fighter of the future for the Air Force, the Navy and the Marines. And it includes $1.3 billion for the procurement of 11 MV–22 Osprey aircraft for the Marine Corps, and $559.4 million for research and development for the Navy, Air Force and Special Operations Command versions of this vital aircraft.

Mr. Speaker, all of these aircraft are important components in our national arsenal, and moving forward on their research and production sends a clear signal that the United States has no intention of relinquishing our air superiority.

The first duty of the Congress, Mr. Speaker, is to provide for the national defense and for the men and women who protect it. This bipartisan bill does a great deal to improve military readiness and to improve the quality of life for our men and women in uniform, as well as for their families.

For that reason, I urge the adoption of this rule and of this bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is well known that Americans today have a very special challenge. With the backdrop of the loss of life on September 11, we do have the responsibility to ensure that this Nation is secure.

With that, Mr. Speaker, I do rise in support of this rule and, as well, offer my tentative support for the authorization bill. I say that because we are doing what we need to do as it relates to our military personnel. We are providing them with the necessary pay raise to provide the excellence and the remuneration that they deserve in ensuring the safety of this Nation and around the world. It is important as well that they have the necessary equipment, the necessary flight equipment and training that this legislation suggests.

Mr. Speaker, however, I believe that there are dollars expended that could be utilized in a different approach. We need dollars for homeland security, and this bill includes $8.3 billion for ballistic missile defense. There is no proof, Mr. Speaker, that this expenditure of dollars is going to make America any more secure. There is no proof that, in fact, these dollars could not be better utilized in providing dollars to our emergency first responders, our police and fire, to our public hospital system. Anthrax is still a scare in this Nation and the better direction would have been to utilize these dollars. No one has determined as to whether or not this world will enter into a nuclear war and these ballistic missile dollars will be of any value.

Additionally, I would hope that the $14 billion for nuclear weapons-related activities of the Department of Energy will be used to end nuclear proliferation. That would be the better use of those dollars.

Mr. Speaker, it would have been helpful if all of us could have had the kind of input and assessment on how these dollars should have been directed. To the personnel, I say yes. To the improvement in housing and other living conditions, yes. To the necessary equipment utilized by our military, absolutely. But to the needs of those who also confront homeland defense, we did not do them a service in this legislation.

For the very reason that we are fighting terrorism, Mr. Speaker, I believe it is necessary to support this legislation; but I hope that we will have, as the Congress continues, the opportunity to reassess the direction in which we go.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Speaker, I thank the Member for yielding me the time. I want to also thank the ranking member, the chairman of the committee, and the membership of the committee for their fine work. I think that they have, under very difficult circumstances, gone about doing the work that is important to the country and uniting the country and making sure that the country is protected.

What I am concerned about is that this House has continually stood up and voted against any additional base closure commissions. I recognize that there is the possibility of a recommittal motion which will be able to be addressed, but I also notice that there may not be any time to be able to have that discussion. I know that the House has stood firm and negotiated in very difficult circumstances to be able to make what they felt was a very important effort in this regard. But having been a part of a process in 1995 and witnessing it firsthand and also being able to watch it and participate in another instance back in 1988 in that process and then recognizing that we may not have gained the savings that were supposed to be gained, and then also at the same time recognizing that a lot of the communities that were left behind were truly left behind, there was no additional resources for environmental or community cleanup. Once the facility was closed, that was it; and we were left as communities to have to struggle with that.

I am concerned about pushing this forward, also, at the same time that we are looking at a war that we really have not got complete understanding in terms of the depth and degree of what we are up against in terms of this worldwide effort against terrorism. I appreciate the House conferees and their resistance to this motion in this element of the bill, but I also recognize that it now is in the conference report. I wanted to have an opportunity to be able to address it because I do not think at this time that it makes sense to be moving forward in this regard at the same time that we are still trying to develop the quadrennial report in terms of our defense needs and at the same time we are trying to better ascertain whether those bases are going to be needed or not needed. And I think it is at a time where we are at war and united in the war effort, we will begin engaging communities and also areas and interests to be trying to protect those bases at the same time that we are engaged in a war, which may prove to be ultimately dividing up our strength and unity that we have been able to have at this time.

I wanted to register that concern about this product. I recognize that there is an awful lot here for pay raises. Our troops need the pay raises, and I noticed that health care and other issues have been taken.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. UDALL).

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. I thank the gentleman for yielding me this time.

Mr. Speaker, I support this rule and will support the conference report. There are some things in the conference report that are not fully satisfactory to me, as is often the case with conference reports. But the conference report also includes some items that I very strongly support, and I want to speak briefly about two of them.

First, the conference report includes legislation dealing with the future of Rocky Flats, the former nuclear-weapons production facility in Colorado. Under this part of the conference report, Rocky Flats will be transferred from the Department of Energy to the Department of the Interior once it is cleaned up and closed and then will be managed as a national wildlife refuge. This builds on legislation that I first introduced in the 106th Congress to preserve this area for its open space and wildlife resources and incorporates the later bill that I developed in collaboration with Senator ALLARD. I had the privilege of serving as a House conferee on this provision, and I am very pleased that the other conferees agreed to its inclusion in the final bill.

In years past, Rocky Flats made significant contributions to our Nation's security and the economies of the local communities surrounding it. But it was always more than just an industrial site. In fact, the Colorado Natural Areas Program determined that this 6,400-acre landscape, with its prairie grasses, numerous creeks and draws and ponds, contains some of the most highly valued and rare examples of dry, upland prairie ecosystems in the country. Rocky Flats will be a most worthwhile addition to the Nation's wildlife refuge system.

Mr. Speaker, there is another important reason that the House should approve the conference report. The report includes vital funding for people covered by the Radiation Exposure Compensation Act, or RECA. The people covered by RECA include uranium miners and millers and others who worked to support the nuclear weapons program or who were exposed to its fallout. And because of that exposure, they are sick with cancers and other serious diseases. Many of them are residents of Colorado, New Mexico, Utah, and other western States.

When Congress enacted the RECA law, we promised to pay compensation for their illnesses. But we have not fully kept that promise. We have been slow to appropriate enough money to pay everyone who is entitled to be paid. As a result, too often the Department of Justice has had to send people letters saying that while they are entitled to the money Congress promised, their payments would have to wait until Congress made good on its word. I think that should not happen again.

That is why I have joined in sponsoring legislation to make these RECA payments completely automatic. The conference report does not quite do that, but it does provide mandatory funds for paying RECA claims through 2011, subject to certain limits. I do not know if the limits set in the conference report will be adequate, but it is important that we act now to reduce the chance that more people will be sent IOUs instead of the money to which they are entitled.

Mr. Speaker, for those reasons above, I urge approval of the rule and the conference report.

Mr. Speaker, I am pleased to express my support for the provision in this bill which would transfer the former Rocky Flats nuclear weapons facility in Colorado to the Interior Department for management as a national wildlife refuge once the site is cleaned up and closed.

This provision was developed through a collaborative partnership with Senator ALLARD. Together, we were able to produce a bill that we hope will stand as a model for transitioning former nuclear weapons sites across the country into productive natural assets for their surrounding communities.

In shaping this legislation, Senator ALLARD and I consulted closely with local communities, State and Federal agencies, and interested members of the public. We received a great deal of very helpful input, including many detailed reactions to and comments on related legislation that I introduced in 1999 and discussion drafts that Senator ALLARD and I circulated in 2000.

The Rocky Flats facility made some significant contributions to our nation's security and the economies of local communities. The language of this provision includes a strong acknowledgment of that history and legacy. Its mission has shifted from weapons production to cleanup, and looking toward the completion of the process I recognized a need and an opportunity for another new mission—to preserve the open spaces and wildlife habitat that has remained relatively untouched behind security fences and guard shacks.

That is why in 1999 I proposed that the site remain in federal ownership as open space. And when after that there was a suggestion of converting the site to a national wildlife refuge, I supported that approach because it was consistent with the principles of federal ownership, open space and habitat protection, and thorough, effective cleanup.

In fact, this 6,400-acre landscape, with its prairie grasses, numerous creeks and draws, and ponds is ideal wildlife habitat. As evidence of this value, the Colorado Natural Areas Program, which evaluates landscapes in Colorado for unique, threatened and critical natural resources, determined that the Rocky Flats area contains some of the most highly valued and rare examples of dry, upland prairie ecosystems in the country. This area will thus be a valued addition to the nation's wildlife refuge system and in so doing will thereby protect these resources for generations to come.

This provision contains a number of elements, which I outline in more detail below. But let me address just a couple of specific issues that have generated much discussion.

First, the National Renewable Energy Laboratory (NREL) and its National Wind Technology Center. This research facility, which is located northwest of the site, has been conducting important research on wind energy technology. As many in the region know, this area of the Front Range is subjected to strong winds that spill out over the mountains and onto the plains. This creates ideal wind conditions to test new wind power turbines. I support this research and believe that the work done at this facility can help us be more energy secure as we find ways to make wind power more productive and economical. NREL has been interested in expanding the wind power research performed on this site. To accommodate that, the legislation provides for 25 acres in the northwest section of the site to be retained by DOE for the expansion of the Center.

Second, transportation issues. Rocky Flats is located in the midst of a growing area of the Denver metropolitan region. As this area's population continues to grow, pressure is being put on the existing transportation facilities just outside the site's borders. The communities that surround the site have been considering transportation improvements in this area for a number of years—including the potential completion of a local beltway. In recognition of this, the legislation allows for some Rocky Flats land along Indiana Street (the eastern boundary of the site) to be used for this purpose under certain circumstances.

Third, the legislation requires the DOE and the Department of the Interior to develop a memorandum of understanding to help facilitate smooth transition from Rocky Flats's current status to the new status provided for by the legislation. In this regard it is important to note that the legislation requires DOE to retain any "engineered structure" that may be needed to control the release of contamination. This language in no way requires the DOE to construct any facility for the long-term storage of wastes or materials. Rather, it is expected that wastes and materials presently stored on the site or generated during cleanup and closure will be transported to safe and secure offsite locations. Hence, this language is only intended to refer to the types of structures typically used to control the release of contamination, such as ongoing operation and maintenance intercept and treatment systems that are envisioned under Superfund remediations.

Fourth, private property rights. Most of the land at Rocky Flats is owned by the federal government, but within its boundaries there are a number of pre-existing private property rights, including mineral rights, water rights, and utility rights-of-way. In response to comments from many of their owners, the legislation acknowledges the existence of there rights, preserves the rights of their owners, including rights of access, and allows the Secretaries of Energy and Interior to address access issues to continue necessary activities related to cleanup and closure of the site and proper management of its resources.

With regard to water rights, the legislation protects existing easements and allows water rights holders access to perfect and maintain their rights. With regard to mineral rights, the Secretaries of Energy and Interior, through the MOU, are directed to work together to address any potential impacts associated with these rights on the refuge. Finally, with regard to power lines and the proposal to extend a line from a high-tension line that currently crosses the site, the legislation preserves the existing rights-of-way for these lines and allows the construction of one power line from an existing line to serve the growing region northwest of Rocky Flats. The DOE is presently working with Xcel to locate the final alignment for this power line extension to the site's eastern boundary.

Fifth, the Rocky Flats Cold War Museum. The legislation authorizes the establishment of a museum to commemorate the Cold-War history of the work done at Rocky Flats. Rocky Flats has been a major facility of interest to the Denver area and the communities that surround it. Even though this facility will be cleanup and closed down, we should not forget the hard work done here, what role it played in our national security and the mixed record of its economic, environmental and social impacts. The city of Arvada has been particularly interested in this idea, and took the lead in proposing inclusion of such a provision. However, a number of other communities have expressed interest in also being considered as a possible site for the museum. Accordingly, the legislation provides that Arvada will be the location for the museum unless the Secretary of Energy, after consultation with relevant communities, decides to select a different location after consideration of all appropriate factors such as cost, potential visitation, and proximity to the Rocky Flats site.

Finally, cleanup levels. Some concerns were expressed that the establishment of Rocky Flats as a wildlife refuge could result in a less extensive or thorough cleanup of contamination from its prior mission that otherwise would occur. Of course, that is not the intention of this legislation. The legislation ensures that the cleanup is based on sound science, compliance with federal and state environmental laws and regulations, and public acceptability.

Specifically, the cleanup is tied to the levels that will be established in the Rocky Flats Cleanup Agreement (RFCA) for soil, water and other media following a public process to review and reconsider the cleanup levels in the RFCA. In this way, the public will be involved in establishing cleanup levels and the Secretary of Energy will be required to conduct a thorough cleanup based on that input.

In addition, and very importantly, the legislation specifies that the establishment of the site as a wildlife refuge cannot reduce the level of cleanup—thereby establishing that the wildlife refuge designation establishes a minimum standard for cleanup while still allowing for more extensive cleanup and removing any possibility of a lesser cleanup based on use of the lands for a wildlife refuge.

Mr. Speaker, I want to express my thanks to Senator ALLARD for his outstanding cooperation in drafting this important legislation. I am very appreciative of his contributions and those of his staff and look forward to implementing this provision.

I also want to say thank you for all the work and input of the many individuals and groups involved with Rocky Flats and with developing this refuge legislation. There are too many to mention, but I would like to specially acknowledge and thank all of the entities that comprise the Rocky Flats Coalition of Local Governments—Boulder and Jefferson Counties, and the cities of Arvada, Boulder, Broomfield, Superior and Westminster. I also want to thank the past and present members of the Rocky Flats Citizens Advisory Board. My thanks also go to the members of the Friends of the Foothills and Rachael Carson Group, the local chapter of the Sierra Club.

In the past, Rocky Flats has been off-limits to development because it was a weapons plant. That era is over—and its legacy at Rocky Flats has been very mixed, to say the least. But it has left us with the opportunity to protect and maintain the outstanding natural, cultural, and open-space resources and value of this key part of Colorado's Front Range area. This provision will accomplish that end, provide for appropriate future management of the lands, and will benefit not just the immediate area but all of Colorado and the nation as well.

Here is a brief outline of the main elements of this part of the conference report. It—

Provides that the Federally-owned lands at Rocky Flats site will remain in federal ownership; that the Lindsay Ranch homestead facilities will be preserved; that no part of Rocky Flats can be annexed by a local government; that no through roads can be built through the site; that some portion of the site can be used for transportation improvements along Indiana Street along the eastern boundary; and that 25 acres be reserved for future expansion of the National Wind Technology Center just northwest of the site.

Requires DOE and the U.S. Fish and Wildlife Service to enter into a Memorandum of Understanding within 18 months after enactment to address administrative issues and make preparations regarding the future transfer of the site to the Fish and Wildlife Service and to divide responsibilities between the agencies until the transfer occurs; provides that the cleanup funds shall not be used for these activities.

Specifies when the transfer from DOE to the Fish and Wildlife Service will occur—namely when the cleanup is completed and the site is closed as a DOE facility.

Describes the land and facilities that will be transferred to the Fish and Wildlife Service (most of the site) and the facilities that will be excluded from transfer (including any cleanup facilities or structures that the DOE must maintain and remain liable for);

Directs that the transfer will not result in any costs to the Fish and Wildlife Service.

Directs that the DOE will continue to be required to clean up the site and that in the event of any conflicts, cleanup shall take priority; maintains DOE's continuing liability for cleanup.

Requires the DOE to continue to clean up and close the site under all existing laws, regulations and agreements.

Requires that establishment of the site as a National Wildlife Refuge shall not reduce the level of cleanup required.

Requires the DOE to clean up the site to levels that are established in the Rocky Flats Cleanup Agreement as the agreement is revised based on input from the public, the regulators and the Rocky Flats Soil Action Level Oversight Panel.

Requires DOE to remain liable for any long-term cleanup obligations and requires DOE to pay for this long-term care.

Establishes the Rocky Flats site as a National Wildlife Refuge 30 days after transfer of the site to the Fish and Wildlife Service.

Provides that the refuge is to be managed in accordance with the National Wildlife Refuge System Administration Act.

Provides that the refuge's purposes are to be consistent with the National Wildlife Refuge System Administration Act, with specific reference to preserving wildlife, enhancing wildlife habitat, conserving threatened and endangered species, providing opportunities for education, scientific research and recreation.

Directs the Fish and Wildlife Service to convene a public process to develop management plans for the refuge; requires the Fish and Wildlife Service to consult with the local communities in the creation of this public process.

Provides that the public involvement process shall make recommendations to the Fish and Wildlife Service on management issues—specifically issues related to the operation of the refuge, any transportation improvements, any perimeter fences, development of a Rocky Flats museum and visitors center; requires that a report is to be submitted to Congress outlining the recommendations resulting from the public involvement process.

Recognizes the existence of other property rights on the Rocky Flats site, such as mineral rights, water rights and utility right-of-way; preserves these rights and allows the rights holders access to their rights.

Allows the DOE and the Fish and Wildlife Service to impose reasonable conditions on the access to private property rights for cleanup and refuge management purposes.

Directs the DOE and the Department of the Interior to address any potential impacts associated with mineral rights (and other property rights) on the refuge.

Allows Xcel, Colorado's public utility, to provide an extension from their high-tension line on the site to serve the area around Rocky Flats.

Authorizes the establishment of a Rocky Flats museum to commemorate the history of the site, its operations and cleanup.

Requires the DOE and the Fish and Wildlife Service to inform Congress on the costs associated with implementing this Act.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I urge all my colleagues to vote in favor of the DOD authorization bill. It includes funding for a program that helps a group of people that are near and dear to all of our hearts, our firefighters.

The DOD bill authorizes $900 million per year for the next 3 years for the Firefighter Assistance Grant program, that bill which was introduced in 1999 and passed last year with a tremendous amount of support across the aisle.

Today, we authorize this grant program at the level it should have been authorized in the first place. We are sending a message to the appropriators, letting them know how valuable we think this program really is. Just last month, we passed the VA–HUD appropriations bill which provides funding of $150 million for fiscal year 2002. It is far from the amount that I think the members of our fire services deserve and need. But it is a start. If September 11 taught us anything, it is the importance of the firefighters as first responders to the public safety equation. We had to scrape and beg to get $100 million last year in an emergency spending bill.

The leadership told us they did not believe us when we said the fire services needed this money desperately. Boy, were they wrong. Of the 32,000 fire departments in this country, over 19,000 of them applied for these grants, totaling up to $3 billion in requests. I am a bit chagrined that we are still scraping and begging the appropriators for a measly $150 million in view of the problem. But I tell you, we will take it.

Trust me, you will be hearing from all of the fire departments in your districts around the country, both career and volunteer. The odds are that all of us have a few fire departments at home that will not get a grant this year because there was not enough money. Next year, I bet we will not be begging and scraping. Next year I bet we will be a lot closer to our newly authorized funding level of $900 million, because there are few heroes in our lives, people who put their necks on the line day in and day out to keep us safe. That is what we are doing here today. We are giving back to those heroes.

□ 1115

I know our contribution to this worthy cause will continue to rise as each of you hears from your own constituents about the need for more fire personnel, more safety equipment and vehicles.

Mr. Speaker, I want to thank folks from both sides of the aisle.

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this is a good piece of legislation. This is the House of Representatives operating on a bipartisan basis at its highest level. I urge adoption of this rule and adoption of this conference report.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STUMP. Mr. Speaker, pursuant to House Resolution 316, I call up the conference report on the Senate bill (S. 1438), to authorize appropriations for the fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The SPEAKER pro tempore (Mr. GUTKNECHT). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of December 12, 2001, at page H 9333.)

The SPEAKER pro tempore. The gentleman from Arizona (Mr. STUMP) and the gentleman from Missouri (Mr. SKELTON) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona (Mr. STUMP).

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring before the House the conference report on the fiscal year 2002 Defense Authorize Act.

This legislation results from almost 2 months of intense conference activity resolving hundreds of issues in disagreement with the Senate. It is fair to say that this conference report represents the ultimate compromise, as it has something in it to disappoint virtually everyone involved.

But, that is the nature of this process. You win some, you lose some, and others you try to find a middle ground. The important point, however, is that we have been able to reach an agreement that, in the aggregate, is a good bill and deserves the support of the House.

This bill stays true to the bipartisan and bicameral goal of all conferees, protecting the welfare of our fighting men and women during this time of crisis and providing the President and Secretary of Defense the needed tools to accomplish their difficult mission.

Over the strong reservation of many House Members, including myself, we have agreed to authorize a round of base closures, but not until 2005. We have ensured that the next round of BRAC will stay focused on the overriding objective of enhancing the military posture of the United States and not blindly saving pennies or cutting political deals.

The bill also places the decision process on the thorny issue of Naval training on the island Vieques back where it belongs, in the hands of the Navy officials and out of the political realm.

This conference report also arrives at a good solution on how to proceed with the critical development of a ballistic missile defense system. The agreement provides the President with the option to spend the full amount requested on this important program.

Finally, the bill authorizes the most generous pay raise in 20 years and provides a number of other enhancements of benefits for our men and women in uniform and their families.

Mr. Speaker, at this moment, halfway around the globe, thousands of sons and daughters are engaged in a noble cause against the forces of evil and intolerance. Our job is to support them and provide them with the necessary resources and tools to successfully accomplish this task and ensure that they are safely returned to their families.

The bill provides for all of those goals, and I commend it to my colleagues for support.

Before concluding, I want to briefly express my thanks to all the conferees who have worked so hard on these issues and in particular, my friend and partner, the gentleman from Missouri (Mr. SKELTON), who has shared my firm commitment to ensuring that this bill and the interests of the troops were not sacrificed due to the political difficulties we have faced this year.

Mr. Speaker, I reserve the balance of my time.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 1438, the National Defense Authorization Act for fiscal year 2002. I will explain why in a moment, but first let me compliment my friend, the gentleman from Arizona, on the truly outstanding job he did in shaping the conference report. This is the maiden voyage of the gentleman from Arizona (Mr. STUMP) as chairman of the Committee on Armed Services, and the seas were far from smooth. Many of the issues that faced us were particularly difficult for him personally. But I applaud his leadership, and I thank him, and I recognize that the totality of the bill is more important. When our country is at war, he handled that extremely well, and let me thank him publicly for that.

Mr. Speaker, the fact that we are considering this bill today reflects the commitment of the Committee on Armed Services members that we must provide for the men and women of our military when they are sacrificing in so many ways to defend our wonderful country. They are depending on us. We cannot let them down.

Let me cite a few examples. This bill provides a pay raise of at least 5 percent for officers and 6 percent for enlisted personnel, with targeted raises up to 10 percent for some ranks. Without this bill, our troops will not get any pay raise. This bill authorizes $10.7 billion for military construction and family housing. Without this bill, badly needed improvements to the housing for our service men and women and their families will not be made. For these reasons alone, it is imperative that we pass this bill today.

Other features of the bill are just as important. For instance, the bill authorizes over $60 billion for procurement and weapons systems modernization. It includes $1 billion for chemical and biological research to ensure that our citizens may be protected against terrorist attacks in the future. The bill focuses on homeland security and authorizes $2.7 billion to train and equip local first responders to improve their ability to respond total terrorist incidents. Finally, the bill funds the operations and maintenance activities of the Department of Defense.

I am not delighted with the outcome of every issue. Far from it. But the point I would make to every Member of this House is that this legislation is vitally important. Our troops need the authorizations in this bill. They are fighting a war.

This bill makes great strides in improving America's security. It reviews the period since September 11 to enhance our military's ability to respond to the new, less-conventional threats that we face. I said 3 months ago that we have been at war for some time, and the difference after September 11 was that now everybody knows it.

Mr. Speaker, this conference report is not perfect. We spend a little less for procurement than I might like, and although we do add funds above the President's request and the provisions on missile defense, Vieques and base closure are not what I might have written on my own, the gentleman from Arizona (Chairman STUMP) and I agree that the good things in this report far outweigh the others.

This bill moves the military substantially toward new ways of fighting. It helps the Army and Marine Corps move faster, increases the Air Force's qualitative edge, and the pay raise is just the most basic part of our comprehensive improvements in quality of life for America's finest.

Now, more than any time in the last decade, it is essential that this House speak with one voice. Americans are under fire. This vote will not be seen only in Kabul and Baghdad, but Diego Garcia, Fort Irwin, Norfolk and Whiteman Air Force Base. Americans are under fire. Let us give them this support and protection they deserve.

Again, Mr. Speaker, I commend the gentleman from Arizona (Chairman STUMP) for a job well done, and I hope that everyone will vote for this bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I submit this statement today in support of S. 1438, the National Defense Authorization Act for Fiscal Year 2002. Although I could not be here today during this debate because of a death in my family, I want to say for the record that this is a good bill. It funds the priorities for the nation's military that I have championed since becoming a member of the Armed Services Committee. I want to thank Chairman STUMP and Ranking Member SKELTON for their hard work and leadership during this process.

This bill provides for a five to ten percent pay raise effective January 1, 2001 for the men and women serving in our armed forces. It provides full funding for the Air Force's critical fighter modernization programs, allowing for the procurement of 13 new F–22 fighters and providing over $1.5 billion for additional Joint Strike Fighter research and development. It also provides a $25 million increase for F-15 engine upgrades, and $30 million for F–16 engine upgrades.

It includes number of important Army helicopter modernizations, including over $800 million for the Comanche next generation helicopter, and $10 million for important helicopter engine modifications.

It provides full funding for procurement of a new *Virginia* class attack submarine, and includes over $450 million to begin conversion of 4 ballistic missile submarines to conventional weapon platforms.

I am also pleased to see my colleagues on the committee work so hard to address homeland security issues, providing nearly $7 billion for Homeland Security initiatives within the DOD and DOE. Further, I am pleased to see that the committee increased the existing firefighter grant program from $300 million to $900 million per year through 2004, and expanded the grants to include equipment and training to help firefighters respond to a terrorist or WMD attack. While this increase in funding is critical to addressing the needs of our first responders, I will continue to purse provisions of my legislation, H.R. 3161, the Municipal Preparation and Strategic Response Act, which seeks not only to increase funding in the Firefighter Assistance Program for counter-terrorism training and equipment, but also to repeal the local funding match requirements of the program.

Finally, I support the bipartisan process and the ability of members of the Committee to work so hard to find compromises that address the concerns of all members.

Mr. BLUMENAUER. Mr. Speaker, this conference report makes tremendous progress in strengthening our nations's policies in dealing with unexploded ordnance, the bombs and shells that did not go off as intended. I very much appreciate the efforts Chairman BOB STUMP and Ranking Member IKE SKELTON in raising the profile of this important issue, and including several meaningful reforms to address the problems these discarded military munitions cause communities throughout our country. Our colleagues in the Senate also made valuable contributions and I appreciate their wisdom and hard work. The sections addressing unexploded ordnance are 311, 312, and 312 in the conference report. I hope that the activity on this issue during consideration of this year's defense authorization signals potential for additional steps forward in the future.

Two of the four major provisions of the bill I have introduced, the Ordnance and Explosives Risk Management Act (H.R. 2605) have been legislated in this report. Congress has finally stepped up to the plate in the campaign to make former military sites safe. In fact, by requiring this inventory and prioritization scheme and establishing a separate account, we've rounded first, and we're on our way to second base. In the near future, I hope Congress will reinforce efforts within the Pentagon to put someone in charge of munitions response and to fund that response at a level that will address the problem over the next two decades, rather than the next two centuries. We also need to ensure that the Department of Defense, the U.S. Environmental Protection Agency, and the states are following the same regulatory framework.

It is important that another round of base closures is authorized in this conference report. However, delaying that effort until after the next two Congressional elections and the next presidential election is problematic at best. Maintaining the infrastructure of military bases left over from earlier eras when needs were different is a tremendous unnecessary cost that prevents us from making the investments needed to address today's changed security environment.

Our annual defense authorization and appropriations bills provide opporutnity to respond to changing global security conditions. This bill authorizes spending $343 billion in fiscal year 2002 on our military. In addition, there is $21 billion defense spending in the $40 billion post-September 11 supplemental and its it highly likely that we will consider at least one other supplemental in 2002. That means that throughout this fiscal year, our military spending will be at least a billion dollars a day.

It has been over three months since the tragedy of September 11. We had the chance to make adjustments in this authorization based on the new security environment. Instead, this conference report increases spending on national missile defense nearly 50 percent over last year. It also continues to fund cold war weapons systems such as the Crusader mobile howitzer designed for a war from an age long past. The Army has said it needs lightweight force that can go anywhere in under 100 hours, yet the Crusader is too heavy to carry on even our largest plane. We need a new beginning now more than ever.

Despite improvements in a few areas, I must continue my reservations about the fiscal year 2002 overall defense authorization and the direction it takes us in. I will oppose this conference report.

Mr. BENTSEN. Mr. Speaker, I rise in support of this legislation, which provides for support for U.S. troops at home and abroad who are fighting terrorism, while providing the necessary resources to improve quality of life and readiness.

Overall, this conference report provides much needed funding increases in several critical areas, including weapons procurement, research and development, military construction, operations and maintenance, and personnel. In budgetary terms, the conference reports authorizes $343 billion for U.S. defense needs, matching the President's amended request for fiscal year 2002. The conference report represents the most significant defense budget increase since the mid-1980s—which is needed to assist the men and women of our armed services in their ongoing efforts to combat terrorism. I believe this legislation establishes an appropriate foundation of budgetary resources to allow the President and Congress to pay for the war on terrorism and address many other critical needs currently facing our nation's military.

Today, as our military services are being called to conduct combat operations, we must ensure that our military remains the best-trained, best-equipped and most effective force in the world. As the same time, we must take the steps necessary to reverse recruiting and retention trends which are down throughout the military. To that end, I am pleased that this legislation provides the largest military pay raise since 1982, including a 6 percent minimum to enlisted members and 5 percent to officers. This pay raise will cut the pay gap between military and private-sector pay from 10.4 to 7.5 percent. I believe the inclusion of these much-needed provisions will improve retention of highly qualified military personnel and their families.

With respect to counter terrorism, the conference report includes $5.6 billion for DOD efforts to combat terrorism, including force protection, intelligence gathering, and anti-terrorism programs. In addition, the conference report increases the President's budget by nearly $300 million for procurement and research and development programs to assist in the war against terrorism. H.R. 2586 also includes more than $400 million to reduce the threat posed by chemical, biological and nuclear weapons under the Nunn-Lugar initiative in the former Soviet Union. With respect to homeland defense, the conference report increases the firefighter grant program from $300 million to $900 million per year through 2004, and expands the grants program to include equipment and training to assist firefighters respond to terrorist attacks or against weapons of mass destruction.

While I will vote in support of this legislation, I have concerns about two areas addressed by this measure: base closures and missile defense. With regard to base closures, I was disappointed that the Conferees included compromise language originally included in the Senate Defense Authorization bill, which would enact the first round of base closings in 2005. As someone who has consistent record of supporting cost-savings in all areas of the federal budget, I do not believe that another round of base closures should be conducted until the DOD can adequately evaluate and define its military strategy and future requirements. The most prudent course of action would be to allow the military to address its budget given the current realities, and to avoid any actions that might damage military modernization, readiness or personnel requirements.

As the BRAC process moves forward, I would also encourage the DOD to consult closely with Members of Congress and potentially affected communities before making any final decision on base closures. I recognize and applaud the DOD's commitment to reducing excess considered. The loss of a military base can be devastating for defense-dependent local economies, especially in areas where defense jobs are critically important to the economy, including many such bases in

Texas. I would also note that both the House and Senate versions of this bill were marked up prior to September 11, and prior to the onset of military campaign in Afghanistan. As such, I believe the DOD and Congress should be cautious in planning the closure of bases that will be carrying our military's mission in coming months and possibly years.

With respect to missile defense, this conference report includes a provision that authorizes funds for initial deployment of a national missile defense system in Alaska that would be barred by the 1972 ABM Treaty, from which the president has now said the United States will withdraw. While I respect the Administration's point of view on this issue, and have consistently supported research and development of a missile defense system I am concerned that the deployment of an unproven missile defense program could lead to the unraveling of the ABM treaty, which has served as a primary factor in our relations with Russia and the former Soviet Union. To unilaterally abrogate our responsibility under the ABM Treaty at this time could send the wrong message to our allies, and to our potential nuclear adversaries, including China, which has indicated that the U.S. action may lead to an arms race.

While I have concerns about these provisions, I support this Conference Report because it is an important signal that Congress speak with one voice on behalf of our armed services. On balance, the initiatives included in this bipartisan legislation are right on target, and will provide our dedicated mean and women in uniform with the necessary resources to advance our national interests with the best equipment and training available. I urge my colleagues to vote in support of this important legislation.

Mr. SHOWS. Mr. Speaker, today I am voting in favor of the Conference Report for the National Defense Authorization Act for Fiscal Year 2002, but I rise to express my grave concerns about provisions in the bill relating to base closures and military health care. Despite my reservations, I am voting for the Conference Report because we must support our military establishment at this most crucial period in our history.

However, Mr. Speaker, I am concerned that this Conference Report authorizes another round of base realignment and closures. While we are contending with homeland security, now is not the time to consider letting down our guard. It's a false economy to suggest that BRAC will save money.

In addition, closing military bases could have the unintended consequence of stripping health care away military retirees and their families. Later today we will debate the "No Child Left Behind Act" education bill. Well, in previous rounds of BRAC, we left behind thousands of military retirees and their families who received health care at military bases.

When these bases closed, they lost their military health care because their health care alternatives just didn't add up. We should be fixing this injustice, but instead we will compound this problem if we proceed with another round of BRAC without addressing the loss of health care for military veterans and their families.

Finally, Mr. Speaker, this Conference Report does not adequately address the military health care issue known as "concurrent receipt." Under current law, the retirement pay of military retirees with service-connected disabilities is reduced to offset disability compensation paid by the Department of Veterans Affairs.

This policy is just plain wrong. Military retirees who are also disabled veterans earned, need, and should receive all the benefits to which they are entitled; 379 of us are cosponsors of a bill that says so.

This Conference Report authorizes concurrent receipt only if the President submits a budget providing offsets to pay for it. In other words, we are punting the issue over to the White House. That's wrong. We should step up to the plate and do the right thing for our military veterans. We should authorize and fully fund concurrent receipt.

But, like all Conference Reports, this is not a prefect bill and I can only cast an up-or-down vote. I am unable to vote "yes" on the provisions that I support or "no" on those I oppose.

So, Mr. Speaker, while I am voting in favor of this Defense bill today, I will continue to oppose efforts to tear down our defense infrastructure through further rounds of base closures.

And I will continue to make sure that we keep our promises to America's military retirees, so we don't break faith with the people who defend us.

Mrs. WILSON. Mr. Speaker, today I rise to applaud some of the exceptional provisions of S. 1438—National Defense Authorization Act for Fiscal Year 2002 Conference Report and to highlight a major disappointment within the bill. As our campaign against terrorism continues today, this conference report delivers vital enhancements to homeland security and equips U.S. soldiers with the tools they need to fight and win America's wars.

Homeland defense in this conference report provides approximately $15 billion for programs to combat terrorism, defeat nuclear, biological, and chemical attacks, and protect the United States and our interests against ballistic missile attack. Our number one priority is to defend America from attack.

One of the principal responsibilities of this Congress is to also ensure that we place a great emphasis on improving military quality of life and readiness. To that end, this legislation contains the largest military pay raise since 1982, significant construction efforts to improve facilities where military personnel live and work, and substantial increases to readiness accounts that support operations, maintenance, and training.

Another responsibility of this Congress is to provide for exceptional health care for Americans who wear and who have worn the uniform. This bill makes significant improvements in TRICARE benefits for all beneficiaries of the military health care system. The bill fully funds the TRICARE military health care program for the first time in years and protects the integrity of the military health care system. It also enhances the freedom of TRICARE beneficiaries to choose their providers by eliminating most of the requirements for pre-authorization of care under TRICARE. This legislation adjusts the Military Retiree Health Care Trust Fund to ensure the proper functioning of the fund and continued smooth operation of the TRICARE For Life program.

Unfortunately, I will not be able to support the conference report today because of the base realignment and closure language otherwise known as BRAC, which is in the bill. Mr. Speaker, now is not the time for this process to move forward. Right now, our soldiers are deployed abroad fighting for our freedom, how can we tell families who have a loved one deployed in that fight that we may be closing their base, closing their home.

In addition, Mr. Speaker, while the Administration makes general claims about savings and excess real estate, I have asked personally and directly for the data that supports the claims and they said that they do not have it. There is no evidence that money has been saved during the last round of base closure.

Finally, Mr. Speaker, I believe that strategy should drive force structure, and force structure should determine basing. The defense department has not defined what their new strategy is or what forces are required. Without answering those questions, deciding to put communities through another BRAC is indefensible.

It was for those reasons that this House considered and rejected another round of base closure. We were right to do so.

Mr. Speaker, there are many good things in this bill that I support. But I cannot support base closure.

Mr. MCHUGH. Mr. Speaker, at a time when Americans are waging a war on terrorism, we have before us the strongest national defense authorization conference report in recent memory. I rise in support of the Conference Report on S. 1438, the National Defense Authorization Act for Fiscal Year 2002, and urge my colleagues to vote "yes" when it comes up later for a vote.

The strength of this conference report comes from many provisions, but especially from those benefiting military personnel and their families. For example, the conference report:

Provides $6.9 billion more for the military personnel accounts than in fiscal year 2001. That's the biggest one-year increase in military personnel accounts since 1985.

Authorizes the largest military pay raise since 1982—a 5 percent across-the-board increase for officers and a 6 percent across the board for all enlisted personnel, combined with targeted increases—ranging from 6.3 percent to more than 10 percent—for noncommissioned officers and mid-grade commissioned officers.

Increases the defense health operations accounts by $6 billion over fiscal year 2001 levels, reflecting a commitment by DOD and Congress to fully fund health care.

In addition the conference report:

Reduces out-of-pocket housing costs from 15 percent in fiscal year 2001 to 11.3 percent in fiscal year 2002, thereby keeping faith with the plan to eliminate housing out-of-pockets by fiscal year 2005.

Improves the ability of military absentee voters to more effectively and easily exercise their right to vote.

Reduces the costs that service members and their families incur while moving between assignments. Right now, DOD only reimburses them for 62 percent of their costs. When implemented over the next couple of years, the provisions of S. 1438 will reduce that out-of-pocket cost to approximately 10 cents for every dollar expended.

There are many more important measures contained in H.R. 2586. For all these reasons I urge all Members to support the conference report on S. 1438, the National Defense Authorization Act for Fiscal Year 2002.

Mr. POMEROY. Mr. Speaker, I rise in reluctant opposition to the conference report for the defense authorization act. This bill contains many valuable provisions but also one serious flaw—a new round of base closures, which I believe serves neither the best interests of our national security nor the best interest of communities throughout the country that host military installations.

I strongly supported the defense authorization bill when it was approved by the House. I believe that Chairman STUMP and Ranking Member SKELTON of the Armed Services Committee correctly decided not to authorize additional base closures in the House bill. I am disappointed that they were forced under the treat of a presidential veto to accept a provision authorizing a new round in 2005.

First, the purported cost savings associated with base closure are dramatically overstated at best, and, more likely, are illusory. The reality is that base closures cause significant short-term costs in exchange for marginal long-term savings. Contrary to the claims of base closure proponents, another round will not relieve the genuine budget pressures being experienced by our military.

Second, we should not embark on a new round of base closures when the Armed Forces are still processing the more than 100 closures and realignments undertaken in the previous four rounds. We should not underestimate the upheaval these actions create for our men and women in uniform and their families. Nor should we ignore the impact of these transitions on our military readiness.

Third, it makes little sense to permanently shutter more installations when we are still grappling with the question of how best to match defense resources to the evolving threats to our national security. We are currently engaged in a war against terrorism that the President has said could last for some time. We should leave ourselves the flexibility to meet these new threats by preserving needed basing capacity.

Finally, for host communities, this base closure provision is perhaps the worst-cast scenario. By authorizing a new round but postponing it for four years, this bill well cast a long, dark cloud over base communities across the country. The threat of closure stifles new investment, which is especially threatening during these difficult economic times. In North Dakota, despite our well-founded confidence in the long-term future of our bases at Minot and Grand Forks, the specter of base closure will have severe economic impacts for our state.

As I said, this bill contains many positive provisions, including a significant pay raise for our men and women in uniform, needed investments in modernization, and funds to upgrade our infrastructure. I strongly support each of these items, but, because the bill also includes an ill-advised authorization of more base closures, I am compelled to vote "no."

Mr. FORBES. Mr. Speaker, it is with a profound sense of sorrow and regret that I rise today in opposition to the conference report for S. 1438. While this bill has many items that deserve passage by the House, I cannot support its call for yet another round of base closures and realignment.

As I have noted in the past, the basic premise behind base closures is not a bad one. If we have excess installations and personnel, then we should not be supporting them with dollars better spent equipping our soldiers and sailors with the very best technology available. But, despite several rounds of base closures and over a decade of time to evaluate them, we have yet to determine that we do have that excess or that we can drain it without costing more than we save.

While I appreciate the hard work and difficult choices that the conferees had to make in forging the BRAC compromise in this conference report, I do not believe that it fully addresses the problems that have been evident in past rounds of base closures. To be certain, the conferees attempted to address questions about the politicization of the process and the true costs savings. However, the procedures that they put in place do little more than offer lip service to these very legitimate concerns.

For instance, there is evidence that past rounds of base closures have not only fallen woefully short of the budget boons they were expected to bring, but that they have in fact cost us more than expected due largely to significant environmental cleanup costs. To be sure, proponents of BRAC can find statistics that indicate cost savings. But, given the conflicting information available, those statistics are specious at best. The real problem is that limited and faulty auditing has left Congress with very little to go on regarding the true costs and savings of the process.

The conferees require the Secretary of Defense to certify that there will be annual cost savings for each service by 2011 before the Commission can be appointed. But, if we have been unable to obtain an accurate accounting over the past 13 years, why should we put faith in this report? People's jobs and communities' economies are on line, and we should not be so cavalier about the consequences of setting this process in motion.

Furthermore, the procedures developed by the conferees put the cart before the horse. By requiring the Secretary of Defense to submit a report on our military's needs and inventories before a Commission can be appointed, the conferees admit that by 2005 they are not even certain that another round of base closures will be necessary. If anything has been made clear both by the Defense Department's work this year on transformation and by the events of the past several months, it is that current events and technology are changing so rapidly that our military must be flexible enough to adapt. But, by voting today to begin down the path to another round of base closures, we give the process momentum that threatens to overcome the true needs of our military.

The mere threat of the possibility of base closures makes our military personnel uneasy about their futures and their families' futures and puts community bond ratings and economic plans at risk. Particularly now that we are engaged in a war against terrorism, we need our installation commanders fully engaged in this effort and not preoccupied with the possibility that their base will be closed or their personnel reassigned. If we are so uncertain as to the necessity of this round of base closures, we should wait to have the vote on BRAC until that need has been demonstrated. In this time of great anxiety about our nation's economy and our global safety, I am not prepared to add to this uncertainty.

Mr. Speaker, I fully realize that there is much to commend itself in this report. For instance, I fully support the authorization for the servicemembers' pay raises, as I did as a member of the Committee and on the House floor. These brave men and women have toiled for years for the cause of freedom, doing more work with fewer resources, and they deserve a pay raise. But, to give these soldiers and sailors pay raises one day, and then uproot their homes and their families the next is simply not fair.

I also support the reduction in out-of-pocket housing costs for military personnel and the improvements in military health care, as well as the provisions preserving our right to seek the best possible training options for our servicemembers by continuing to use the facilities at Vieques. Readiness protects our servicemembers from harm and gives their families some peace of mind. It is far too important to be the subject of a political referendum.

Let me make clear, Mr. Speaker, that I understand that many of my colleagues here today—including some who served in these difficult conference negotiations—are equally displeased with the inclusion of any base closure process, but that they will, in the end, support this report. For my part, I am certain that the BRAC provisions are not in the best interests of Virginia's Fourth District or of our Nation, and I cannot support them. But, I do not question the patriotism or the wisdom of these colleagues.

So, while it is with a heavy heart that I cast my vote today against this conference report, it is with a clear mind. I appreciate the work of my chairman and my colleagues, and look forward to working with them to continue to improve the quality of life for our servicemembers and the readiness of our forces.

Mr. SMITH of Michigan. Mr. Speaker, I rise in support of the conference report to S. 1438, the National Defense Authorization Act for Fiscal Year 2002.

This bill addresses the needs of the Department of Defense. It increases pay and benefits for our men and women in uniform, will improve our readiness, and support efforts to develop defenses against missile and terrorist attacks.

As a conferee on this bill from the science committees, I want to spend a minute drawing the House's attention to a program authorized in the bill that, while not in the Defense Department, is nonetheless critical to our security. I am talking about the Assistance to Firefighters Grants Program, which provides help to fire departments throughout the country.

According to the International Association of Fire Fighters, more public safety officers were lost in September 11 attacks than in any other single event in modern history. There is no telling how many lives these brave men and women saved, but it is estimated in the thousands if not tens of thousands.

The Assistance to Firefighters Grants Program, which is administered by U.S. Fire Administration, provides funds to fire departments for training, personnel, protective equipment, communications equipment, and other items. This program is vital to ensuring that our Nation's fire departments are up to the job with which we have entrusted them.

After September 11, no one can doubt that if the terrorist enemy can deliver a weapon of mass destruction—be it chemical, biological, or nuclear—it will. As the first line of defense after terrorists strike, firefighters must be prepared to respond to these sorts of incidents.

However, without proper training, staff, and equipment, fire departments may not be as prepared as they would like to be. If we are to ask firefighters to assume these responsibilities, we must provide them support for personnel, training, communications equipment, safety equipment, and other tools to improve their readiness and capabilities.

Last year, $100 million was provided for this program. For fiscal year 2002, more is needed.

As a conferee to this bill, I offered an amendment for a substantial increase in funding for this program. I am pleased, therefore, that the conferees have agreed to boost authorized funding for this program to $900 million for each of fiscal years 2002 through 2004.

Also, to ensure that adequate personnel are available to implement the program, the amendment sets aside three percent of the authorized amount for administration. The Fire Administration should not be made to short change other programs, such as education and training, to administer the grants program.

On September 11, the Nation's firefighters showed the world what courage means. If we expect the fire services—most of whom depend on volunteers—to deal with these kind of disasters, we have a responsibility to provide them with the resources they need. This conference report does that, and I urge my colleagues to support it.

Mr. RAHALL. Mr. Speaker, in my capacity as the Ranking Democrat on the Committee on Resources I was a conferee on the fiscal year 2002 Defense Authorization bill for certain matters within the jurisdiction of my committee, including a provision in the original House-passed version of this legislation dealing with Vieques, Puerto Rico.

Unfortunately, I am withholding my signature from the pending conference report in protest of the manner by which this legislation treats the controversy surrounding U.S. military exercises on Vieques.

In effect, language contained in the pending legislation represents a major retrenchment from agreements between the federal government and Puerto Rico relating to Vieques in current law, as well as positions advanced by the Bush Administration in this area.

To those of my colleagues who believe that U.S. citizens should not be subjected to live-fire military training exercises, that bombs and munitions should not be exploded in the vicinity in which they live, and that their land should not be laid waste with a legacy of unexploded ordnance and toxic substances, I say to you that this conference agreement seals their fate to these very situations.

Currently we have in place the Clinton-Rosello agreement, negotiated by the former U.S. President and former Governor of Puerto Rico and enacted into federal law. I supported this agreement and I still support it today because it gives the people of Puerto Rico, our fellow Americans, assurances that their concerns and their voices were being heard in the halls of this Congress. Clinton-Rosello demonstrated that the threat to American citizens living within earshot and bull's-eye range of our own U.S. military, did not fall on deaf ears or blind eyes.

Under this agreement, the people of Vieques were given an opportunity to participate in a referendum to determine whether a portion of the island should remain available for live-fire training. It also authorized $50 million in economic assistance to the people of Vieques if they chose to allow continued military exercises. Most importantly, however, this agreement mandated that if the people of Vieques simply said no to further live-fire training by the U.S. military on their island, that activity would halt and land administered by the Navy on the eastern side of the island would be transferred to the Secretary of the Interior to be managed as a wildlife refuge.

This was a good and fair agreement, keeping within the traditions of this great country, by empowering the people themselves to make decisions that will affect their lives and livelihoods.

On some level President Bush thought so too. As the Republican Presidential candidate, he stated that he would uphold the Clinton-Rosello agreement. And despite his own party's resistance, I think President Bush has made his best effort to keep with the spirit of those terms.

Though the Administration is not supporting a referendum in Puerto Rico on continued military training, President Bush did announce over the summer a target date for the withdrawal of military forces from the Vieques range.

The critical point here is that under either the Clinton-Rosello agreement, or the positions stated by the Bush Administration, there was a light at the end of the tunnel for the people of Vieques because they could reasonably expect the withdrawal of the U.S. military from the island.

Yet, the Republican majority in this body apparently felt otherwise. The version of the pending legislation originally passed by this body runs roughshod over the Clinton-Rosello agreement and flies in the face of the stated Bush Administration positions by containing provisions that almost guarantee the military will not withdraw from Vieques. These are draconian changes to current law and policy, and changes that have largely been incorporated into the final conference agreement pending before us today.

What the people of Puerto Rico now face, what the residents of Vieques now must contend with, is not the Clinton-Rosello agreement and not the Bush Administration's stated May 2003 military withdrawal from Vieques.

Rather, under the pending legislation it would be up to the Secretary of the Navy to decide the fate of the island by certifying to the President and the Congress the military's intention to cease using Vieques for military training exercises. I find it highly unlikely the Navy would take that action.

Yet, this legislation dictates that even if the Navy Secretary did halt military training on the island, after consultation with the Chief of Naval Operations and the Commandant of the Marine Corps, it would be conditioned upon the identification of one or more alternative training facilities and the immediate availability of such a facility or facilities.

So what once was an agreement responsive to the concerns of Puerto Rico, respecting our citizens' right to choose what is better for them, has degenerated into what the Republican Majority in this body wants to impose on them.

Mr. Speaker, we have entered a new century, yet what is contained in this conference report as it relates to Vieques harkens back to the age of colonialism. This legislation gives the people of Vieques, U.S. citizens, no opportunities for economic growth. No chance to demonstrate their patriotism. No option to assert for themselves what they truly desire. We give them no voice. Mr. Speaker, this is a tragedy of epic proportions.

Certainly, I realize that our world has changed since the terror of September 11th. Every American, whether residing in a State or a Territory, understands how important it is to protect our freedom. And everyone is willing to do his or her part. We seem to have forgotten that Puerto Ricans, also serve in our military, die in our wars, and are just as eager to preserve freedom and democracy. We are taking away from Puerto Ricans the very ideal on which our country was founded and continues to fight for. That is truly unfortunate.

Mr. ORTIZ. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of S. 1438, the National Defense Authorization Act for fiscal year 2002. I want to specifically address the provisions in the bill relating to military readiness.

First, I would like to express my personal appreciation to the readiness subcommittee leadership . . . and to my colleagues, on both the subcommittee and the full committee, . . . for their active participation, support and cooperation in addressing critical Readiness matters during this accelerated session. I feel confident that our efforts to improve the readiness of the forces are being reflected in the performance of our deployed forces worldwide. They truly deserve our best efforts.

Mr. Speaker, the readiness provisions in the bill reflect some of the steps that I believe are necessary, . . . with the dollars available, . . . to continue to make some of the readiness improvements that are sorely needed. But it still does not provide all that is needed. As I have said before, . . . while the readiness of the force has shown some improvements in some areas, . . . much remains to be done. And we cannot afford to wait until they are involved in conflict to properly resource them. September 11 was a reminder for all of us just how vulnerable we are as a free and open society. As such, we must ensure that we have a ready military force that is capable of responding to threats to our national security. I look forward to continuing to initiate and support efforts to address two areas that have been neglected for a number of years . . . the readiness of our dedicated civilian employees and the modernization of our failing infrastructure.

Mr. Speaker, the readiness provisions in this bill do represent a step in the right direction. They permit the Department to build on the improvements that have been started in an area that is crucial to our national security. I would hope that as we continue through with the passage of this bill and in future consideration of supplementals later in the fiscal year, . . . we will continue to search for opportunities to increase the resources available for the readiness accounts without having to trade off funds for other critical needs.

Mr. Speaker, while I have expressed strong support for the readiness provisions in this bill, I still have reservations about some other portions of S. 1438. Specifically, I think the BRAC provisions are ill-timed and costly. We are approving these BRAC provisions at a time when the nation is at war and the economy is in bad shape. Funds that could be used to improve readiness will have to be diverted to begin the costly preparations for BRAC considerations. Based on our past experiences, once an installation is identified as a candidate for BRAC consideration, resources have been diverted, resulting in further degradation of the installation prematurely. We are all aware that historically preparations for BRAC rounds have had a devastating effect on the morale and performance of the civilian workforce.

Notwithstanding my reservations about having BRAC in the bill, I strongly urge my colleagues to support S. 1438. In this time of national crisis, it is essential that we have a defense authorization bill. There are a significant number of provisions that are necessary to ensure essential support for our military forces, their family members, and the dedicated civilian workforce that supports them.

Mr. HEFLEY. Mr. Speaker, I rise today in support of the conference report on S.R. 1438, the National Defense Authorization Act for fiscal year 2002. During this extraordinary time in our national history, our military forces need our support more than ever. We must provide our dedicated military men and women with the necessary resources to continue to go in harm's way with the best equipment and training available. The readiness of our military's forces is the responsibility of every Member of Congress.

The conference report on the fiscal year 2002 Defense Authorization bill provides a significant increase for readiness funding this year as compared to last year. As an example, funding for flight operations has increased by over $5 billion, which includes the increased costs for fuel, and attempts to address severe spare parts shortages. In addition, there is an increase for training of over $825 million, an increase for facilities repair and sustainment of nearly $500 million, and an increase of $1.2 billion for depot maintenance and repair of equipment. We have also provided $6 million for protection of critical needs. The conference report on S. 1438 supports these and other increases in critical readiness funding.

Mr. Speaker, the conference report before us today provides the military services with an acceptable level of funding necessary to maintain readiness and to help reduce the continued stress on our military forces. At a time when our military services are being called upon to conduct combat operations, we must ensure that our military remains the best-trained, best-equipped, and most effective military force in the world. We must also ensure that we take the necessary steps to reverse declining readiness rates throughout all of the military services. At the same time, we must take action to ensure that the living and working conditions for our service members and families are at acceptable levels. This conference report accomplished all these goals. To do anything less would allow the readiness of our military to slip further, and could risk the lives of countless men and women in every branch of the military.

I urge my colleagues to vote yes on the conference report, vote yes for improved military readiness, and vote yes for the men and women of our military forces.

Mr. WAXMAN. Mr. Speaker, it is with great reluctance that I support S. 1438, the Fiscal Year 2002 Defense Authorization Conference Report. While I believe that passing this bill is important for the war effort in Afghanistan and the brave men and women deployed to defend the American people and our strategic interests around the world, I staunchly oppose the tremendous increase in funding the bill provides for the development and deployment of a National Missile Defense (NMD) that would violate the 1972 Anti-Ballistic Missile (ABM) Treaty with Russia.

The tragic attacks committed against the United States on September 11, 2001, demonstrate that terrorism is the gravest threat facing America today. It is clear that ensuring the safety of our citizens and our cities will require the development and deployment of military resources capable of facing challenges much more diffuse than isolated missile threats by rogue nations.

I am highly disappointed that this Conference Report contains $8.3 billion for missile defense, a 56 percent increase over the current level, while authorizing only $6 billion for anti-terrorism programs. I am also concerned that it authorizes funds for the deployment of a National Missile Defense (NMD) system in Alaska, a move that would automatically violate the ABM treaty requirement that anti-ballistic missile systems only be installed in the vicinity of our national International Continental Ballistic Missile (ICBM) complex, based in North Dakota, or near the nation's capital in Washington, DC.

These policies are a poor reflection of our nation's priorities. We should be using this opportunity to focus on military intelligence, preparedness against chemical and biological weapons attacks, and nuclear threat reduction. By diverting so many resources toward a faulty missile defense program plagued by massive cost-overruns and technological deficiency, we compromise our investment in other vital areas and jeopardize the cornerstone of U.S.-Russia military cooperation at a time when coalition building and international alliances are critical.

In June 2001, my staff on the Government Reform Committee conducted an analysis of the Coyle Report, a comprehensive study conducted by the Pentagon's chief civilian test evaluator that revealed serious weaknesses in the NMD test program. The report also demonstrates the futility of scheduling deployment when basic elements of the system, such as the ability to defend against countermeasures, multiple engagements, and against accident or unauthorized launches, have repeatedly failed.

Considering that the ABM treaty is not holding back the design and development of the technology needed for NMD, nor slowing the testing of the system, I think it is shortsighted and irresponsible for the Conference Report to authorize measures that would violate the treaty or for the Bush Administration to propose unilateral withdrawal.

At the same time, at the critical stage in our nation's history, I believe the U.S. military and its brave soldiers deserve full Congressional support. Although I have opposed previous Defense Authorization bills, I support this bill because it contains the largest single-year increase for military personnel in nearly a decade and invests in technology and hardware that will keep our soldiers safer in the field. Such attention to pay, housing allowance, and family assistance, give recognition to the sacrifice they make and help our military compete for the best and brightest.

I commend all of the soldiers and reservists from Los Angeles, California, and across the country for their dedication, and I urge the Bush Administration to take immediate action to change its misguided course on the ABM treaty.

Mr. BILIRAKIS. Mr. Speaker, I rise in support of S. 1438, the National Defense Authorization Act.

Some military retirees—individuals who are eligible for military retirement benefits as a result of a full service career—are also eligible for disability compensation from the VA based on an injury they incurred while in the service. Under present law, these service-disabled retirees must surrender a portion of their retired pay if they want to receive the disability compensation to which they are entitled. More than 500,000 disabled retirees are impacted by this inequitable offset.

For over 15 years, I have introduced legislation, H.R. 303, to repeal this unjust offset. I am pleased that the conference report we are considering today includes language that will authorize the concurrent receipt of military retired pay and VA disability compensation. However, under the bill, these provisions only become effective if legislation offsetting the costs of concurrent receipt is subsequently enacted into law. This is the same language that was approved by the House earlier this year.

This conference report also increases the amount that certain severely disabled retirees may receive under the special compensation program which was enacted during the 106th Congress. I am pleased that the conferees added these provisions to the final bill.

While not perfect, I do believe that the language in the conference report is an important step in our efforts to repeal the offset between military retired pay and VA disability compensation. First, the passage of this language puts the House of Representatives firmly on record as supporting the elimination of the offset. Although I have introduced H.R. 303 for more than 15 years, this is the first year that the House has actually voted on this issue.

Second, I originally proposed this language because I wanted to ensure that concurrent receipt language was included in the Fiscal Year 2002 authorization act. In previous years when language has been included in the Senate versions of the authorization bill and no language was included in the House bill, the Senate has receded to the House, meaning no language was enacted into law.

By authorizing the concurrent receipt of military retired pay and VA disability compensation now, we are one step closer to repealing the offset once and for all. Next year, I will be working with my colleagues to secure the enactment of legislation to fund the concurrent receipt of military retired pay and VA disability compensation.

Each of the thousands of disabled military retirees answered when America called. Now it's time for America to answer their call.

I urge my colleagues to support S. 1438.

Mr. GREEN of Wisconsin. Mr. Speaker, I rise today in support of the conference report on S. 1438, the Department of Defense Authorization bill for fiscal year 2002. This is a good bill, one that addresses the critical needs of our military as we engaged in the war against terrorism. S. 1438 also contains a provision allowing the transfer of an old, unused Army Reserve Center in Kewuanee, WI to the city. This transfer will allow the property to be put to good use by the City of Kewaunee instead sitting dormant and a benefit to no one.

While S. 1438 is a good bill, it is not a perfect bill. The one glaring imperfection in the bill is a provision that fundamentally alters a Department of Justice program known as the Federal Prison Industries, or FPI.

Language in S. 1438 would basically exempt the Department of Defense from the mandatory-source preference of the FPI program. Eliminating mandatory-source preference for DoD means that approximately 60% of FPI's business will be lost. Obviously, this would dramatically undermine FPI.

I will not delve into a full explanation or defense of the program here. Frankly, debate over FPI should not even take place within the context of a defense bill. Debate over FPI has always been spirited. However, it is a debate that I welcome and one that I expected to participate in as a member of the Judiciary Committee. But that right has been denied to me and my fellow Judiciary Committee members.

I appreciate and thank Chairman STUMP for his efforts to work with me on this issue. His indulgence over last couple of months was more than I could have asked for. Unfortunately, the die was cast on this issue, and we were unable to remove this language.

As I stated, FPI is a Justice Department program. I, along with many of my colleagues on the Judiciary Committee, feel very strongly that our committee should review any change to the FPI program. Sadly, the most dramatic reforms to FPI in its history will occur without the input of just about every member of the Judiciary Committee.

Mr. Speaker, I am including, for the record, a copy of a memorandum from the chief operating officer of FPI and a letter from the Justice Department. The FPI memo details the destructive effects the language in S. 1438 is already having on the program. In the DoJ letter, the department clearly states its strong opposition to this language. I request that both items be made a part of the RECORD.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, November 30, 2001.

Hon. MARK GREEN,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN GREEN: This is in response to your letter of November 26, 2001 regarding Section 821 of the Fiscal Year 2002 Defense Authorization Bill. The Department of Justice agrees with your concerns regarding Section 821. Indeed, the Department has been actively engaged in educating Congressional Members on this important issue. On September 25, 2001 we sent a letter to the Senate Leadership and Senate Judiciary Committee and, on November 13, 2001, a letter to all Defense Authorization Conferees about our significant concerns regarding the effect of Section 821 upon Federal Prison Industries (FPI). As you point out in you letter, the bill as drafted fails to recognize the contribution of this important correctional program to the safe and effective administration of Federal prisons, and as a tool for reducing recidivism by preparing inmates to lead productive, law abiding lives upon their return to society.

While our continued efforts have met with little success, we remain in support of removal of Section 821 from the Conference Report. Moreover, we believe that any future consideration of FPI reform should be the purview of the House and Senate Judiciary Committees, the committees with jurisdiction over Department of Justice programs.

If you have any questions or if we may provide you further information, please feel free to contact the Department.

Sincerely,

DANIEL J. BRYANT,
Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF PRISONS,
Washington, DC, November 26, 2001.

Memorandum for Kathleen Hawk Sawyer, Director Federal Bureau of Prisons & Chief Executive Officer of Federal Prison Industries

From: Steve Schwalb, Chief Operating Officer Federal Prison Industries

I am writing to advise you of the initial effects of the Defense Authorization language on FPI recently adopted by the Senate.

Even though the final language, as of this date, has not been adopted by the conferees, numerous customers report to us that they have received calls, e-mails, faxes and personal visits from office furniture vendors and their dealers on this legislative language. Our customers report being told, "FPI's mandatory source has been eliminated", "federal agencies no longer have to buy from FPI", and that "customers can now buy directly from commercial vendors without considering FPI."

Several customers have also forwarded to us e-mails from the furniture coalition and/or company members thereof, in which they indicate their intent to influence the conferees to "strengthen" the Senate adopted language to include all agencies, not just the Department of Defense.

The result has been that many of our customers now feel, mistakenly, that changes are already in effect and that procedures for buying from or considering products offered by FPI have been altered. Several customers have indicated that they are going to hold up on making any purchase decisions while they get more information that address their confusion.

This is only the beginning of what we can expect to be an aggressive, and often inaccurate, campaign by the private sector to confuse, persuade or otherwise present to our customers information which puts us and our products in the worst light possible. As you know, all the big furniture companies have previously provided extensive training to their commercial sales staff on how to write, for the federal customers, waiver requests to FPI, so as to specify those commercial company's unique product features as "must have" items, thereby justifying a waiver from FPI's mandatory source. If language regarding purchases from FPI is adopted into final legislation, there is no doubt that we will see the efforts by the furniture companies intensify.

The results of these initial efforts have been the suspension or delay of some orders and the placement of other orders directly with the private sector without customers following the requirement to contact FPI first to see if our products will meet their needs. Although it is too early to accurately quantify the effects, there is no doubt that we will see a significant decline in future office furniture orders. Since DOD represents 65% of our furniture sales, a significant reduction in orders from DoD will have devastating consequences for us. Depending on how significant the decline is, it undoubtedly will affect our ability to support the capacity we currently have and will cause us to reduce our staff and inmate employment in several of our furniture factories. In turn, this will also affect our raw material purchases from the numerous vendors we rely on for our production.

We will continue to monitor the situation as it develops and keep you advised.

Mr. STUMP. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STUMP. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 40, not voting 11, as follows:

[Roll No. 496]

YEAS—382

Abercrombie
Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Brady (PA)
Brady (TX)
Brown (FL)
Brown (SC)

Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
Deal
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Oxley
Pascrell
Pastor
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wolf
Wynn
Young (FL)

NAYS—40

Allen
Baldacci
Blumenauer
Boyd
Brown (OH)
Conyers
Davis, Jo Ann
DeFazio
Delahunt
Filner
Forbes
Frank
Holden
Holt
Jackson (IL)
Kanjorski
Kucinich
Lee
Lewis (GA)
McDermott
McKinney
Meeks (NY)
Miller, George
Miller, Jeff
Nadler
Owens
Pallone
Paul
Payne
Pomeroy
Rangel
Schakowsky
Smith (NJ)
Stark
Tierney
Towns
Velázquez
Wilson
Woolsey
Wu

NOT VOTING—11

Cubin
English
Gonzalez
Hostettler
Larson (CT)
Luther
Meehan
Meek (FL)
Olver
Quinn
Young (AK)

□ 1150

Messrs. BALDACCI, McDERMOTT, HOLDEN, KANJORSKI, PALLONE, and DEFAZIO, Ms. McKINNEY, Messrs. WU, BOYD, TIERNEY, and OWENS, Ms. VELÁZQUEZ, Mr. TOWNS, Ms. WOOLSEY, and Mr. MEEKS of New York changed their vote from "yea" to "nay."

Mr. WAXMAN and Mr. BISHOP changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. LARSON of Connecticut. Mr. Speaker, I unfortunately was required to attend a funeral in my Congressional District today and missed rollcall Vote No. 496. Had I been present and voting, I would have voted "aye".

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on S. 1438 just adopted.

The SPEAKER pro tempore (Mr. GUTKNECHT). Is there objection to the request of the gentleman from Arizona?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 25. Concurrent resolution expressing the sense of the Congress regarding tuberous sclerosis.

The message also announced that the Senate has passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1499. An act to amend the District of Columbia College Access Act of 1999 to permit individuals who graduated from a secondary school prior to 1998 and individuals who enroll in an institution of higher education more than 3 years after graduating from a secondary school to participate in the tuition assistance programs under such Act, and for other purposes.

DIRECTING SECRETARY OF THE SENATE TO MAKE TECHNICAL CORRECTION IN ENROLLMENT OF S. 1438, NATIONAL DEFENSE AUTHORIZATION ACT FOR 2002

Mr. STUMP. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 288) directing the Secretary of the Senate to make a technical correction in the enrollment of S. 1438.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 288

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 1438) to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, the Secretary of the Senate shall make the following correction:

Strike section 1212 and insert the following:

SEC. 1212. EXTENSION OF AUTHORITY FOR INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT PROJECTS.

(a) ELIGIBILITY OF FRIENDLY FOREIGN COUNTRIES.—Section 2350a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a) AUTHORITY TO ENGAGE IN COOPERATIVE R&D PROJECTS.—";

(B) by striking "major allies of the United States or NATO organizations" and inserting "countries or organizations referred to in paragraph (2)"; and

(C) by adding at the end the following new paragraph:

"(2) The countries and organizations with which the Secretary may enter into a memorandum of agreement (or other formal agreement) under paragraph (1) are as follows:

"(A) The North Atlantic Treaty Organization.

"(B) A NATO organization.

"(C) A member nation of the North Atlantic Treaty Organization.

"(D) A major non-NATO ally.

"(E) Any other friendly foreign country.";

(2) in subsection (b)(1)—

(A) by striking "its major non-NATO allies" and inserting "a country or organization referred to in subsection (a)(2)"; and

(B) by striking "(NATO)";

(3) in subsection (d)—

(A) in paragraph (1), by striking "the major allies of the United States" and inserting "countries and organizations referred to in subsection (a)(2)"; and

(B) in paragraph (2)—

(i) by striking "major ally of the United States" and inserting "country or organization referred to in subsection (a)(2)"; and

(ii) by striking "that ally's contributioh" and inserting "the contribution of that country or organization";

(4) in subsection (e)(2)—

(A) in subparagraph (A), by striking "one or more of the major allies of the United States" and inserting "any country or organization referred to in subsection (a)(2)";

(B) in subparagraph (B), by striking "major allies of the United States or NATO organizations" and inserting "countries and organizations referred to in subsection (a)(2)";

(C) in subparagraph (C), by striking "major allies of the United States" and inserting "countries and organizations referred to in subsection (a)(2)"; and

(D) in subparagraph (D), by striking "major allies of the United States" and inserting "countries and organizations referred to in subsection (a)(2)";

(5) paragraphs (1)(A) and (4)(A) of subsection (g), by striking "major allies of the United States and other friendly foreign countries" and inserting "countries referred to in subsection (a)(2)";

(6) in subsection (h), by striking "major allies of the United States" and inserting "member nations of the North Atlantic Treaty Organization, major non-NATO allies, and other friendly foreign countries"; and

(7) in subsection (i)—

(A) in paragraph (1), by striking "major allies of the United States or NATO organizations" and inserting "countries and organizations referred to in subsection (a)(2)";

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) NOTICE-AND-WAIT REQUIREMENT.—Subsection (a) of such section is further amended by adding at the end the following new paragraph:

"(3) If such a memorandum of understanding (or other formal agreement) is with a country referred to in subparagraph (E) of paragraph (2), such memorandum (or agreement) may go into effect only after the Secretary submits to the Committees on Armed Services and on Foreign Relations of the Senate and to the Committees on Armed Services and on International Relations of the House of Representatives a report with respect to the proposed memorandum (or agreement) and a period of 30 days has passed after the report has been submitted.".

(c) DELEGATION OF AUTHORITY TO DETERMINE ELIGIBILITY OF PROJECTS.—Subsection (b)(2) of such section is amended by striking "to the Deputy Secretary of Defense" and all that follows through the period at the end and inserting "to the Deputy Secretary of Defense and to one other official of the Department of Defense.".

(d) REVISION OF REQUIREMENT FOR ANNUAL REPORT ON ELIGIBLE COUNTRIES.—Subsection (f)(2) of such section is amended to read as follows:

"(2) Not later than January 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and to the Committees on Armed Services and on International Relations of the House of Representatives a report specifying—

"(A) the countries that are eligible to participate in a cooperative project agreement under this section; and

"(B) the criteria used to determine the eligibility of such countries.".

(e) CONFORMING AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§2350a. Cooperative research and development agreements: NATO organizations; allied and friendly foreign countries".

(2) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 138 of title 10, United States Code, is amended to read as follows:

"2350a. Cooperative research and development agreements: NATO organizations; allied and friendly foreign countries.".

SEC. 1213. COOPERATIVE AGREEMENTS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS FOR RECIPROCAL USE OF TEST FACILITIES.

(a) AUTHORITY.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§2350l. Cooperative agreements for reciprocal use of test facilities: foreign countries and international organizations

"(a) AUTHORITY.—The Secretary of Defense, with the concurrence of the Secretary of State, may enter into a memorandum of understanding (or other formal agreement) with a foreign country or international organization to provide for the testing, on a reciprocal basis, of defense equipment (1) by the United States using test facilities of that country or organization, and (2) by that country or organization using test facilities of the United States.

"(b) PAYMENT OF COSTS.—A memorandum or other agreement under subsection (a) shall provide that, when a party to the agreement uses a test facility of another party to the agreement, the party using the test facility is charged by the party providing the test facility in accordance with the following principles:

"(1) The user party shall be charged the amount equal to the direct costs incurred by the provider party in furnishing test and evaluation services by the providing party's officers, employees, or governmental agencies.

"(2) The user party may also be charged indirect costs relating to the use of the test facility, but only to the extent specified in the memorandum or other agreement.

"(c) DETERMINATION OF INDIRECT COSTS; DELEGATION OF AUTHORITY.—(1) The Secretary of Defense shall determine the appropriateness of the amount of indirect costs charged by the United States pursuant to subsection (b)(2).

(2) The Secretary may delegate the authority under paragraph (1) only to the Deputy Secretary of Defense and to one other official of the Department of Defense.

"(d) RETENTION OF FUNDS COLLECTED BY THE UNITED STATES.—Amounts collected by the United States from a party using a test facility of the United States pursuant to a memorandum or other agreement under this section shall be credited to the appropriation accounts from which the costs incurred by the United States in providing such test facility were paid.

"(e) DEFINITIONS.—In this section:

"(1) The term 'direct cost', with respect to the use of a test facility pursuant to a memorandum or other agreement under subsection (a)—

"(A) means any item of cost that is easily and readily identified to a specific unit of work or output within the test facility where the use occurred, that would not have been incurred if such use had not occurred; and

"(B) may include costs of labor, materials, facilities, utilities, equipment, supplies, and any other resources of the test facility that are consumed or damaged in connection with—

"(i) the use; or

"(ii) the maintenance of the test facility for purposes of the use.

"(2) The term 'indirect cost', with respect to the use of a test facility pursuant to a memorandum or other agreement under subsection (a)—

"(A) means any item of cost that is not easily and readily identified to a specific unit of work or output within the test facility where the use occurred; and

"(B) may include general and administrative expenses for such activities as supporting base operations, manufacturing, supervision, procurement of office supplies, and utilities that are accumulated costs allocated among several users.

"(3) The term 'test facility' means a range or other facility at which testing of defense equipment may be carried out.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"23501. Cooperative agreements for reciprocal use of test facilities: foreign countries and international organizations.".

SEC. 1214. SENSE OF CONGRESS ON ALLIED DEFENSE BURDENSHARING.

It is the sense of Congress that—

(1) the efforts of the President to increase defense burdendsharing by allied and friendly nations deserve strong support; and

(2) host nation support agreements with those nations in which United States military personnel are assigned to permanent duty ashore should be negotiated consistent with section 1221(a)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 50 U.S.C. 1541(a)(1)), which sets forth a goal of obtaining from any such host nation financial contributions that amount to 75 percent of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation.

Subtitle C—Reports

SEC. 1221. REPORT ON SIGNIFICANT SALES AND TRANSFERS OF MILITARY HARDWARE, EXPERTISE, AND TECHNOLOGY TO THE PEOPLE'S REPUBLIC OF CHINA.

Section 1202 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 781; 10 U.S.C. 113 note) is amended by adding at the end the following new subsection:

"(d) REPORT ON SIGNIFICANT SALES AND TRANSFERS TO CHINA.—(1) The report to be submitted under this section not later than March 1, 2002, shall include in a separate section a report describing any significant sale or transfer of military hardware, expertise, and technology to the People's Republic of China. The report shall set forth the history of such sales and transfers since 1995, forecast possible future sales and transfers, and address the implications of those sales and transfers for the security of the United States and its friends and allies in Asia.

"(2) The report shall include analysis and forecasts of the following matters related to military cooperation between selling states and the People's Republic of China:

"(A) The extent in each selling state of government knowledge, cooperation, or condoning of sales or transfers of military hardware, expertise, or technology to the People's Republic of China.

"(B) An itemization of significant sales and transfers of military hardware, expertise, or technology from each selling state to the People's Republic of China that have taken place since 1995, with a particular focus on command, control, communications, and intelligence systems.

"(C) Significant assistance by any selling state to key research and development programs of China, including programs for development of weapons of mass destruction and delivery vehicles for such weapons, programs for development of advanced conventional weapons, and programs for development of unconventional weapons.

"(D) The extent to which arms sales by any selling state to the People's Republic of China are a source of funds for military research and development or procurement programs in the selling state.

"(3) The report under paragraph (1) shall include, with respect to each area of analysis and forecasts specified in paragraph (2)—

"(A) an assessment of the military effects of such sales or transfers to entities in the People's Republic of China;

"(B) an assessment of the ability of the People's Liberation Army to assimilate such sales or transfers, mass produce new equipment, or develop doctrine for use; and

"(C) the potential threat of developments related to such effects on the security interests of the United States and its friends and allies in Asia.".

SEC. 1222. REPEAL OF REQUIREMENT FOR REPORTING TO CONGRESS ON MILITARY DEPLOYMENTS TO HAITI.

Section 1232(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 788; 50 U.S.C. 1541 note) is repealed.

SEC. 1223. REPORT BY COMPTROLLER GENERAL ON PROVISION OF DEFENSE ARTICLES, SERVICES, AND MILITARY EDUCATION AND TRAINING TO FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS.

(a) STUDY.—The Comptroller General shall conduct a study of the following:

(1) The benefits derived by each foreign country or international organization from the receipt of defense articles, defense services, or military education and training provided after December 31, 1989, pursuant to the drawdown of such articles, services, or education and training from the stocks of the Department of Defense under section 506, 516, or 552 of the Foreign Assistance Act of 1961 (22 U.S.C. 2318, 2321j, or 2348a) or any other provision of law.

(2) Any benefits derived by the United States from the provision of defense articles, defense services, and military education and training described in paragraph (1).

(3) The effect on the readiness of the Armed Forces as a result of the provision by the United States of defense articles, defense services, and military education and training described in paragraph (1).

(4) The cost to the Department of Defense with respect to the provision of defense articles, defense services, and military education and training described in paragraph (1).

(b) REPORTS.—(1) Not later than April 15, 2002, the Comptroller General shall submit to Congress an interim report containing the results to that date of the study conducted under subsection (a).

(2) Not later than August 1, 2002, the Comptroller General shall submit to Congress a final report containing the results of the study conducted under subsection (a).

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 314 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 314

Resolved, That it shall be in order at any time on the legislative day of Wednesday, December 19, 2001, for the Speaker to entertain motions that the House suspend the rules, provided that the object of any such motion is announced from the floor at least one hour before the motion is offered. The Speaker or his designee shall consult with the minority Leader or his designee on the designation of any matter for consideration pursuant to this resolution.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 314 is a rule providing for the consideration of motions to suspend the rules at any time on the legislative day of Wednesday, December 19, 2001.

The rule further provides that the object of any motion to suspend the rules should be announced from the floor at least 1 hour prior to its consideration, and that the Speaker or his designee will consult with the minority leader or his designee on any suspension considered under the rule.

It is a fair rule, Mr. Speaker. It will allow for the consideration of important legislation. I would urge my colleagues to support this straightforward, hopefully noncontroversial, rule.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under rule XV of the House rules, bills may be considered on the House floor under suspension of the rules only on Mondays and Tuesdays, and this resolution will permit bills to be considered under suspension of the rules on Wednesday, December 19.

This special rule is open-ended. It authorizes the Republican House leadership to bring up any bill under suspensions of the rules. Other special rules considered during this Congress to create new suspension days covered only specific measures.

Mr. Speaker, I am concerned that this rule requires only 1 hour's notice before bringing up a bill under suspension.

Mr. Speaker, as we all know, during the last moments of a session when Members are rushing to wrap up the year's business, it is easy to make mistakes. It is also easy to take shortcuts that undermine the deliberative process and restrict the rights of the minority. Under these circumstances, 1 hour's notice is simply not enough time.

Towards the end of the session in 1999, the House passed an open-ended suspension rule that required at least 2 hours. Near the end of the session in 1998, the House also passed an open-ended suspension rule that required at least 2 hours. I fail to see why this rule should require only 1 hour's notice.

For this reason, I must reluctantly oppose the rule.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

□ 1200

CONFERENCE REPORT ON H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

Ms. PRYCE of Ohio. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 315 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 315

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), my colleague and friend, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 315 is a standard rule waiving all points of order against the conference report to accompany H.R. 1, the No Child Left Behind Act of 2001. The rule also waives all points of order against its consideration.

Mr. Speaker, today we take an historic leap forward on behalf of our children, parents and teachers across this great Nation. While lately, the attention of Americans has been focused on the war on terror, the Congress has continued to focus its attention on our Nation's most precious resource, our children. This conference report does just that and recognizes that investing in our children today will prepare them for the challenges of tomorrow.

The Committee on Education and the Workforce, assigned the demanding task of reforming our Nation's failing Federal education policy, has reported back a conference report that we all can and should support. I am pleased to stand before my colleagues today to present a rule on a bipartisan piece of legislation that will transform the Federal role in education to ensure that indeed no child is left behind.

The education of our children is the top priority for our President and a major concern of most Americans. H.R. 1 represents the most sweeping, comprehensive education legislation to be brought before the House during our tenure.

I would like to take a moment to congratulate the gentleman from Ohio (Mr. BOEHNER), my colleague and very good friend, for his hard work and commitment to improving the educational system for our children. I would also like to commend the ranking member of the committee, the gentleman from California (Mr. GEORGE MILLER), for all his work and support for this bipartisan legislation.

Despite a decade of economic growth and Federal spending of more than $130 billion since 1965, the achievement gap dividing our Nation's disadvantaged students and their peers has continued to widen.

Mr. Speaker, the message is loud and clear. Money alone is not the answer. It is time for accountability. It is time for reform. It is time for a renewed commitment to our children.

This conference report embodies President Bush's education vision and stays true to his four principles of education reform, accountability, flexibility and local control. It expands options for parents and funds what really works.

It all starts with determining which students are in need of additional help and which schools and school districts are in need of improvement. H.R. 1 accomplishes this task by implementing annual assessments in the core subjects of reading and math for students in grades three through eight. However, the bill also recognizes that communities know more about their children than Washington bureaucrats.

H.R. 1 respects local control, by allowing States to design and implement these tests, and provides Federal funds to aid them in this task. It also explicitly prohibits federally-sponsored national testing or curricula.

Armed with knowledge, we will be able to determine which schools are failing to educate our children. This information will be readily available to parents in the form of annual school performance report cards. Based on these facts, H.R. 1 provides a system of accountability to ensure that students do not become trapped in chronically failing schools.

H.R. 1 provides real options for parents with students in chronically failing schools. Parents would be allowed to transfer students in failing schools to better performing public or charter schools. Supplemental services would be provided from Title I funds for tutoring, after-school services, and summer school programs.

Finally, charter schools would be expanded to provide opportunities for parents, educators and community leaders to create schools outside the bureaucratic red tape of the educational establishment.

In exchange for these new accountability measures, the plan will dramatically enhance flexibility for local school districts, granting them the freedom to transfer up to 50 percent of the Federal education dollars they receive among an assortment of ESEA programs and target the true needs of their individual communities.

Mr. Speaker, since the creation of the Elementary and Secondary Education Act in 1965, numerous programs and restrictions have been piled on the Act, creating a bureaucratic maze of duplicative policies, all well-intentioned, but amazingly inefficient. H.R. 1 will give some needed organization to this patchwork of programs by consolidating the programs under ESEA and targeting resources to existing programs that serve poor students.

We know that over 60 percent of children living in poverty are reading below the very basic level. We cannot expect these children to succeed. Children who cannot read are destined for academic underachievement. We cannot allow children to be denied access to the world that can be opened to them only through books. The President's Reading and Early Reading First programs will introduce a scientific-based comprehensive approach to reading instruction that will serve to refocus education policy on this fundamental skill.

The President's education plan, No Child Left Behind, also emphasizes two other fundamental areas of education, through the establishment of math and science partnerships. The United States cannot remain a world leader in technology and scientific discovery without fundamental math and science education.

I am pleased that H.R. 1 includes an initiative which will encourage States to partner with institutions of higher learning, businesses and nonprofit math and science entities to bring enhanced math and science educational opportunities to our children.

Mr. Speaker, H.R. 1 is filled with calculated reforms that will restructure Federal education policy. It includes provisions to increase safety in our schools, promote English fluency and improve teacher quality, and provides the most important change in Federal education policy in almost 40 years.

Every Member of this House has a vested interest in the education of our children. We cannot afford to sit idly by or be timid in fulfilling our responsibility to ensure that every child has access to an education that gives them every chance to reach their full potential and exceed their goals and their parents' dreams for their future.

I urge my colleagues to keep the children at the forefront of our focus. Support this rule, adopt this conference report and send this historic legislation to the President of the United States so that no child is left behind.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE) for yielding me the customary 30 minutes.

Mr. Speaker, this is a measure that many of us have been worried might not ever see the light of day. As the measure moved through the House, the thoughtful and carefully crafted compromise almost collapsed as extreme measures such as vouchers and block grants became attached.

I am pleased to report cooler heads have prevailed in conference. What has emerged is one of the most critical pieces of one of the most important pieces of domestic policy to emerge from the Congress this year.

This education bill has the potential to truly make a difference in the lives of our children. Congress, for the first time, has tackled the inexcusable achievement gap between rich and poor students and minority and nonminority students that has plagued our educational system for decades.

In addition, for the first time in history we set as Federal law that teachers must be qualified in their subject area within four years. That is a very important step. Moreover, this measure provides funding adequate enough to match our rhetoric. Over $27 billion has been authorized in fiscal year 2002 for Federal elementary and secondary education programs. This is $3.5 billion more than the amount authorized by the House and is well needed.

For the first time, Congress is giving teachers the resources for training, support and mentoring that they need to reach the goals. Many of us were concerned that the administration failed to request any significant increase in funding to back up the broad outline of the President's for reform.

It is now my understanding that labor HHS appropriations bill which will be considered shortly will provide nearly $4 billion more in funding for all elementary and secondary education programs funded by the Federal Government, nearly a 20 percent increase in appropriations.

This is a historic bill because it targets Federal dollars better than ever before to those students who need it most. Moreover, this bill finally fulfills the promise made in 1965 with the passage of the Elementary and Secondary Education Act. The promise to ensure that all children have an opportunity to learn regardless of income, background or ethnic identity.

Mr. Speaker, it is really a shame that it has taken us from 1965 to call for a quality and equity in education.

Finally, Congress will back up our commitment with a set of unambiguous expectations, time lines and resources and accountability will be a part of it. I am really pleased to support this rule and this bill.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 4 minutes to my distinguished colleague, the gentleman from Georgia (Mr. ISAKSON), a member of the Committee on Education and the Workforce and someone very instrumental in the good work that has gone into this bill.

Mr. ISAKSON. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE) for her leadership and for yielding me time. I thank the Members on both sides of the aisle for the words that have been spoken and will be spoken about No Child Left Behind.

A year ago next Friday, then President-elect George Bush invited 16 members of House and Senate, Republicans and Democrats, all members of the Committee on Education and the Workforce. He expressed his vision for No Child Left Behind, and then did what is so exemplary of our President. He asked all of our opinions on what we thought. And it was from that basis that House Resolution 1 was introduced about 12 months ago and we began the work which results today in the final conference committee report on No Child Left Behind.

Everyone had a chance to have their say. Every issue of importance had its chance to have a vote. And in the end, bipartisanship prevailed and the interests of the America's poorest students most in need has been met, and, in fact, I believe exceeded beyond the wildest dreams of me or our President or the other members some 12 months ago.

Mr. Speaker, I am very fortunate. I was born to a loving mother and father who nurtured me and made education important, who gave me the resources and the discipline and made the demands to ensure that I learned to read and to write. I owe them very much. On the other hand, I also recognize I owe very much to those who were not nearly as fortunate as I was.

No one should mistake what this bill is all about. It is about seeing to it that those who are the most disadvantaged, those who are the most poor, those who are the most at risk are given the resources and the institutions that teach them the accountability to ensure that they are not left behind, that they can read, that they can compute, that they can graduate, and they can realize the American dream.

While someone may nitpick over something they did not get in this bill, every child in America and every American taxpayer is getting the benefit of a better, more intelligently, more proud and more self-assured population in the future because we will leave no child behind. And today this Congress will adopt the dream of this President in his most important promise of his campaign just a year ago.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend for yielding me time.

Mr. Speaker, I rise in support of the rule and of the conference report. The work that has been done on this bill by the President, by the leaders of our efforts, the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. MILLER) are to be commended, as well as the efforts of Senator KENNEDY and Senator GREGG.

We will hear more about the overall themes of this bill during the general debate. I wanted to extend my appreciation to these leaders for including in this legislation two initiatives which have great importance to me that I have worked on throughout this process. The first is a provision that will permit for the first time Title IV money to be used to broaden prekindergarten opportunities for 3, 4 and 5 year olds across the country.

The evidence is overwhelming that children who receive a high quality prekindergarten education perform better throughout their school careers and throughout their lives. For the first time, because of the inclusion of this provision, we will be able to reach more children.

Second, we have had an epidemic of school violence in our country which we all regret. One of the ways that has been proven successful to deal with school violence is peer mediation programs among students. Because of a provision that is in this bill, we have been able to provide for the use of Safe and Drug Free Schools money to promote the use of peer mediation programs among students across the country so they may learn to talk about their differences and resolve them before those differences spill over to bloodshed and violence in our schools.

There are many good things in this legislation. I am appreciative of the cooperation of the bipartisan leadership in including these two initiatives in the bill. I would urge my colleagues to support both the rule and the bill.

□ 1215

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I am very pleased to yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank the gentlewoman for yielding me this time. The poet Shelley once wrote that it is very important that children believe in belief: that children believe in Santa Claus; that children believe that pumpkins can turn into carriages; and that children believe that little elves can whisper into people's ears.

For too long, Mr. Speaker, we have believed that we provide a good, excellent education to all children in this country and that title I helps the disadvantaged. With this bill we shatter and attempt to destroy the myth that poor children cannot learn as well as wealthier children and that we really have targeted resources to help these disadvantaged children over the last 30 years.

This bill, with good people working on a good product, achieving good results in a bipartisan way, has really brought great credit to this institution. And a lot of people deserve credit for that achievement. The gentleman from Ohio (Mr. BOEHNER), our Republican chairman and my classmate, has worked hard on this bill and brought trust to the process; the gentleman from California (Mr. GEORGE MILLER) has fought hard for accountability and new ideas so that poor children can get great teachers; the President brought many of us together in Austin, Texas, and showed passion on this issue; new Democrats helped put together a bill that probably is 65 to 70 percent in this bill, demanding results for the poorest children.

I just want to conclude, Mr. Speaker, and I will talk more on the bill itself later, that this bill, this achievement of good people with good policy brings great credit to the institution of Congress. I wish and pray that this is a model for more of this behavior and these results in future Congresses.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to my distinguished colleague, the gentleman from Florida (Mr. KELLER), a member of the Committee on Education and the Workforce.

Mr. KELLER. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise today as a strong supporter of President Bush's No Child Left Behind Act.

I support this important education reform legislation because it will bring about a meaningful change in what I call the three R's: reading, resources, and red tape relief.

First, I will address the reading issue. A child's success in school, and indeed in life, is dependent on his or her ability to read. Unfortunately, 70 percent of the fourth graders in our inner-city schools cannot read at a basic level. In other words, they cannot read and understand a short paragraph that one would find in a simple children's book.

This legislation addresses that issue head on by investing $5 billion over the next 5 years in reading for children in grades K through 2. That means that next year Federal funds for improving reading will be triple.

The second reason I support this legislation is because this bill represents the single largest investment of Federal dollars in K through 12 education in the history of the United States.

For example, we are investing 43 percent more dollars in education than last year, and we have a 57 percent increase in the amount of money we are investing in title I. This will help to make sure that all children, rich or poor, will have the opportunity for a first-class education.

The third reason I am supporting this legislation is because of red tape relief. This bill gives our local school boards the freedom to do their job without a lot of unnecessary red tape from Washington.

For example, under this legislation, local school districts will have the flexibility to spend up to 50 percent of the Federal dollars they receive on locally determined priorities, from class size reduction, to higher teacher salaries, to more computers in the classroom. And 95 percent of the funds will go directly to the classroom.

In short, this education reform legislation achieves the three R's of reading improvement, resources, and red tape relief. For these reasons, I urge my colleagues to vote "yes" on H.R. 1.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentlewoman for yielding me this time.

As a member of the Committee on Education and the Workforce, I rise in support of the rule and also in support of the reauthorization act before us today. President Lyndon Baines Johnson helped usher the first Elementary and Secondary Education Act through Congress back in 1965, and he was fond of saying that nothing matters more to the future of our country than education. I believe that, and I believe the American people believe that. That is why there is such overwhelming support throughout the country for us to do more to improve the education for all our children.

Is this a perfect bill? No. But it is a bill that is the product of a good process. And for that I commend the chairman of our committee, the gentleman from Ohio (Mr. BOEHNER); the ranking member, the gentleman from California (Mr. GEORGE MILLER); my colleagues on the Committee on Education and the Workforce; and those who served on the conference committee for helping make the process work in away in which it is intended.

This was a product of much compromise and much negotiation. The administration and the President himself injected himself in the process when we needed some logjams to be broken. I commend Sandy Kress in the role he played; Secretary Paige and the role he played; because overall this is a very good bill that advances the cause of education. It has a lot of good features in it: more funding and better targeted assistance to the most disadvantaged students in our country, the consolidation of Federal programs, and greater flexibility to school districts to better target the money in the ways they see fit to work in their own local area. There is a heavy emphasis on professional development and the recognition that we need quality teachers in the classroom. And in an area I did particular work on, an emphasis on professional development of the leadership of our school districts, principals and superintendents.

But I also think there are some question marks remaining in regards to the overall bill, and one is the testing element and the accountability; whether we are providing enough resources to allow the school districts to develop and implement these tests for diagnostic purposes, and whether we are providing enough resources for remediation of those students who are falling behind.

Another glaring absence is the failure of this Congress to recognize our obligation to fully fund special education. We are supposed to fund it at 40 percent. We are only funding it at 15 percent. And that is the number one most pressing financial issue affecting school districts throughout our country. It is an issue we need to address next year with the reauthorization of IDEA, while also addressing the funding issue for special education.

At the beginning of this year, Congress set out to improve the quality of education in America's public schools through the reauthorization of the 35-year-old Elementary and Secondary Education Act (ESEA). As a member of the Education and Workforce Committee, I am pleased that I had the opportunity to work on reauthorization of ESEA and I would like to praise my colleagues for the bipartisan effort that was put forth to enact true education reform; it is a victory for America's students.

PROFESSIONAL DEVELOPMENT

This bill will continue the federal government's commitment to assist schools in teaching low-income and low-achieving students by offering more flexibility to schools using federal funds while requiring them to show that their student's learning is improved by the investment. While this bill encompasses many reforms, one issue in which I was actively involved during committee consideration of ESEA was improving professional development for our teachers, principals, and administrators. They are key to our children's success in school and we need to acknowledge their hard work and dedication.

That is why I offered two amendments to ESEA that focused on professional development. The first amendment establishes teacher and principal corps, which are designed to recruit, prepare,, and support college graduates or mid-career professionals as they begin a teaching career or pursue further professional development to become a principal.

The second amendment I offered develops leadership academies, which will train the best and brightest candidates to become effective educators. The academies will focus their efforts on training current principals and superintendents to become outstanding managers and educational leaders. I am pleased that my colleagues recognize our country's need for strong leadership for our students. It is not only important to have the best principals, but recent reports estimate that 40% of today's principals are eligible to retire in the next five years, and 50% of school districts nationwide are already experiencing a principal shortage.

EDUCATION TECHNOLOGY

Technology is another tool that is critical in educating our youth in the 21st century. Technology, when used effectively, can stimulate learning, enrich lives; and create greater opportunity for our students. All students, regardless of the socioeconomic conditions of their communities or families, should be able to access and use the technology that is driving the New Economy. It is also very important to ensure that our teachers are equipped with the necessary tools and skills to use technology effectively in the classroom. I am pleased that after the initial proposed cuts in funding for technology is ESEA, that the final agreement authorized the education technology program at one billion dollars.

RURAL EDUCATION INITIATIVE

During committee consideration of ESEA, I also worked with several of my colleagues to ensure that ESEA included the Rural Education Initiative. This program authorizes new funding and increased flexibility for rural school districts. Across the nation, many of our rural schools cannot compete for federal education grants because they do not have adequate resources. As a result, many of our students' academic performance suffers.

Furthermore, due to the fact that rural school districts do not lie near population or commercial centers and generally have small staffs, their schools have a harder time attracting personnel and taking advantage of training and technical assistance. Rural schools also frequently face higher costs associated with building infrastructure and upgrading technology.

INDIVIDUALS WITH DISABILITIES IN EDUCATION ACT (IDEA)

Although I am pleased with the ESEA conference report, I am concerned that the government continues to impose federal mandates on the states in the area for special education, while not providing the necessary resources. In addition, these mandates are occurring when many of these states are already facing budget shortfalls.

Since 1975, when IDEA was enacted, Congress told the states they must educate all children with disabilities, regardless of costs. Yet, because educating students with disabilities is typically twice as expensive as educating non-disabled students, Congress made a commitment to the states that the federal government would pay 40% of the cost of educating disabled children. But 26 years later, we have not kept that promise. Congress funds only 15% of the cost of special education.

The financial burden of meeting the costs of this important program falls directly on states and local communities in every congressional district. We have an obligation to ensure that a fundamental and fair educational opportunity exists for all our students, regardless of physical or developmental ability. The lack of adequate funding for special education misses the opportunity to truly leave no child behind.

MANDATORY TESTING

Futhermore, I fear that this lack of funding for IDEA will ultimately result in inadequate resources for states to being implementing the mandatory annual tests. This bill imposes significant new demands on schools to annually test 3rd–8th grade students in reading and math. Although there are assurances that the Federal Government will pay its required share of the costs for the new tests if the government fails to pay its share, then the state will not be required to implement the annual tests. This is troublesome because in the end if there is not enough money to ensure accountability, then it will be the students whole will suffer.

CONCLUSION

Nonetheless, I am pleased with the overall outcome of the conference report and I commend the conference committee for the hard work and dedication over the past couple of months. I am honored to have worked with my colleagues on both sides of the aisle over the past year on this piece of legislation, which is guaranteed to make a difference in the nation's public schools. I find satisfaction in knowing that it is within those public schools back in western Wisconsin and throughout the nation where we will find our future leaders.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Kentucky (Mr. FLETCHER), also a member of the Committee on Education and the Workforce.

Mr. FLETCHER. Mr. Speaker, certainly in response to my colleague who last spoke, let me say that if he looks historically over the last several years in the funding for IDEA, he will find that since the Republicans have taken control of Congress, percentage-wise we have increased the funding for IDEA substantially over what previously had been funded, and I think we are doing a remarkable job as we increase the funding for that.

I also rise to lend my enthusiastic support to President Bush's education reform plan, No Child Left Behind. First, I would like to congratulate the Committee on Education and the Workforce chairman, the gentleman from Ohio (Mr. BOEHNER), and the ranking member, the gentleman from California (Mr. GEORGE MILLER) for this landmark piece of legislation and thank them for nearly one full year of work to produce a true education reform bill. I would like also to thank the conferees, both those in the House and the other body, whose work and support were vital to this bill.

President Bush took office and immediately began his efforts to reform education in America. We tried to reauthorize the Elementary and Secondary Education Act in the 106th Congress; but at that time, because of partisanship, even though we had crafted a good bill under Mr. Goodling, we were unable to overcome that partisanship to get that legislation enacted.

This year, H.R. 1 is not just a good bill, it represents true education reform in America and will begin to correct the shortcomings and failures of the Federal role in education in America since ESEA was first authorized in the 1960s.

We will hear a lot today about funding for education and how important that is and how some Members in this body do not believe there is enough funding for education. I believe we should provide funding for education, and I have supported that idea with my votes here in the House since elected to Congress.

A little over 2 months ago, the House approved the education spending package for this fiscal year that provided $3.5 billion over the budget request for the programs included in the President's elementary and secondary education initiatives authorized in H.R. 1 and special education programs. Total funding for elementary and secondary education funds was $29.9 billion, $4.9 billion over last year's levels.

But just throwing money at problems we face in the education of America's children is not enough. President Bush has made it clear we must tie funding and resources to reform. The President outlined four pillars of education reform, and the conference report we are considering today has all of them: flexibility and local control; accountability; expanded choices for parents and a reemphasis on the role of the parent in education; and, finally, the idea that we need to fund programs that work, including the President's newly created Reading First and Early Reading First initiative, which is a scientifically based approach to overcoming illiteracy in America.

The President has stated, since taking office, that the Federal role in education is not to serve the system, it is to serve the children. I am glad we have someone in the White House who is willing to hammer home this truth, and I am proud to support this rule and urge my colleagues to vote both for the rule and the passage of the conference report.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentlewoman's courtesy.

For the second day in a row, Mr. Speaker, we are seeing the House move forward with important items for America's future. Yesterday, it was election reform. Today, education is our priority. We are moving in the right direction, not necessarily allowing the perfect to be the enemy of the good. There is something in this legislation for everyone to support.

I personally am deeply appreciative for the work of the committee dealing with areas of special education and school modernization. But I would, Mr. Speaker, just like to say a word about leadership. I have been somewhat critical of some things that our President has done in the domestic area. This showed what our President can do when he focuses and works with the congressional leadership, and I think the product has been worth his efforts and I commend him.

I think it is important also to acknowledge the chairmanship of the gentleman from Ohio (Mr. BOEHNER), who much has been said about already, much more will be said on the floor, and I think it is all deserved.

But I would, if I may, Mr. Speaker, say a word about the gentleman from California (Mr. GEORGE MILLER), our friend from California. He is a man of great passion about a whole range of issues, but he has dedicated years of his life to advancing the interests of America's children. Nobody in this Chamber has worked longer or harder than the gentleman from California, not just publicly in this arena but doing private things. I know that for months he would teach children in an alternative high school before getting on a plane and flying back here to Washington, D.C. Fighting on behalf of America's children and their future is something that has been worth doing. This legislation would not have happened without him.

I hope the hard work of the gentleman from California, Chairman BOEHNER, and the President will set the tone for the progress of this Congress in the last year of this session. I think America needs it.

Ms. PRYCE of Ohio. Mr. Speaker, may I inquire as to how much time remains?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentlewoman from Ohio (Ms. PRYCE) has 15 minutes remaining, and the gentlewoman from New York (Ms. SLAUGHTER) has 19 minutes remaining.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentlewoman for this opportunity, and I commend the entire conference committee and staff for their hard work in getting this report, and certainly thank the Committee on Rules for a fair rule.

One aspect of the bill that is especially important to me are the provisions for math and science education. In the Subcommittee on Research that I chair, we held several hearings on how to improve math and science education, where we have not been doing very well, especially considering the challenges ahead of us and the high-tech world that young people will be entering into.

□ 1230

Today's information-driven economy and high-tech industry require workers, not just the specialists, not just the scientists, but the workers to have more math and science and technology skills than ever before. Understanding basic math and science is essential for individual prosperity and our Nation's continued economic growth.

In this bill, we call on our world-class universities to play a greater role in improving the K–12 education, especially in math and science. And through research, through partnerships with local schools to develop better and more rigorous math and science curricula, and fellowships for elementary and secondary teachers, we can improve our math and science education in this country.

I hope this legislation helps to ensure that every child develops the knowledge and skills needed to succeed in the 21st century. I support the rule, and I encourage my colleagues to vote "yes."

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, so many of us in this body are products of the public school system. So many of us got our start because teachers gave us an opportunity. I represent many districts in my congressional district, school districts, which do not have the necessary resources, pens, paper and computers to teach the students as they should.

I rise to support this rule and this bill and to support this concept. I thank the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) for working together. I thank the committee for working together, the conference for working together. I thank the gentleman from Michigan (Mr. KILDEE), and many others.

I know that Secretary Paige coming from Houston had a hand in a lot of this because we have made some strides in Houston, Texas, and I thank him for putting his handprint, along with the aggressive leadership of President Bush.

There are some good points in this legislation we should note. The commitment to close over a 12-year period the gap between poor and disadvantaged children and those in more influential and wealthier schools. It is also very important that we emphasize the importance of making sure that in testing the children, it is diagnostic testing and that we provide in the diagnostic testing the resources. I hope to have more resources, but the one point that is very good is that parents, when they find out that the children are not making the grade, will be able to secure resources from the school districts to provide extra tutoring for the children. They will be able to secure the type of tutoring that is most helpful to their child. In addition, we have restored funding for school construction and after-school programs, teacher development, principal development and administrative development will be funded.

I believe the important challenge that we have in the future is to continue education and work with the special needs children. It is a difficult hurdle for parents with special needs children. We have done great things today, and I hope that we pass this legislation so we can support the education of the Nation's children.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE), a member of the Committee on Education and the Workforce.

Mr. OSBORNE. Mr. Speaker, I, too, thank the gentleman from Ohio (Mr. BOEHNER) for his leadership, not only in the committee, but in the conference. It has been a long, arduous task. I also thank the ranking member, the gentleman from California (Mr. GEORGE MILLER), who I think has shown exceptional leadership throughout the process, and to the staff of the Committee on Education and the Workforce which I understand basically has not been to bed for 2–3 days.

Mr. Speaker, I am relatively new here and I have been told how contentious the Committee on Education and the Workforce is, but I saw little of that. I was impressed with the spirit of cooperation and the fact that this is truly a bipartisan bill. Something had to be done. When we think about the fact that 40 percent of our 4th graders are functionally illiterate, we rank something like 19 out 21 countries on international math scores. I think there are 3 or 4 things that I would like to mention that are particularly noteworthy about this particular bill.

First of all, the issue of accountability. It has been my experience, unless there is accountability, there is no possible way to have excellence. In this bill we hold the teachers, the students and the schools to a relatively high standard of accountability. I think this will pay off.

Secondly, I think the flexibility, the ability to use Federal funds at the local level in ways that the local school boards feel is important will help education and help our local agencies.

Thirdly, small schools really have suffered in terms of competing for grants. They do not have grant writers. This allows schools with 600 students to receive at least $20,000 and to pool their funds.

On the issue of mentoring, we find that many young people today are in dysfunctional situations. For children in dysfunctional situations, it is difficult to come to school with any ability to learn anything. We find that pairing a student with a caring adult who is an adequate role model certainly helps.

Mr. Speaker, I urge passage of H.R. 1, and want to commend those who have been involved in authoring it.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BACA).

Mr. BACA. Mr. Speaker, I stand in support of this rule. I commend the committee on a bipartisan effort. We really have come together and compromised. Education is our top priority, and should always be our top priority. We want to make sure that every child has an opportunity to learn and be all that he or she can be.

We believe that H.R. 1 returns those original goals to targeting the funding for students who need it most, closing the achievement gap between the rich and poor, minority and non-minority. If we state that no child is left behind, we have to address this issue. H.R. 1 begins to address that issue, and I commend President Bush in making the statement that no child be left behind. This begins to address that.

It is important that each and every one of our students receive the appropriate education, the training, and that we do have accountability. This provides for accountability in our schools. It provides opportunity for parental involvement in our schools which is very important. It is important that our students receive motivation, self-esteem, that they are able to go on. It is with dedicated teachers and accountability. I know because my son, Joe Baca, Jr., is a teacher in secondary schools. My wife has been a substitute teacher for over 20 years. My daughter is a teacher's aide.

This is a step in the right direction. We still have a lot of work ahead of us as we look at class size reduction, school modernization and special ed. We want to make sure that every child is prepared to go into the 21st century, to make sure that he or she can be all that they want to be, that they can obtain jobs and employment, but have the same advantages as others.

This also addresses a critical issue, the Hispanic dropout rate. When we look at the dropout rate, we have a 30 percent high school dropout rate. It addresses issues which are important to us, and hopefully we can reduce those numbers and provide opportunities and ensure that these students finish high school and go on. With that I say, let us support this bill. It is moving in the right direction.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, while the conference report that we are considering today includes some important and exciting education reforms, I will not be able to support this bill. However, I do encourage my colleagues to vote for the rule and move the bill forward. The bill is an important component that the President has outlined for education reform. However, it is only part of the President's vision.

The mandates and the testing requirements in this bill are not balanced with the remainder of the President's bill, the parts that empower parents and free schools from the Federal bureaucracy. New mandates should not be the first step in education reform. I am encouraged that this bill has seen some progress since the original bill that left the House. High stakes testing, testing with rewards and sanctions tied to test performance, that has been removed. There are provisions that will hold schools accountable for student performance, and give children in failing schools opportunities for a better education.

Also, States will only have to implement new testing requirements if the Federal Government steps up and fully funds this new mandate.

As I said, I am also most encouraged that this bill is only a part of the President's vision. I look forward to working with the President and the administration in implementing the remainder of the vision that he outlined to the American people. These important steps, including empowering parents, giving States and schools more flexibility and fully funding our commitment to special education, with these opportunities, the accountability that is outlined in H.R. 1 becomes a reality because information is only useful if parents and schools can act on the information that they receive.

As the President's No Child Left Behind plan originally stated, systems are often resistant to change, no matter how good the intentions of those who lead them. Information and parental empowerment can be the stimulus a bureaucracy needs in order to change. Once these additional steps that the President has outlined are taken, I believe we will have completed the goal of education reform that will give all students a chance to learn and succeed. We will have completed the remainder of the plan and vision of the President that was left behind. Through accountability, through parental empowerment and through flexibility at the State and local level, we will have a plan that will leave no child behind.

Mr. Speaker, I encourage my colleagues to vote for the rule. Let us move this process forward and let us move on to the other parts of the President's agenda.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. OWENS), a valued member of the Committee on Education and the Workforce.

Mr. OWENS. Mr. Speaker, I join my colleagues in praising this bill, and I would like to point out a few things. The conference report maintains strong civil right protections prohibiting organizations from discriminating against employee and program participants.

The conference report increases funding for after-school programs by about 18 percent over the amount appropriated last year. Unfortunately, the conference report does not provide increased funding for school construction. School construction and repairs are totally ignored, and that is unfortunate.

H.R. 1 increases support for teachers through increased professional development, mentoring and recruitment. However, the failure to provide greater funding does not relieve local school districts of certain burdens that would allow them to transfer funds into teacher salaries.

We have a serious problem with teachers' salaries in New York City. In Middleton, Connecticut there was a strike by teachers. Members might have seen them humiliated before the television cameras, in handcuffs and prison suits. Those teachers are fighting for a decent health care plan. Teachers should not be held in contempt and treated as if they are at the bottom of the professional ladder. They need decent salaries and benefits.

The testing provisions ensure that States can no longer ignore the academic performance of poor and minority children. That is a big plus. H.R. 1 improves targeting for schools located in underserved communities. The President is to be applauded for interfering with a trend that had taken place to spread out the money and lessen its effectiveness. Title I was originally intended to target poor children in poor districts, and we have returned to that.

The Reading First Program is a great step forward, almost $1 billion to focus primarily on reading in K–3. The conference report includes $250 million for school libraries which shows that we mean business about reading.

Mr. Speaker, this is a good new beginning. President Johnson made a great step forward in this area, and this bill follows in those footsteps. We need more funding and resources for education.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

□ 1245

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. UDALL).

Mr. UDALL of Colorado. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I support this rule and the underlying conference report. I am particularly proud of two provisions that the conference committee adopted that I have championed since coming to Congress. I am very happy that the conferees have seen fit to authorize significant increases in funding for after-school programs. In 1999, the gentlewoman from Nevada (Ms. BERKLEY) and I first introduced the After School Education and Anti-Crime Act, a bill to increase funding for after-school programs. Since then, we have worked to see federally funded after-school programs grow from a few million dollars in fiscal year 1999 to today's landmark increase. These funding levels will provide nearly 4 million children in need access to after-school programs by 2007.

I am also proud that the conferees have included in the final report the High Performance Schools Act, a bill I first introduced in 1999. High performance schools are a win for energy savings and a win for the environment, but best of all they are also a win for student performance. A growing number of studies link student achievement and behavior to the physical building conditions.

We have an enormous opportunity, Mr. Speaker, to build a new generation of sustainable schools, schools that incorporate the best of today's designs and technologies and as a result provide better learning environments for our children, cost less to operate and help protect our local and global environment. I am glad that the conferees agreed with me on the importance of this opportunity. I thank them again for including the High Performance Schools Act in H.R. 1. I support the rule and I support the underlying bill.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Speaker, I rise today in strong support for this education bill. I want to take this opportunity to thank Chairman BOEHNER, Ranking Member MILLER, and the rest of the conference committee members for their hard work on behalf of all of our children.

I am really proud of this bill. This bill not only puts $26.5 billion into education, it provides accountability measures for these Federal dollars. In addition, it gives flexibility to schools on how they spend their Federal dollars. Today's bill includes my amendment that gives our school Federal funds to pay for their own school nurse. Never before have schools been able to use Federal dollars to pay for school nurses. No longer will school districts have to share a nurse.

This bill also provides essential teacher mentoring programs. Through my mentoring amendment, we are providing new teachers with one-on-one mentoring by veteran teachers. Now our new teachers will find the support they need to stay in the profession. With the dropout especially in teaching after 5 years, we have to do more to retain our teachers. As a member of the committee, I am thrilled to mention that today's bill invests an additional $154 million in after-school programs, for a total of $1 billion. After-school programs, as we all know, are the cornerstones to keeping our children safe and giving them extra time to learn.

Finally, this bill, through my academic intervention amendment, schools can develop programs to help troubled students stay focused and achieve their goals. I certainly urge all of my colleagues to support this education bill. I am looking forward to next year when we will be tackling the problems that we are having with IDEA. Certainly I know with our committee we will be fighting to increase the funding to help those children with disability.

I thank the staff. I know how long and hard it has been for all of them. It has been a long battle, because both sides had disagreements. But it kind of shows when we work together, we can get this done. I thank everyone who was involved.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentlewoman from New Jersey (Mrs. ROUKEMA), a member of the Committee on Education and the Workforce.

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of this conference report. I commend Chairman BOEHNER and Ranking Member MILLER for their leadership and their diligence in bringing this bipartisan bill to us. It is certainly an example of excellent bipartisanship and compromise. Although it has not been an easy process, it shows that we have all agreed that children are the future of our great democracy and the foundation of our global economic leadership. I truly believe that this bill will prove to be landmark legislation. Also, I should commend President Bush for his leadership on this.

But in any case, I do want to point out a couple of particular areas where it is especially advanced in giving leadership. One is the accountability demands here. We are not saying again that we just give money to State and local school systems, unless they demonstrate clearly accountability standards are being met in terms of math, English and reading, reading abilities, and the science abilities. These tests are specifically evaluated not only by State standards but also verify the State standards by sampling through the national assessment test. That is good, it is objective, and it really demands that students and staff and school boards are being held accountable for national standards.

I do want to make a point about the mental health provisions here. I was a leader on the bill; and I was more than a little disappointed that we did not receive a separate authorization in one area in the final conference report, but we do have in the final bill, nevertheless, important school-based mental health provisions in the safe and drug-free school programs, and certainly that is an advancement certainly with the kinds of violence that we have seen in our schools today. It is not as much as I wanted, but it is an excellent giant step forward.

I do want to also point out, and this is something that was rather controversial in the bill and in the final, but it has to do with the IDEA, special education. Here I want to make the commitment. This was inappropriate to put in this particular bill, but the commitment for next year, and I plan to take leadership on this, is that our education committee deals with IDEA reauthorization and deals with those controversial issues that have come up about discipline and specialization and integration, et cetera. So we are going to reform IDEA based on legitimacy of the questions that are involved and bring all the proper authorities in to discuss this. That is something that has been postponed until next year. It was appropriate to do. I just ask our colleagues to strongly support this landmark legislation. Leave no child behind.

I rise in strong support of the conference report. First and foremost, I would like to commend the Education and Workforce Committee Chairman BOEHNER and Ranking Member GEORGE MILLER for their leadership, hard work, and diligence to complete our work on education reform.

This bill is truly an example of bipartisanship and compromise. But make no mistake—this has not been an easy process. There were many hurdles along the way and many times we all thought an impasse had been reached. But no one on either side ever lost sight of the goal: to ensure that every child, in every public school in America receive a quality education. This process has not been about politics. This process has been about the children who are the future of our great democracy and the foundation of our global economic leadership.

BUSH PLAN

On his second day in office, President Bush made it his first priority to ensure that every child in America learns. I am pleased that this conference report reflects President Bush's vision for education reform—to have the best education system possible to ensure that no child is left behind. The H.R. 1 conference report ensures accountability through testing and provides flexibility and local control.

H.R. 1 provides unprecedented flexibility and local control. Educators are given the flexibility to shape federal education programs in ways that work best for our teachers and students. Cutting federal education regulations and providing more flexibility to states and local school districts is vitally important. Flexibility allows school districts the ability to target federal resources where they are needed the most. This will ensure that state and local officials can meet the unique needs of their students.

H.R. 1 dramatically enhances flexibility for local schools. H.R. 1 allows school districts to transfer a portion of their funds among an assortment of ESEA programs as long as they demonstrate results. Every local school district in America will immediately receive the freedom to transfer up to 50 percent of the federal dollars they receive among an assortment of programs. In addition, the bill provides for the establishment of up to 150 local flexibility demonstration projects across the nation. Local school districts choosing to participate would receive a virtual waiver from federal education rules in exchange for signing an "accountability contract" with the Education Secretary, in which the school district would agree to improve student achievement.

The conference report provides more state flexibility than the House passed bill. All 50 states would immediately receive the freedom to transfer up to 50 percent of the non-Title I state activity funds they receive from the federal government among an assortment of ESEA programs. In addition seven states would be allowed flexibility in the use of 100 percent of non-Title I federal funds in a variety of categories.

H.R. 1 ENHANCES ACCOUNTABILITY AND DEMANDS RESULTS

As we provide more flexibility, we must also ensure that federal education programs produce real, accountable results. Too many federal education programs have failed. For example, even though the federal government has spent more than $120 billion on the Elementary and Secondary Act (ESEA) since its inception in 1965, it is not clear that ESEA has led to higher academic achievement. Federal education programs must contain mechanisms that make it possible for the American people to evaluate whether they work. This bill provides accountability and demands results through high standards and assessments. And it provides appropriate responses to address failure.

Specifically, the H.R. 1 Conference Report requires states using federal education dollars to demonstrate results through annual reading and math assessments for students in grades 3 through 8. $400 million is authorized to help states design and administer these tests. To demonstrate not just that overall student achievement is improving, but also that achievement gaps are closing between disadvantaged students and other groups of students, states would be required to disaggregate test results by race, gender, and other criteria. Further, in order to provide parents with information about the quality of their children's schools, the qualifications of the teachers teaching their children, and their children's progress in key subjects, the bill requires annual report cards on school performance and statewide results.

As a means of verifying the results of statewide assessments, the conference report requires a small sample of students in each state to participate in the fourth and eighth grade National Assessment Educational Progress (NAEP) in reading and math every other year. The bill includes a number of improvements to the NAEP to ensure that the test remains an independent, high-quality, accurately-reported test.

This bill does not just require assessments. It also ensures results by focusing funding on what works.

Reading: The bill is grounded in the principle that every child should be reading by the third grade. The Reading First initiative will work to accomplish this goal by using federal dollars to improve literacy and by promoting research based reading instruction in the classroom. In addition, allocating funds to ensure that children begin school with the prereading skills they need to be able to read by third grade.

Teachers. To help school improve states will be required to have a highly-qualified teacher in every classroom by 2005. We make it easier for local schools to recruit and retain excellent teachers: current programs are consolidated into a new Teacher Quality Program that would allow greater flexibility for local school districts in achieving a quality teaching force. Teacher Opportunity Payments provide funds for teachers to choose professional development activities.

Technology: H.R. 1 streamlines duplicative technology programs into a performance based technology grant program that sends more money to schools. In doing so, it facilitates comprehensive and integrated education technology strategies that target the specific needs of individual schools. It also ensures that schools will not have to submit multiple grant applications and incur the associated administrative burdens to obtain education technology funding. States and local school districts may use this funding to increase access to technology, improve or expand teacher professional development in technology, or promote innovative state and local technology initiatives that increase academic achievement.

MENTAL HEALTH PROVISIONS

I am pleased that the final conference report retains important mental health provisions from the House bill. Currently, schools are not adequately equipped to address the mental health needs of students. Even before September 11, our nation was experiencing an urgent need for school-based mental health services.

The serious shortage of counseling programs in America's schools has further undermined efforts to make our schools safe. In addressing school safety, it is critical that we ensure that children with mental health problems are identified early and provided with services they so desperately need. Many youth who may be headed toward school violence or other tragedies can be helped if we address their early symptoms.

I should say that I am disappointed that the Elementary and Secondary Counseling program did not receive a separate authorization in the final Conference report, as was done in the House bill. The School Counseling Program has a track record of preventing school violence. This is a vital program that helps students develop the tools they need to interact with their peers, make healthy decisions, and succeed in school. Currently, this is only federal program designed to increase students' access to qualified school-based mental health professionals.

The School Counseling Program directs much-needed federal resources for school-based mental health programs. At the current funding level, 382 schools in 29 states benefit from counseling programs under this provision. It is obvious that many more schools are in need of these funds to provide counseling services to their students. I will work diligently to ensure that funding for this program will grow to meet the mental health needs of our nation's children.

The final bill does retain the important school-based mental health provisions in the Safe and Drug Free Schools Program that I worked to include in the House bill. These provisions provide resources to ensure that mental health screening and services are made available to young people.

At the local level, school districts are allowed to use their Safe and Drug-Free Schools funds for the expansion and improvement of mental health services. In addition, governors are required to give special consideration in awarding competitive Safe and Drug-Free Schools grants to those school districts that incorporate school based mental health services programs in their drug and violence prevention activities.

IDEA MANDATORY FUNDING

One of the major hurdles in this Conference was the issue of full funding of the Individuals with Disabilities Act (IDEA). Everyone agrees that the federal government is failing to pay its fair share of the costs of special education and all sides agree on the need for more money for students with disabilities. The problem is that this bill is not the appropriate vehicle to address the IDEA funding problem because funding and reform must be linked.

I want to alert and focus the attention of my colleagues on the fact that IDEA reauthorization is the next major education priority for the Education Committee. We must focus on reforms that would ease the special education burden on states and local schools while making the system work properly for students with disabilities. The Department of Education and the President's Commission on Excellence in Special Education is preparing to assist Congress in a comprehensive, evidence-based review of IDEA's programs.

VOTE FOR THE CONFERENCE REPORT

I am confident that this bill will prove to be landmark legislation—it is not perfect, but provides a firm foundation for reforming our nation's education system. I recognize that we cannot allow the perfect be the enemy of the good. Is this a good bill? Yes. Does it reflect the President's priorities? Absolutely. Will it improve education in America today? I have no doubt about that. The bill we are voting on today takes a meaningful step towards leaving no child behind. I urge all of my colleague to support it.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I rise in support of the rule and the conference report and want to highlight two points in particular from the conference report.

The first is that this bill authorizes for the first time a proposal that the gentleman from Indiana (Mr. ROEMER), the gentleman from Delaware (Mr. CASTLE), and myself introduced a couple of years ago called the Transition to Teaching Act which provides a financial incentive for people to consider making a midlife career change into teaching, subject to the same rigorous standards that anybody has to meet to be certified as a teacher in a State. This bill will authorize up to $150 million for that program. Universities, colleges of education, school districts can team up with the private sector to provide this way to deal with our growing crisis in this country as we face the need for over 160,000 new school teachers in my State alone, Florida, and 2.2 million nationally.

The second thing I want to highlight about this bill has to do with the standardized testing section. I want to thank the gentleman from California (Mr. GEORGE MILLER), the gentleman from Indiana (Mr. ROEMER), and Senator KENNEDY for working hard to include in the reporting language the requirement that testing provide diagnostic value. By that, I mean that when a child is subjected to a standardized test, as that child's parent, if my son is not doing well in fourth grade math, I want to know what the problem is; and most importantly, I want to know how to fix it. The reporting language in this bill says that a State should take that testing information, should share it with teachers, share it with principals, share it with parents, share it with students so they understand what the problem is and how to fix it, because that is the purpose of testing.

Please do not let happen to your State what has happened to my wonderful State, Florida. The politicians have hijacked standardized testing in Florida. It is a crime in my State to share the content of the test or the test results with a parent, a teacher or principal. That is a crime in and of itself. Testing should be used to help teachers teach, children learn, and parents take responsibility for their children's education. Let us do standardized testing the right way. It should have diagnostic value. That should be the principal purpose of testing. This bill provides a model for those States that are going to develop standardized testing and hopefully a first step towards getting States like mine back on the right track.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I would like to reemphasize some of the comments. I also support the rule. I will vote for the rule, but I will not vote for the conference report. There are many good things in this legislation. The President has helped the House and the Senate develop a lot of positive things that the Federal Government can do to become involved in the process of stimulating curiosity, intellectual curiosity and knowledge. But the critical area that fails in this legislation in my opinion is based on the conversation that the gentleman from Florida just mentioned, and, that is, that the Federal Government is requiring, through a pretty heavy hand, that the State governments create a testing tool, whether it is diagnostic or not, that will have a fairly riveting effect, in my judgment, of sterilizing and taking away the uniqueness of each individual teacher's expertise. When you do that, you do not create an academic environment that the teachers thrive on or the parents or the students.

Unfortunately, I rise to support the rule but oppose the conference report.

I rise in opposition to the Conference Report on HR 1. While I am thankful for the President's commitment to improving America's schools, particularly those failing our most vulnerable children, I feel strongly that this legislation will take us in the wrong direction, and, in the end, alienate parents from their local schools, rob teachers of their passions and gifts, and deprive children of not only the opportunity to learn through curiosity, imagination, and investigation, but also the realization that a lifetime of education can be exciting and invigorating.

Although this debate over how best to address the problems of our public schools has focused our attention on an issue we all cherish—but too often neglect—and forced us to search for common ground—something we too often forgo—I am more convinced now than ever that, through this legislation, we will be turning our backs on the heart of successful public education: local control of curriculum, parental and community involvement in school decisions, and the utilization of individual teachers' unique excitement and expertise. For this reason, I will not vote for the Conference Report.

Throughout much of the 20th Century, Congress often followed a single formula when addressing domestic problems: take away the authority of local governments and rely on federal control. In many instances this formula left citizens and communities out of the process and forced federal taxes and spending through the roof. We also know that this formula failed to solve—and often made worse—many of our most serious problems. And yet, despite these lessons, this House is going to apply this same failed formula to public education.

The testing provisions in the Conference Report are most indicative of this continued mindset and are the elements that trouble me the most. Because many here in Washington have decided testing is the key to school reform and accountability, this legislation will force states to create monolithic tests and subject curriculums, which the states will force upon local schools. Once again, we revert to believing all wisdom flows from Washington and state capitals.

The unavoidable consequence of this legislation will be less freedom for school boards, principals, teachers, and parents to decide what is best for their schools. Tests, ordered by federal bureaucrats and crafted by state bureaucrats, will be the dim light guiding our schools. Tests will determine what gets taught, what gets left out, which schools get more funding, and which teachers get raises. All the while, parents and teachers, those most committed to the well being of our children, will be left with their hands tied, interpreting test results published in the newspapers.

At times, however, this Conference Report seems to realize, though vaguely, that our schools should not be simply creatures of the Federal Government. It provides for increased funding going directly to localities and greater flexibility in the use of these funds. But if we trust the towns, counties, and neighborhoods of this country to make the right decisions with all of these federal dollars, why do we fail to trust them when it comes to what should be taught on the front line, day-to-day in the classroom?

We are putting power in the wrong place, creating an environment where vindictive behavior can thrive, sterilizing curiosity and creativity and ensuring mediocrity. Competition between schools will not be academically motivated, but rather more politicized.

Whether we are fighting for peace and stability around the globe, trying to create a more productive work place, or attempting to build dynamic research institutions, Americans have learned that one rule predominates: give honorable, hardworking, dedicated humans the freedom to think and create, and they will excel every time. Constant testing is not the answer. Empowering parents, teachers, and principals is. Democracy of the intellect is preferable to an aristocracy of the intellect.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from California (Ms. SOLIS), a member of the committee.

Ms. SOLIS. Mr. Speaker, I also want to join my colleagues in support of the rule and the conference report. I am proud to be here to support this education reform legislation. I know this measure is going to go a long way in helping all the students that I represent in my district. I want to applaud our chairman and our ranking member and all the members of the conference committee for their hard work in compromising in this whole area of education reform and making it work so that kids in my district, kids who do not have a fighting chance in many cases, will have an opportunity to learn, and those that are limited-English proficient will be able to acquire those skills, have testing and also be served by teachers that will have enough funding to be credentialed or get that credential.

Not only that, I am very, very pleased that the conference committee also encouraged more support for paraprofessionals, paraprofessionals that also work sometimes as instructors with our students, and they help provide a helping hand to many of our students. I want to also commend our side as well as the other side for providing so much support in title I funding for low-income disadvantaged students. Now we can honestly say that we are doing the right thing; that hopefully no child will be left behind; and that in years to come when we look back at the work that has been done here, we can with all assurances know that our effort was not for naught, that we really did do something good to make our children of all cultures and all races a part of the American dream. That American dream means do not leave any child behind and make education available to them in what language they need to acquire English skills. I applaud the conference committee.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentlewoman from Illinois (Mrs. BIGGERT), a hard-working and very important member of the Committee on Education and the Workforce.

Mrs. BIGGERT. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise today to express my support for the rule on H.R. 1, the No Child Left Behind Act of 2001. This bill empowers parents, helps children learn to read at an early age, and grants unprecedented new flexibility to local school districts while demanding accountability.

I would like to focus on two sections of H.R. 1 that have not received as much attention as others. First, I am proud that this legislation authorizes $70 million per year for homeless education. This will have a profound impact on the estimated 1 million homeless children in our Nation. Being without a home should not mean being without an education. This legislation expands our commitment to these special kids who face desperate circumstances.

I am also pleased that this legislation provides $450 million for math and science teacher training. Our new high-tech economy demands that children have stronger math and science skills. That means that teachers also need better training in these areas.

□ 1300

This new program will help teachers prepare better for students for careers in engineering or the hard sciences. This result will be a workforce better able to compete globally. Congress is giving America's teachers and students the best possible holiday present through this legislation. I congratulate the gentleman from Ohio (Chairman BOEHNER) and the conferees for their hard work.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. SUSAN DAVIS).

Mrs. DAVIS of California. Mr. Speaker, I am very pleased to support the rule and the report today. We have heard today the results of months of work by the Committee on Education and the Workforce of the House and the Senate Education Committee, and following that, by the conference committee, and I honor those Members who have struggled so diligently to reach this goal.

As a Member of the California Assembly, I worked to establish similar accountability measures for California schools, programs which began 2 years ago. I applaud the committees for bringing this reform to all of the States.

It will not be easy, nor will it be troublefree. However, requiring testing and accountability reporting which tracks the progress of distinct groups of children also encompasses the need for local schools and states to identify curriculum goals and academic standards. This is a good foundation for improving the focus of teaching. And, most important, as stated earlier by my colleagues, the critical aspect of our testing should be diagnostic. I am pleased that this is clearly stated in our rationale and implementation support.

Important parts of this program are those that will enable teachers to improve their teaching skills. High quality teachers are the most critical predictor of student achievement. I am particularly pleased that the bill will continue to support programs like the National Board for Professional Teaching Standards Credential Program that provide the opportunity for teachers to demonstrate high standards of their actual teaching accomplishment over a year of classroom performance.

Like many of my colleagues and a majority of the Senate conferees, I am disappointed that as we are mandating programs to local school districts and have expressed our intent to fund them adequately, while we have done that, we have failed to phase in funding to meet the commitment Congress made 26 years ago to fund special education. It is particularly ironic that as we have rightly focused H.R. 1 on the needs of the poorest children through Title I, we have failed to recognize that two-thirds of all children with disabilities are also eligible for Title I funds. We must work forcibly next year to meet this promise.

There is much hope in H.R. 1, and I am happy to support this new focus on the importance of teaching all of our children.

Ms. SLAUGHTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to close by saying this is a standard rule for the consideration of a conference report, and it will allow us to consider historic education that will provide parents, schools and communities with the tools needed to better educate our children. H.R. 1, the No Child Left Behind Act, is the vision of our President, and promises to bring accountability, flexibility and consolidation to Federal education policy.

Once again, Mr. Speaker, I would like to say that this Nation owes a big thank you to the gentleman from Ohio (Chairman BOEHNER), the ranking member, the gentleman from California (Mr. GEORGE MILLER) and for our President for showing us that this Congress can work together in a bipartisan basis and, at the same time, do what is right and good for our kids.

Mr. Speaker, I urge all my colleagues to support this straightforward rule and the bipartisan bill which it backs up.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BOEHNER. Mr. Speaker, pursuant to House Resolution 315, I call up the conference report on the bill (H.R. 1), to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 315, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of December 13, 2001, Part II.)

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, almost 37 years ago, the Federal Government made a promise to the children of our Nation, a promise that all children, regardless of race, income, faith or disability, would have an equal chance to learn and to succeed. Thirty-seven years later, the Federal Government is still failing to meet that promise, and Republicans and Democrats have come together to say enough is enough. No more false hope for our children, no more broken promises, and no more mixed results.

The legislation before us today lays the foundation for the most significant Federal education reforms in a generation. If properly implemented, these reforms will bring purpose to a Federal law that has lost its focus and never met its promise. It will mean immediate new hope for students in failing schools and new choices for parents who want the best education possible for their children. It will mean new freedom for teachers and school districts to meet higher expectations and give our children the chance to learn and to succeed.

Others before us have renewed this law, and have made similar claims. We must have the courage not just to vote for these reforms today, but to ensure that they are implemented.

This process began nearly a year ago in Austin, Texas, thanks to the leadership and courage of President Bush. It is marked not just by bipartisanship, but by a willingness on the part of those involved to take a gamble on behalf of our poorest students. It has been marked by the courage of legislators on both sides of the aisle to challenge conventional thinking and party orthodoxy for the sake of meaningful change.

I want to acknowledge my partner in this process, the gentleman from California (Mr. GEORGE MILLER). We have many different views and we disagree instinctively on many things, but I would suggest that when it comes to the education of our children, there is no Member of this body who is less content to accept the status quo than the gentleman from California (Mr. GEORGE MILLER). His courage, his honesty and his leadership throughout this process has been instrumental, and, without it, we would not be standing here today.

I also want to thank our colleagues on both sides of the aisle who have worked so hard on behalf of America's students: The gentleman from Delaware (Mr. CASTLE), the gentleman from California (Mr. MCKEON), the gentleman from Georgia (Mr. ISAKSON), the gentleman from Wisconsin (Mr. PETRI), the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentleman from Tennessee (Mr. HILLEARY), and the gentleman from South Carolina (Mr. GRAHAM); and on the Democrat side, let me recognize the contributions of the gentleman from Michigan (Mr. KILDEE), the gentleman from New York (Mr. OWENS), the gentleman from New Jersey (Mr. ANDREWS), the gentlewoman from Hawaii (Mrs. MINK) and the gentleman from Indiana (Mr. ROEMER), all who have been vital to the success of this very important bill.

I know the gentleman from California (Mr. GEORGE MILLER) joins me in giving particular thanks to our staff, who have made incredible sacrifices to bring this bill to completion.

I want to thank Sally Lovejoy of the House Committee on Education and the Workforce majority staff, who has put her heart and soul into this, and her counterpart on the Democrat side, Charlie Barone, who have worked literally 10 times more hours than the gentleman from California (Mr. GEORGE MILLER) and I in putting all of the incredible intricate legislative language together that allows us to be here today.

I also want to thank Danica Petroshius of Senator KENNEDY's staff, Townsend McNitt of Senator GREGG's staff and Denzel McGuire of the Senate HELP Committee, who worked with us day and night over the last year to bring this bill together.

I also want to thank my own committee staff, George Conant, Pam Davidson, Kirsten Duncan, Scott Galupo, Joyce Gates, Kate Gorton, Blake Hegeman, Cindy Herrle, Charles Hokanson, Patrick Lyden, Doug Mesecar, Maria Miller, Paula Nowakowski, Lisa Paschal, Krisann Pearce, Kim Proctor, Ron Reese, Whitney Rhoades, Deborah Samantar, David Schnittger, Kevin Smith, Kathleen Smith, Jo-Marie St. Martin, Linda Stevens, Rich Stombres, Bob Sweet, Holli Traud and Heather Valentine, who all have participated in this very worthwhile project.

Let me also thank the staff of our conferees, James Bergeron, Jeff Dobrozsi on my staff, Jessica Efird, Kara Hass, Mike Kennedy, Lesli McCollum, Janel Prescott and Glee Smith, for all of their efforts.

We are also grateful for the enormous efforts and assistance that we have received from the Secretary of Education, Rod Paige, and his staff at the Department of Education. His expertise as a former superintendent of a major urban school system has been invaluable. Let me also recognize Margaret Spellings and Sandy Kress from the White House staff, who I expect will be here today with us, for the instrumental role that they played in this process.

But, most of all, however, I believe we should recognize the role of our President. Without his courage in proposing these reforms and his courage in continuing to press for them after taking office, none of this would have been possible. These reforms mark the first time in a generation that Washington has returned a meaningful degree of authority to parents at the expense of the education bureaucracy. They will streamline a significant share of the Federal education bureaucracy in one stroke, and, most importantly, they will provide new hope for the next generation of disadvantaged students, and we can help them avoid the misery of low expectations. If implemented properly and reinforced by a continuing commitment to real reform, it will bring an era of false hope to a long overdue end.

I am grateful to my colleagues on both sides of the aisle who have worked hard to turn the President's vision for education reform into a reality. I believe we produced a plan that is worthy not just of the support of Republicans and Democrats and independents, but also of teachers, parents and, most of all, our children.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, let me begin by saying that I believe that today the Committee on Education and the Workforce brings a product that we can all be very proud of and that I believe everyone in this House can support.

I want to begin by thanking a lot of people that made this possible. The merits of this bill and the content of this bill is pretty widely disbursed right now, so I want to take a moment to thank those individuals that made this bipartisan product possible.

I want to begin with the gentleman from Ohio (Chairman BOEHNER). It just simply can be said that without him, this conference would have never been successful, and without him, we would not be standing here today to present a dramatically new reform of a 30-year-old program that is going to provide, I think, a greater educational opportunity for America's disadvantaged children. He kept his word about where we were going, he worked hard to see that we got there, and he worked very hard the last 24 hours to drag us across the finish line. I cannot think of a better working experience I could have had with the chairman of my committee.

I also want to thank my Democratic Members of the conference committee: The gentleman from Michigan (Mr. KILDEE), who probably knows more about reauthorizing ESCA than anybody else in the House of Representatives, the gentlewoman from Hawaii (Mrs. MINK), the gentleman from New York (Mr. OWENS), the gentleman from New Jersey (Mr. ANDREWS) and the gentleman from Indiana (Mr. ROEMER), all of whom contributed an immense amount of time, an immense amount of knowledge on this subject, and a commitment to our children.

I want to say the same for the gentleman from Georgia (Mr. ISAKSON), the gentleman from California (Mr. MCKEON), the gentleman from Tennessee (Mr. HILLEARY) and the gentleman from South Carolina (Mr. GRAHAM), the Republican Members of our working group who helped us frame this piece of legislation, to present it to the committee, and, ultimately, to present it to the House, where we received an overwhelming vote of 384 to 45.

I want to thank our Senate counterparts, Chairman TED KENNEDY of the Senate Committee on Education, and Senator JUDD GREGG, the senior Republican on that committee, that were so helpful to us in the conference committee.

Clearly the involvement and the support of Secretary Paige and the President's special assistant on this matter, Sandy Kress, who, again, helped guide us through this process.

The staff of this committee has worked long and hard. They have spent many days where they worked 24 hours, or longer, 30 hours, going through this legislation and getting it in shape so we could bring it before you. I want to begin by thanking Charles Barone, John Lawrence and Danny Weiss of my staff and of the committee staff, and special thanks to Alex Nock, who worked for the gentleman from Michigan (Mr. KILDEE), who, again, just had a tremendous amount of expertise on the history of this bill, the intent of this bill, the purpose of this bill, and where we should be going would it. To Denise Forte, who worked hard on civil rights.

□ 1315

I want to thank Denise Forte, who worked hard on the civil rights, and Mark Zuckerman, who was our pit bull here, our House attorney, and to Ruth Friedman and James Kvall, all of whom provided support for this legislation. I just want to mention that Denise Forte cannot be here today as we pass this legislation because she is out receiving an award from the National Youth Law Center for her work on juvenile justice legislation that we addressed earlier in the year.

I also want to give special thanks to Brendan O'Neil, who works for the gentlewoman from Hawaii (Mrs. MINK), who was very, very helpful to us, and Maggie McDow who works for the gentleman from Indiana (Mr. ROEMER), who was helpful in constructing a way out of a room that maybe I had painted our conferees into, but she constructed a way out that I think is going to provide a new day for local districts and the flexible use of their fundings.

I want to thank Danica Petroshius from Senator KENNEDY's office, who really led much of the effort on our side. To Sally Lovejoy, let me just say thank you. Thank you. Thank you for urging us on all of the time and thank you for your cooperation in working with our staff. And to Paula, thank you for overseeing this. Sometimes just sitting there kind of silently rolling her eyes thinking, what is it you are talking about and why do you not stop talking and move on. But we thank you for that effort.

Obviously, when we do a reform of this magnitude and this nature and this far-reaching, there is a lot of people on the outside who have serious concerns about the impact on this Nation's children. I want to thank the individuals from Education Trust, Kati Haycock and Amy Wilkins, and I want to thank Bill Taylor and Dianne Piche from the Citizen's Commission on Civil Rights, and the people from the Center for Law and Education, Paul Weckstein from the Center for Law and Education for their help and guidance that they gave us in making sure that this bill really was an improvement for disadvantaged children in this Nation. That was our intent. I believe that is what we accomplished.

I will have a little bit more to say about it, but I want to make sure that we have time for the members of the conference committee and members of the committee to talk in support of this legislation and give us the benefit of their thoughts.

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. PETRI), a valued member of the committee and one of our conferees who has worked diligently over the years on behalf of our children.

Mr. PETRI. Mr. Speaker, I thank my chairman for his leadership on this important issue.

I rise in support of the conference report to accompany H.R. 1. This is a significant accomplishment of this Congress and a great achievement for President Bush, who made education the top priority of his domestic agenda. The conference report largely reflects his priorities and his active support and involvement in this process, which has been crucial in bringing us to this point.

There are many features of this bill that represent significant departures in Federal education policy. In this bill, we have given States and school districts more flexibility to use Federal funds as they see fit. We have included, as one of the many new options for children trapped in failing schools, an opportunity to use title I money to purchase supplemental services such as tutoring, which is a reform that many in this House have advocated for years. We have also consolidated many of the current duplicative education programs to better focus money to the students who need help the most, while continuing proven initiatives such as the Troops to Teachers program which has put several thousand high-quality teachers in our high-need schools since 1993.

To be sure, I have some misgivings about the new accountability provisions in this conference report. Many States such as Wisconsin have spent years developing successful accountability systems that do not necessarily involve testing all students on an annual basis. For the Federal Government to now demand that annual testing in reading and math take place every year in grades 3 through 8 amounts to a new mandate placed on the States.

On the other hand, given that the national government has poured upwards of some $130 billion in the elementary and secondary education over the last 36 years with no discernible improvement in educational outcomes for our most disadvantaged students, I fully understand the urgent need to find some ways to make sure that new Federal resources are tied to results.

In any case, I am pleased that this conference report makes a credible attempt to address my concerns about saddling States with this new responsibility. This conference increases the amount of money authorized to help States develop and administer the tests.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. KILDEE), who is our ranking member on the Subcommittee on Elementary and Secondary Education; and I want to publicly thank him for his work to make sure that we had an independent, freestanding after-school program as a part of this legislation.

Mr. KILDEE. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to start by thanking both the gentleman from California (Mr. GEORGE MILLER) and the gentleman from Ohio (Mr. BOEHNER) for their strong leadership during this very historic conference. Their bipartisan mission was to produce a bill that will truly help the most disadvantaged children. The conference report before the House accomplishes this feat, and I urge Members to support its passage. This legislation has many, many positive aspects; but in the short time I have, I will only touch upon a few of them.

Mr. Speaker, H.R. 1 rejects attempts to authorize private school vouchers and Straight A block grants. The conference report does, under the Roemer provision enacted in the House, authorize additional flexibility for local school districts while maintaining accountability and targeting of resources. In short, this bill returns ESEA to its original focus by primarily centering on increasing educational opportunity for disadvantaged children.

H.R. 1 also does not block grant the 21st Century and Safe and Drug-Free Schools programs. It maintains both of these authorities separately.

In addition, the conference report will make much-needed improvements to the 21st Century program to increase community involvement, extend the grant cycle, and require a match of local resources. Most importantly, the 21st Century program will have a renewed focus on quality and academics, reinforcing current administration of the program.

This bill will build upon the disaggregation requirements of the 1994 reauthorization of ESEA by ensuring that State accountability systems do not mask the failure of at-risk subgroups of children. No longer will subpar results for minority, low-income, disabled, and limited-English proficiency children be masked by the higher performance of the majority.

In addition, H.R. 1 vastly improves the targeting of resources to disadvantaged areas, while not stripping funds from localities which presently receive them. One of the main points of contention during the 1994 reauthorization of ESEA was the difference between the two bodies on title I formula. I believe the compromise that we will ratify here today was reached through hard work and compromise on all sides.

When the Congress last reauthorized ESEA in 1994, I was chairman of the subcommittee. We produced a strong, bipartisan bill in 1994 that gained the support of a large majority of the House. But under the leadership of the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER), we have produced a much better bill today. I urge all Members to support this conference report.

Finally, Mr. Speaker, I want to thank the chairman and the ranking member for their leadership during this conference.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Georgia (Mr. ISAKSON), one of our conferees and one of our real partners throughout the process, a former president of the State school board of the State of Georgia and a member of our committee.

Mr. ISAKSON. Mr. Speaker, I come to the well in lieu of the desk so I can look the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee, and the gentleman from California (Mr. GEORGE MILLER), the ranking member, in the eye and say "thank you," not out of courtesy, but out of great admiration for the great job these two men have done. Both had the opportunity to succumb to unbelievable pressures, both partisan and political, and neither did. They kept the interest of America's children and the number one issue of our President paramount. Because of them and the gentleman from Michigan (Mr. KILDEE), the gentleman from New Jersey (Mr. ANDREWS), the gentleman from Indiana (Mr. ROEMER), the gentleman from South Carolina (Mr. GRAHAM), the gentleman from California (Mr. MCKEON), and the gentleman from Delaware (Mr. CASTLE), and the hard work of Ms. Lovejoy and, for me, without the help of Glee Smith, it would have been impossible to spend the time.

I am a subscriber to a great quote: "Our children are a message we send to a time we will never see." The last generation of American politicians, though unintended, sent a mixed message. Our richest and most affluent children have prospered and succeeded and grown, but our poorest and our most disadvantaged have not progressed; and in fact, the gap between them and our best and most affluent has widened.

We will send a new message to a generation that we probably will not see with the development of this legislation.

Robert Browning said that education is a journey, it is not a destination; and I know from my work in Georgia that it is a process, it is not an event. Over time, the investment of this bill means that 13 years from now when this year's kindergartner graduates from high school, our dropout rate will be lower, our reading comprehension rate will be higher, and America's children will enjoy the promise of America: employment, wealth, and, most of all, self-pride.

I could talk for hours about the opportunity this bill gives, but I want to summarize by saying this; to parents, it gives choices of academic enrichment; to students, it gives the investment of resources they have never had; to teachers, the flexibility to use the materials they believe are right; to school boards, it gives the direct order, we are going to leave no child behind. You will have the resources, but you will also have the responsibility. And to America's taxpayer, for the first time, it gives accountability for the dollars that are invested in America's children.

Mr. Speaker, I do not know how long I will serve in Congress, and I have been fortunate enough to be in public life for 24 years. Today is the most important day, and this is the most important event, I have ever been a part of; and I would venture to say, regardless of what the future holds, when my career is over, I will say the same. I have had the occasion to work for a great chairman, a great ranking member, and with men and women who are dedicated to leaving no child behind. I am pleased to serve under a President who has led our party in a positive direction toward the education of our children, all of our children, rich and poor alike. We are a great Nation and the generation that we are about to send into the future will be better off because of the efforts of this Congress and this President.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 3 minutes to the gentlewoman from Hawaii (Mrs. MINK). Again, I want to thank her so much for really being so tenacious on the question of making sure that these resources were targeted and that they were going to be there for the disadvantaged population and also for her outspoken support of the Women's Equity program in this legislation.

Mrs. MINK of Hawaii. Mr. Speaker, I thank the gentleman from California (Mr. GEORGE MILLER), the ranking member of our committee, for his kind words and for giving me the opportunity to serve on the small task force that worked on this bill prior to its coming to the floor of the House, and again, appointing me to the conference committee so that I could have a chance to monitor the discussions and the debates on this bill.

I want to join the comments of the gentleman from California (Mr. GEORGE MILLER) and commendations to the gentleman from Ohio (Mr. BOEHNER) and all of the Members on his side for their great efforts in bringing us to this point today. I would not want to describe it as a miracle, but a near miracle that we were able to put such a monumental piece of legislation together and to win the consensus of such a wide-ranging group of people that come to the table with some very, very strong ideas about education.

□ 1330

This bill was in the making for well over 3 years. We have debated many, many issues. In the process, we have worked together by consensus to an agreement on the importance of developing legislation that prescribes programs and allocates money and encourages school districts to perform so that our children can have a better opportunity in the end.

What is remarkably different about this bill is that it sets guidelines in a very forceful way which will challenge our school districts to do better because they will have the opportunity to use the resources that the Congress will be providing in a way that will be helpful to children.

I know there has been a long harangue about the tests. I was one of them who said that this is a very onerous burden to place upon our schools, to have testing each of the years from 3 to 8, and the inability of many school districts to pay for it was also part of the discussion.

But in the end, with the tests, which will be put together by the States, it will be under their judgment; and we will have a chance to look at all the school districts in the country and measure them against national standards. Parents all across this country will finally have an opportunity to know whether their schools are performing to the best interests of their children. So I think that is a remarkable difference.

In the end, what is going to make this bill an opportunity for our children and allow the promise of the President that no child shall be left behind to be fulfilled, that will happen only if our local administrators will read this bill and take to heart that they have a special responsibility and challenge to use the tools that this legislation will provide.

My district has a horrible problem in getting teachers, and there are 500 or 600 vacancies every September that cannot be filled. We have roamed the country to try to find teachers. But in this bill is the way and the method for our school districts to use the monies that are being provided to take care of the essential requirements of our school districts.

Mr. Speaker, I urge the House to support this legislation.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from South Carolina (Mr. GRAHAM), one of the integral members of this conference who helped push us along.

Mr. GRAHAM. Mr. Speaker, I will lend my voice to the chorus. I feel like we are preaching the eulogy for the gentleman from California (Mr. GEORGE MILLER) and the gentleman from Ohio (Mr. BOEHNER) here; and they are still alive and well, for people listening in.

But these two gentlemen deserve our praise, and they are going to add much more to the future of education to come. This is not the end of our work day; this is just the beginning. But it was a great job well done in a bipartisan manner.

Mr. Speaker, this is a great move forward; but at the end of the day, local control is still dominant in education. We have increased funding dramatically under the bill; but 90 percent-plus of funds for education come from the local area, from the State area. The formula for education excellence has not changed at all. It is a parent and a child with a good teacher and a caring community, and that is still the formula for success.

But what we have tried to do is build on that formula and change the way we do business in Washington. The President gave Congress a test when he came into power. He asked us, is the current situation okay? And the right answer was, "no." So we passed the test. The answer was "reform." This bill is big on reform, and the students are at the center of everything we have done. There is more money, but that is not the answer. There is more accountability; that is not the answer. The two together are the answer: more accountability and the funds to get there.

I am proud to be part of this work product. Our children are going to benefit. We have a good mix of local control with national standards to be implemented at the local level, and we are going to actually see how our children are doing in the area of math and reading from the third through the eighth grade nationwide, and let each State move forward.

If we have a school district that fails our children, we are not going to just sit on the sidelines anymore; we are going to make that school district better, and we are going to give some options they never had.

We are getting close to the holidays, and I think this is Congress' holiday present to the American people and the schoolchildren of this country: a bill that focuses on the student and not on bureaucracy; more money, more accountability.

I am proud to be part of a Congress that actually delivered and passed the test.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS), and I would thank him for all of his help here with the preschool portions of this bill and also the efforts to expand and support charter schools. I thank him for his work.

Mr. ANDREWS. Mr. Speaker, I begin by offering my thanks and appreciation to the gentleman from Ohio (Chairman BOEHNER) and the gentleman from California (Mr. GEORGE MILLER), our ranking member, for their very gifted leadership; for the diligence of my Republican and Democratic colleagues on this conference; for the professionalism of the staff on both sides that did such an outstanding and hard-working job; and especially to Matt Walker of my own staff.

Mr. Speaker, this is an achievement that presents us with both a golden opportunity and a great responsibility. To understand that golden opportunity, we need to understand what life has been like for one of the children who have had the misfortune of attending one of the dark and often violent places called schools where not much learning has gone on in recent years in America.

When that child fails year after year, or when that child is failed by her school or his school year after year, they just move on to third grade or fourth grade or fifth grade, and then fifth grade becomes junior high school, and then too often junior high school leads to the streets or to a drug rehab center or to a dead end job, or to a morgue.

These schools have failed these children year after year, and this bill I believe can make a great difference because this bill says that America's taxpayers will no longer sit back and permit that failure to occur.

If a school continues to fail its children year after year, something is going to happen. Instead of spending money on public relations for the board of education or a new hire who is the Mayor's brother-in-law, the money is going to go to tutors and technology and summer school and after-school programs.

And if it does not, something is going to change. The people who refused to make that change will be replaced and removed, and that child will have a new opportunity.

We have a great responsibility that accompanies that golden opportunity, because we have to make this work. We have given the Department of Education and the States and the teachers and the school districts and the students of this country tools to make this happen, but we need to make sure that it works; that the excuses are cast aside and the attempts to evade this new responsibility are not tolerated.

Mr. Speaker, this conference, of which I have been honored to be a part, has done a great job to write what I believe is a strong law; but we all have ahead of us a new responsibility to make sure it works.

When it does, I believe people will look back on this day as a day that education changed for the least fortunate students in this country and became more than just a promise, but became a reality in their lives and in the lives of our Nation.

I would urge an overwhelming "yes" vote for this great piece of legislation, and again thank our leadership for this bill.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Tennessee (Mr. HILLEARY), who provided a special focus on this conference to the needs of rural schoolchildren.

Mr. HILLEARY. Mr. Speaker, I thank the chairman of the committee for everything that he has done, along with the ranking member, the gentleman from California (Mr. GEORGE MILLER), as well as all our colleagues on the conference committee, and the staffs, the staffs from both ends of this building, for putting together what I think is a great product here today.

I am also thankful to the administration, President Bush and Secretary Paige, who I think is exactly the right man at the right time with the right qualifications to get the job done for our children in this country as Secretary of Education.

Education must remain a primary responsibility of State and local school systems. I hope it will always remain so. But in many cases, even though we have many diamonds in the rough, in many cases that job is not getting done; and it is simply not fair for the children to continue to fall through the cracks while we are waiting for them to get their acts together.

That is what this bill does, in effect. It does have more flexibility for local school systems, it requires more accountability; and in exchange for that, it provides more dollars so that they can get the job done.

As the chairman of the committee mentioned, a special part of this bill was the part that I was able to have a big part in, and that was providing a little more money for rural school systems. They sometimes operate at a competitive disadvantage to their affluent suburban counterparts and their inner-city counterparts because of the formula scheme with title I, as well as the fact that rural school systems do not have an army of grant-writers to compete really on an even playing field. So hopefully we will begin the process of evening the playing field.

We also protected the Boy Scouts in this legislation, which I also authored, which I appreciate the gentleman's cooperation in in keeping that in the bill; and we have required that military recruiters have access to the schools, so that especially at a time like now, when it is so important, they can recruit the best and brightest, and at least give the young high school graduates an opportunity to serve in the military.

Finally, I just want to say that we have worked awfully hard on this, and it is a great product. I just hope that everybody will give the children of this country a Christmas present this year by voting for this bill. I urge passage of the bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. ROEMER), and publicly again I just want to thank him for all of the work that he did on flexibility, where he helped us overcome what was going to be a terrible, terrible political stalemate and I think worked out to the satisfaction of all of the members of the conference committee.

Mr. ROEMER. Mr. Speaker, this is not a perfect bill, but it has been almost a perfect process.

Due to the integrity and the leadership and the skills of the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER), we are at a point of passing landmark and historic legislation to help poor children get a truly good opportunity in this country to get a great education.

There is a lot of credit that goes around. I want to thank the working group, a number of Republicans and Democrats that have met for the last 10 months and with tenacity and intelligence worked through these issues.

I want to thank my staff member, Maggie McDowell, who helped us balance principle and politics. I want to thank the professional staff on both sides. I want to thank the New Democrats that helped us design a bill that is 65 or 70 percent of this bill.

Also, I want to thank the President of the United States for his leadership and passion on this issue.

Mr. Speaker, this country, with the passage of this bill, will no longer tolerate meaningless degrees. We will no longer tolerate saying that children who come from poor backgrounds can get less of an education. We will no longer tolerate unqualified teachers in poor schools that are not working well.

How do we achieve all this? Briefly, we have diagnostic tests, not high-stakes punitive tests, but tests that will help us actually find out why that child is not reading well, and remediate.

Secondly, we have the resources to help get the tutoring from private and public sources to help these children; and we will have to fight for more resources, especially for IDEA, children with disabilities.

Thirdly, we have set a standard, 4 years for all teachers to be qualified.

Fourth, we have the flexibility that the gentleman from California (Mr. GEORGE MILLER) mentioned: flexibility to move funds within different accounts, except title I, and to transfer when they meet those programmatic goals in technology, or with qualified teachers. If they have met those goals, we provide the transferability and flexibility to move some money around from account to account.

We have public school choice and charter schools, and more help for those needed charter schools; and we have the NAPE test, a test that will help us gauge the strength of our State tests.

Mr. Speaker, in my 11 years as a Member of this body, today especially I am proud to be a Member of this great institution, this law-making body that combined process with product to help our Nation's poorest children get a better education. I am very proud of this bill.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from California (Mr. MCKEON), the chairman of the Subcommittee on 21st Century Competitiveness on the Committee on Education and the Workforce and a valued member of our team.

Mr. MCKEON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the conference for H.R. 1, the No Child Left Behind Act of 2001. This landmark legislation will reform our Nation's public school system.

As a grandfather of 24, all of whom having reached the proper age and are attending public schools, I stand here with great pride to support a bill which embodies the principles President Bush has championed since taking office in January of this year.

Leadership really does make a difference; and last year, many of us on the committee, along with Senators on education, were called to Austin to meet with then President-elect Bush. He put forth the principles that he believed in, and he gave us all an opportunity to tell him how we felt.

And then the gentleman from Ohio (Chairman BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) took up that challenge, and they have worked together very diligently. They have provided an atmosphere where all of us could participate and be a part of working on this great bill. I want to thank them for that.

□ 1345

This bill contains the President's vision that the best way to improve America's schools is to hold them accountable, to increase local and State flexibility, to fund what works and to expand parental options.

Even though the centerpiece of the President's proposal is the annual testing, where problems can be found before it is too late to fix them, and parents can be given information to choose a better performing school, I would like to touch on a few other provisions which I believe are very important.

First, the bill will provide unprecedented new flexibility for all 50 States in every local school district in America in the use of Federal education funds. Having served on a local school board for 9 years I know that those school boards will appreciate that flexibility. I know that the superintendents will appreciate that flexibility.

Under the conference report, every local school district will immediately receive freedom from red tape to transfer up to 50 percent of the Federal dollars that they receive among an assortment of programs. It will also allow up to 150 local flexibility demonstration projects, where locals can receive a waiver from Federal education rules in exchange for signing an accountability contract with the Department of Education, and it will allow seven States to receive waivers from various Federal education requirements. Hopefully these demonstration projects will help us in further moving more freedom of flexibility to all the other local schools.

State and local officials know best how to educate our children. This bill will allow States and local school districts to advance their own priorities such as reducing class size, hiring new teachers or buying new textbooks and computers.

Next, as chairman of the Subcommittee on the 21st Century Competitiveness, I am especially pleased to see this conference report includes strong teacher professional and education technology sections. The bill retains key provisions that the gentleman from California (Mr. GEORGE MILLER), my colleague and good friend, and I, along with many others, have been working on over the last Congress with the flexibility to decide whether to spend funds on hiring new teachers or improving the skills of the teachers already in the classroom.

Technology can be a powerful means for improving student achievement and academic achievement. In fact, States and local school districts are already experimenting with promising technology programs, everything from online research to distance learning. Such innovation should be encouraged by the Federal Government and bolstered by Federal spending.

To help further the effort to integrate technology into teaching, we need to make sure teachers know how to use that technology in their teaching and increase access to technology for their students.

The conference report on H.R. 1 accomplishes this by consolidating a number of technology programs into a single stream of funding to our local school districts. Further, the bill fully integrates technology into the curriculum by increasing access to the highest quality teachers and courses possible, regardless of where the students live.

Mr. Speaker, I just want to again thank the gentleman from California (Mr. GEORGE MILLER), the gentleman from Ohio (Mr. Boehner), and all those who have worked so diligently to pass this bill that will help further the education of all of our children and leave none of them behind.

I urge support of this bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. OWENS) and thank him for all of his work. He probably said it many times in this committee, that if we gave disadvantaged children an opportunity to learn with all of the resources necessary and the well-trained teacher, he was fully prepared to accept the accountability, believing that those children could meet and exceed those marks of accountability, and I think it kept us focused on that central theme of this legislation.

Mr. OWENS. Mr. Speaker, I want to thank and congratulate the gentleman from California (Mr. GEORGE MILLER), my leader, the ranking Democrat on the committee, and thank and congratulate the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee. They did a marvelous job of fashioning this bill through a process with a lot of creative, independent minds on both sides of the aisle, and we have arrived at a bill I think we can all be proud of.

It is in the details. If my colleagues look in the details, we find a lot of hard work has been done, a lot of creative work has been done here, and we should not leave out congratulations and thanks to a job well done by a hardworking staff. I think the leadership of Sally Lovejoy in her stern, productive way, has produced some details in this bill which carry forth the real meaning of what we do in education reform.

I also want to thank my staff member, Larry Walker. They spent a large part of the summer here and late nights and long days, and they are to be congratulated for producing the document which in the details we will find a lot of creativity.

I also want to note the fact that this is great step forward. Lyndon Johnson took the first great step forward when he initiated the Elementary Secondary Education Assistance Act after many long years of the Federal Government insisting that it had no role in elementary secondary education, and now we are taking the next great step forward building on what Lyndon Johnson started.

The President is to be congratulated for taking such divisive nonproductive items as vouchers off the table as Federal policy. He needs to be congratulated for concentrating back on the poor and the disabled, as Lyndon Johnson originally intended. We can go forward within this framework.

The only problem is the problem we ended up with in the committee, a fervent plea for the funding of IDEA. If we funded special education, we would be on our way toward providing more resources for education at a level that is great enough to make a significant difference. There are increases here, make no bones about that. There are increases here, but they are not great enough.

We have a situation where the Federal Government of the United States only covers 7 percent of the overall expenditure for education, and this includes higher education. It is far too little. We should move toward a more rational figure like 25 percent. We are the only industrialized Nation that has such meager support at the national level for education. It is an extreme. We are at the extreme with 7 percent. We do not want to centralize our education. We do not think there is any great virtue there, but why be at the extreme? There ought to be a medium, a means somewhere that we could strive for, where more resources are given for education to relieve the local education agencies and the States of the great burdens they have.

I am proud to be a part of this effort, and we must take the next step in terms of providing more resources.

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair would announce the gentleman from Ohio (Mr. BOEHNER) has 10 minutes remaining. The gentleman from California (Mr. GEORGE MILLER) has 10 minutes remaining.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Speaker, I yield 4 minutes to the gentleman from Delaware (Mr. CASTLE), the chairman of the Subcommittee on Education Reform, a gentleman who has been at the heart of this process for a number of years, and the former governor of the State of Delaware.

Mr. CASTLE. Mr. Speaker, I thank the gentleman, not just for his kind words of introduction but for the work that he and the gentleman from California (Mr. GEORGE MILLER) did which has been stated by practically everybody which very sincerely was extraordinary on this legislation.

Thirty-five years ago, Congress made equal access to a quality public education a birthright for all Americans. Today education is the foundation for future success as an individual and a source of strength for our Nation. Yet too many Americans are unable to participate fully in the American dream. Worse, those with the greatest academic difficulties include a disproportionate share of children from low income families and racial and ethnic minority groups.

For these reasons I am pleased to express my strong support for the conference report to H.R. 1, the No Child Left Behind Act. Over the course of the year Republicans and Democrats put an end to the divisive tactics that have stymied recent reform efforts and produced a serious bipartisan agreement to improve the way we educate our children for the better.

As a primary goal, this legislation strives for excellence in education by encouraging improvements in academic achievement while also securing greater assistance for those who are having the most difficulty mastering academic content and as a result, have fallen behind their peers. To that I want to discuss just three reasons, and there are many, many more why we should embrace this agreement.

First, H.R. 1 fully authorizes the President's request for $975 million to ensure that every child can read by third grade. The reading programs contained in this bill will identify students at risk for reading failure and then provide intensive instruction by trained educators to bring them up to a proficient level. In this way, we will reduce the number of learning disabled students referred to special education and we will give all students the tools they need to master more advanced course work.

Second, to ensure our children are learning, H.R. 1 asks States to access students in grades 3 through 8 annually in math and reading. The results of these assessments will provides parents and the public an effective, highly visible measure of how well their children are performing in school. This in turn will help parents, teachers and school officials diagnose problems and design remedies to improve student achievement.

The bill also recognizes the best way to ensure achievement is to hold the system accountable at all levels, not just the individual student level. For this reason, H.R. 1 gauges each school's academic success by the progress of every student in that school, not just the average student.

Finally, the new flexibility in this bill will allow State and local districts to better align Federal dollars for their own education priorities. In addition, the 2 new flexibility demonstrations, H.R. 1 allows States and locals to transfer up to 50 percent of Federal formula grants between programs. Unlike earlier flexibility provisions, this option is available to any State or school division and it is automatic.

For too long we have allowed our most disadvantaged children to be promoted through our public schools without regard to actual achievement. For too long we have allowed Federal dollars to flow to failure, convincing ourselves that some children were simply beyond our reach. For the first time, H.R. 1 fulfills the promise of education and opportunity for all children, rich and poor, black and white.

Finally, to those who will argue that Members should oppose or recommit this legislation because it does not include IDEA mandatory funding, I ask that you not scuttle a generally good bill. Forty-eight million public school students have waited patiently for the Congress to take notice of their plight and provide the help they so desperately need. Let us not make them wait any longer. Let us approve this bill and send it to the President this year and then beginning next year, I invite you to work with me when this committee takes a comprehensive look at the Individuals With Disabilities Education Act. In that way, we will ensure that our special needs children get the financial resources and the academic support they need to realize their greatest potential.

I do want to express their gratitude to the chairman, the gentleman from Ohio (Mr. BOEHNER) and to the ranking member, the gentleman from California (Mr. GEORGE MILLER), and to all the other colleagues on this. As everyone knows, this was a great team and a great staff effort by everybody. Those who sacrificed many weekends and summer vacations to produce a legislation. My staff in particular, Kara Haas; and the President of the United States, who was so involved in this. We thank President Bush as well.

I encourage everyone to support this legislation which will help all children.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I rise today in support of the conference report on H.R. 1, the Elementary and Secondary Education Act.

First, I want to congratulate the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER) for their responsible leadership in holding our bipartisan coalition together and for crucial support for individual members' concerns regarding the policy and resource allocation and recommendations. It was an honor for me to work with all the members of Committee on Education and the Workforce. I also congratulate Senator KENNEDY and Senator GREGG for their valuable contribution and I thank President Bush and his administration.

I also wish to recognize the extremely important support of the Congressional Hispanic Caucus led by the gentleman from Texas (Mr. REYES) in fighting for provisions very important to the Hispanic community.

There are many positive features to commend in the conference agreement, and I wish to mention just a few of them. This bill will give many disadvantaged students a great opportunity to excel and to reach as high as they can dream. The conference agreement protects the principle of public funds for public schools.

There are many, many things, and there is not enough time to thank everyone and to mention all of these things in the provision, but I urge my colleagues to vote for this bill.

It was an honor for me to work with all the members of the Education Committee. I also congratulate Senator KENNEDY and Senator GREGG for their valuable contribution and I thank President Bush and his administration. I also wish to recognize the extremely important support of the Congressional Hispanic Caucus, lead by Chairman REYES in fighting for provisions very important to the Hispanic Community.

There are many positive features to commend in the conference agreement and I wish to mention a few of them. The bill will provide local flexibility, with accountability for reaching performance goals and formulas that target funds to schools with the greatest needs. This bill will give many disadvantaged students a great opportunity to excel and to reach as high as they can dream.

The conference agreement protects the principal of public funds for public schools. Program authorization and funding will be provided for school construction and modernization as well as for funding for separate federal after-school and violence prevention programs. Civil rights protections are still included and teacher quality programs will be increased in funding authority by forty percent.

I am very pleased that the Bilingual and Immigrant Education programs will be protected and expanded and that program accountability and funding for teacher-training will be increased. Hispanic parents will find some previously established barriers removed and will find it easier to participate in school improvement committees.

Migrant students will be provided additional resources and both bilingual and migrant students will be assisted in program enhancement with the continuation of national information clearinghouse for research and evaluation. The Department of Education will assist the states in the interstate electronic transfer of crucial migrant records. Time does not permit me to point out other positive provisions. However, I do want to encourage the members of the Appropriations Committees in both chambers to accept the recommendations of the authorizing committees and to fully fund these programs. Reform without resources is meaningless. I urge all my colleagues on both sides of the aisle to help us pass this bipartisan conference report on H.R. 1.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I rise also to support this conference report. And I say, good job, gentlemen. It was hard but they made it happen.

I would prefer a bill, however, that includes more funding for all that we are asking of our schools and of our teachers. We have made quite a list of accomplishments. We need to fund them so they can have the help they need.

I particularly regret that we are not fully funding our Federal share of special education. There is not a school district in this Nation that is not having trouble meeting those costs.

I am pleased, however, that the bill keeps funding for hate crime prevention intact. It is so important because as a result of the 11th of September, there has been a dramatic increase in hate crimes, particularly crimes directed at innocent people and innocent children, including school children.

□ 1400

Now, more than ever, because we have this in the bill, we will be able to teach our children constructive ways to express their feelings.

Nothing matters more to the future of this country than the education of our children. They are the workers, the soldiers, the diplomats, and voters of tomorrow. Congratulations, gentlemen.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I thank the gentleman for yielding me this time, and I would like to thank both the gentleman from California (Mr. GEORGE MILLER) and the gentleman from Ohio (Mr. Boehner) for the bill we have before us today.

I rise in support of H.R. 1, a bill that truly takes a step forward in helping our children get an education in the United States. Under this bill, our Nation's schools will now take steps to narrow the achievement gap between high- and low-income students.

For example, in Santa Ana Unified or Anaheim High School District or the Anaheim Elementary School District, these are all some of the poorest school districts in our Nation and certainly some of the most overcrowded in our Nation. Over 50 percent of the students who are taught in these districts go to school in portable classrooms. H.R. 1 will help our Nation take a significant step forward in helping students like those in these school districts that I have the pleasure of representing.

This bill increases funding for title I programs, increases funding for bilingual education and authorizes funding for school construction and modernization. It also includes funding for pedestrian and bicycle safety, a great issue of importance in my district.

Although Congress still needs to do more to assist schools that teach children with special needs, H.R. 1 is a critical step in ensuring that no child is left behind.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HOLT), a member of the committee.

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of H.R. 1, a truly landmark piece of legislation. I think it shows what we as a Congress can accomplish when we are willing to sit down and work together.

Along those lines, I would like to heap more praise on the chairman and the gentleman from California, and I think the President deserves a good measure of praise for his constructive role in this, too.

The agreement, I am pleased to see, addresses the subject of math and science education, especially the recruitment and professional development of teachers. And if we are going to continue to grow as a Nation, science and math education is critical.

I am also pleased that the legislation authorizes increased funding for a number of programs targeted to the neediest and poorest, programs for title I and teacher quality, bilingual and immigrant education.

But I do want to raise two items that I am disappointed about. I am disappointed this legislation does not adequately address the Federal Government's share of Individuals with Disabilities Education Act. In New Jersey, the communities I represent tell me this is one of the biggest challenges they face.

Secondly, I am disappointed this legislation does not address the issue of pesticides in our schools and does not include notification of parents and teachers when potentially dangerous chemicals are used around their children.

But despite these concerns, however, Mr. Speaker, I want to reiterate my support for the bill and thank the conferees for work very well done.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I want to commend the conferees for a job well done.

Mr. Speaker, I rise to speak about the conference report on H.R. 1, the Leave No Child Behind Act. I want to commend Ranking Democrat GEORGE MILLER, Chairmen JOHN BOEHNER and Congressmen DALE KILDEE and MIKE CASTLE for their leadership over the past many months on this most important issue.

As the only Member of the United States Congress who has actually run a state school system, I have a unique perspective on federal support for public education. Perhaps the most important provisions of this legislation are those that are not contained in this conference report. There are no vouchers to siphon public dollars to private schools. There are no irresponsible block grants like those that have been proposed before in this Chamber. There is no effort to close the U.S. Education Department by the Republican Leadership. And there are no massive cuts to public education like those we have defeated time and again in this body. Those are very significant accomplishments, and I especially commend my Democratic colleagues for maintaining our party's historic commitment to quality public education for all children.

As the former Superintendent of North Carolina's public schools, I know firsthand what it takes to achieve real results in academic improvement. It takes setting high standards and ensuring accountability. But most importantly, it takes a commitment to ensure that all of our children have quality educational opportunities to achieve the goal of "no child left behind."

Although this bill falls short of fulfilling our commitment to fund the federal mandate on special education, I am pleased that this conference report takes significant steps toward substantial improvement in education. The bill targets federal funds toward the neediest students to close the achievement gap between disadvantaged children and their more affluent peers and between minority and non-minority students. The conference report strengthens teacher training so that our school teachers are qualified to teach in their subject matter. It provides new resources for mentoring, training, salary enhancement and other improvements that give teachers the resources they need to do their very important jobs.

For the first time in federal law, this bill will require that parents are clearly informed about the quality of their children's education. And it makes a significant new commitment to bilingual and immigrant education.

I am disappointed that the conferees did not include the Wamp-Etheridge amendment to provide $50 million in dedicated funding for character education. The conference report instead includes character education in the Secretary's discretionary Fund for the Improvement of Education, and I call on the Secretary to fully fund character education, which we have pioneered in North Carolina to strengthen values-based lessons for our children.

Finally, Mr. Speaker, this country faces several critical educational challenges beyond the scope of this legislation. First, we must take action to relieve the crisis of the lack of adequate school facilities in this country. In my district, our schools are bursting at the seams, and too many children are stuffed into overcrowded classrooms or second rate trailers. We must pass school construction legislation to help build new schools for our children. We must invest in science and math to ensure America's global economic leadership in the 21st century. We must increase aid for college so middle class families have the opportunity to achieve the American Dream. We have so many educational challenges ahead of us that we must treat this bill as the very beginning of our commitment to improving education and not the end of the process.

In conclusion, this legislation will only work if we back up its requirements with the resources to get the job done. Tough reform without resources simply amounts to cruelty to our children. I understand that the appropriations bill nearing completion contains enhanced education resources for next year. We still must do much more to live up to the federal commitment under the Individuals with Disabilities Education Act (IDEA), and I will be working during next year's reform of that statute to fulfill that commit. My biggest concern is that in the hears to come, especially when the full effects of this year's massive tax bill are felt, Congress will neglect to provide the necessary resources to fulfill the promises of H.R. 1. I will fight every step of the way to make sure that does not happen.

Mr. Speaker, this bill represents a hopeful first step toward better schools for all children in America. I will vote to pass the conference report on H.R. 1, and I urge my colleagues to join me in doing so.

Mr. GEORGE MILLER of California. Mr. Speaker. I yield such time as she may consume to the gentlewoman from California (Ms. WATSON).

Ms. WATSON of California. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in support of H.R. 1, the "No Child Left Behind Act." I comment the sponsors and conferees of this ambitious bill that seeks to address many educational reform goals. H.R. 1 is a bill with good intentions that moves education in the right direction. My question is, "Are we going to see the results that we want, given the proposed authorization levels?"

Mr. Speaker, new federal mandates without providing the necessary resources to implement them will simply set children and schools up for failure. Funding has increased, yet many key education programs, such as Title I, are currently unable to serve all eligible students. In addition, states facing serious economic downturn coupled with rising school enrollments are already moving to cut critical education programs.

Mr. Speaker, directly after the tragic events of 9–11, President Bush asked for $40 billion dollars to fund home land security and emergency relief efforts. Congress moved quickly, in a bipartisan manner, to address our national security needs. Education funding is just as critical to our national security. Education is the cornerstone of our society. Education of our children is important to the American ideal of democracy.

Mr. Speaker, I urge all my colleagues to consider seriously increases in education funding next session so that we can truly "Leave No Child Behind."

Mr. Speaker, I submit for the RECORD a letter from the NSBA regarding this bill:

NATIONAL SCHOOL BOARDS
ASSOCIATION,
Alexandria, VA, December 12, 2001.

Re Conference Report on the Elementary and Secondary Education Act.

MEMBER,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the nation's 95,000 local school board members, we wish to express our disappointment that the conference report on the Elementary and Secondary Education Act (ESEA) fails to address the ever-expanding financial burdens that the federal government imposes on the nation's school systems and local taxpayers.

Unfortunately, the conference committee rejected an opportunity that would have recognized both the financial realities confronting local school systems and the opportunity to make this legislation the full success it should be. Had the conferees accepted the Senate provision for the mandatory funding of the federal share of the Individuals with Disabilities Education Act (IDEA), some of the pressure that this special education mandate places on school districts would have been relieved and more local funds would have been released to at least partially support compliance with the new federal ESEA provisions.

The legislation does provide a promising framework for raising standards and accountability for all students—with an important emphasis on raising the achievement of educationally disadvantaged students. However, the accomplishment of that goal also involves new mandates; some are explicitly set forth in the legislation while others will naturally result from the additional classroom resources that will be needed. Unfortunately, the legislation does not contain any commitment by the federal government to adequately fund these new costs or its ongoing obligation under IDEA.

Meanwhile, across the nation virtually every state is experiencing revenue shortfalls. Even small states are experiencing shortfalls in the billion-dollar range over their biennial budgets. As a result, reductions in state aid are forcing cuts in school district budgets. Now, as school systems must also look toward funding the new requirements in this bill, as well as serving expanding enrollments of Title I eligible students, as well as meeting the expanding costs of the under-funded federal special education mandate (IDEA), they will have no choice but to raise local property taxes where they can or suffer severe cut backs in their general programming. This should not become the local legacy of ESEA.

Given the unique and historic role that this important legislation can play in American education, state and local policy makers should not, as a result of inadequate funding, be forced to lower their sights on high academic standards, limit their use of the many public school choice options that are now available, or lose the opportunity to enrich classroom instruction by having to settle for cheap test prep programs to drill lower achieving students to pass a test. Without adequate resources what other results can we expect? With the shortfall in state and federal funding, what other impact can we expect than increases in local taxation?

The stark financial reality of the ESEA reauthorization will become clear across the nation when school opens next fall. As attractive as the incremental increase to the pending FY 2002 education appropriations bill may appear, it does not match the needs under IDEA or the new ESEA requirements, which the Congress is about to adopt.

Local educators and local school board members want this legislation to work, and more importantly, they want the nation's 47 million public schoolchildren to reach higher levels of academic achievement. They are also very appreciative of the increased flexibility that the legislation provides in their use of federal funds. But they do not want to be set up to fail because of a lack of financial accountability by the federal government.

Despite our financial concerns, NSBA does not oppose the passage of this legislation because the bill does establish a promising framework for raising student achievement. However, we urge Congress to view the passage as the first of a series of steps during the remainder of the 107th Congress to ensure that both the new requirements of ESEA and the federal share of the cost of IDEA are fully funded.

Sincerely,

JAMES R. RUHLAND,
President.
ANNE L. BRYANT,
Executive Director.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Speaker, I too would like to express my support for H.R. 1.

It gives appropriators the authority to allocate a 20 percent increase in federal education spending, over the 3 percent the President requested. It allows for the creation of a formula to target federal aid to where the greatest needs in bi-lingual education exist. It provides new resources for mentoring, training, salary enhancement, and other improvements.

This bill provides a promising framework for raising standards and accountability for all students, and this bill will mean a great deal to New York City.

It allocates approximately $636 million for FY2002 to New York City, a 28 percent increase from last year, and $141 million in Title I funding, a 20 percent increase.

With New York City threatening massive across the board cuts, this increased Federal funding is more important than ever.

And, while I am disappointed that this bill doesn't make federal spending on disabled students an entitlement program, and that it does not include desperately needed funding for the rebuilding and modernization of crumbling overcrowded schools in my district I nevertheless applaud the hard work of the House and Senate conferees in bringing this long overdue reform bill to the floor today.

H.R. 1 gives students a chance, parents a choice, and America's schools the mandate to be the best in the world.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I want to congratulate the chairman of the committee, the gentleman from Ohio (Mr. BOEHNER), and the ranking member, the gentleman from California (Mr. GEORGE MILLER). As an alumni of the Committee on Education and the Workforce, I can say that this is great work that they did on this, which provides additional funding for bilingual education, ESA, and the commitment for special education.

Mr. Speaker, I rise today in support of H.R. 1, legislation to reauthorize the Elementary and Secondary Education Act. ESEA, and Title I in particular, has meant so much to low-income students across this country. This legislation provides crucial funding for school districts that might not otherwise have the resources they need to provide a quality education.

I think we can all agree that we must hold school districts accountable for the federal dollars they receive. And this legislation has a number of important testing provisions to ensure that our students are receiving the education they need to thrive in the 21st Century. But equally, perhaps even more important, we must provide schools with the resources they need to meet those standards. By doubling Title I funding over the next five years, I believe we will see a dramatic improvement in low-income, lower-achieving schools.

I am also pleased to see increases to the Bilingual and Immigrant Education programs. As our most recent census reports, there has been incredible growth among Latino populations. Many of these first-generation Americans are not exposed to English in their homes, and have limited English proficiency. We must target resources at school districts with high populations of Limited English Proficiency students, to ensure that all children, regardless of their ethnic background, receive a high quality education.

Finally, Mr. Speaker, I would like to comment on the testing provisions. In Texas, we have annual testing for children in grades three through eight. Because our state standardized test are equivalent, Texas will not have to implement new tests. I hope that all other states which adopt these tests will have the same successes that we've seen in Texas.

Mr. Speaker, this is a good, bipartisan, consensus bill. It is probably the first truly bipartisan bill we've seen this Congress. Support H.R. 1, and let our parents, teachers and administrators prepare our next greatest generation.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise today in support of the conference report on the reauthorization of the Elementary and Secondary Education Act (ESEA). I commend Chairman BOEHNER and Ranking Member GEORGE MILLER for their commitment to our students in working to ensure the development of a strong law to govern our schools.

The bill before us today will ensure that all children have an opportunity to learn and that we will not tolerate the failure of our poorest students. For the first time, we have established clear goals and a timeline for narrowing the achievement gap between disadvantaged children and their more affluent peers and between minority and non-minority students. I would also like to point out that this bill provides a significant increase in funding levels for ESEA programs. This bill provides our appropriators with the authority to increase education funding by 20 percent for the next fiscal year. This a great achievement for which I again applaud Mr. BOEHNER and Mr. MILLER.

Today, however, I would like to focus on two matters that I have spent a significant amount time pushing for. First, I would like to talk about the need to recruit and train qualified teachers, which is addressed in H.R. 1.

As we all know, we are approaching an education crisis in our country. Over the next decade, school districts throughout the country will need to hire 2 million new teachers. In my home, Hillsborough Country, Florida, our school district needs to hire more than 7,000 new teachers over the next decade. To meet this need, talented Americans of all ages should be recruited to become successful, qualified teachers.

We need to find creative ways to address the critical shortage of teachers that our school districts are facing. For that reason, my colleague from Indiana, TIM ROEMER, and I, passed legislation in the 106th Congress, the Transition to Teaching Act, to target mid-career professionals who are looking for a career change and want to be a teacher. The Transition to Teaching program will help move people from the boardroom to the classroom, from the firehouse to the schoolhouse or from the police station on Main Street to the classroom on Main Street.

During the last Congress, we were successful in getting a temporary authorization for this program and small amount of initial funding. I am pleased today that the Conference Report to H.R. 1 provides permanent authorization for their very valuable program. In addition, this bill provides a significant increase in funding for the Transition to Teaching program. Under this bill, our appropriators will be able to provide $150 million to help us recruit new, qualified teachers under this program for Fiscal Year 2002. While this is only the one step in helping our schools deal with the teacher crisis over the next decade, it is a significant step in the right direction.

Now, I would like to address student testing. At the beginning of this year, I got an earful from parents, teachers and students who are concerned that standardized educational testing in Florida has run amuck. When the House considered H.R. 1 earlier this year, I rose on behalf of hundreds of thousands of Florida public school students subjected to these tests and expressed my concerns that the principal purpose of testing should be diagnostic—to help teachers teach and students learn. I had previously expressed my concerns on this issue to the Secretary of Education and the President's Chief Advisor on his education proposal. Both of them said they agreed with me.

Testing should determine where my child is at the beginning of the school year and what he needs to work on to get where he should be at the end of that school year. Testing should tell my child, his teacher, my wife and me what we need to know to help him improve as a student.

As many of you know, Florida is already testing students in grades three through eight in reading and math. The Florida Comprehensive Assessment Test (FCAT) also tests writing in grades four, eight and ten. Unfortunately, as I stated above, the purpose of the

FCAT is to grade our schools and implement high stakes penalties or rewards based on their scores, not to see where our students need help to boost their performance.

That's right. Under the FCAT, teachers, principals, parents and students get no information from the test identifying the needs of individual students and how to help them improve. Therefore, it was important that the federal law provide some direction on this matter.

The original House bill was silent on this issue. However, I am very pleased that the Conference Report before us today is no longer silent on the need for diagnostic testing of our students. This bill contains a reporting requirement that requires our schools to produce individual student interpretive, descriptive, and diagnostic reports. This new requirement will ensure that our parents, teachers, and principals will know and be able to address the specific academic needs of students. More importantly, this new requirement will ensure that as soon as is practicably possible after the test is given, this diagnostic information will be provided in an understandable and uniform format, and to the extent practicable, in a language that parents can understand.

With the diagnostic provisions included in this Conference Report, we will give our teachers the tools they need to teach and to make sure that our students are learning. I commend the House conferees for fighting for this very important student centered testing. I look forward to our states, including Florida, making the necessary changes under this new law.

In closing, Mr. Speaker, I urge my colleagues to adopt the Conference Report to H.R. 1, which is truly a bipartisan effort. This is a significant step in the right direction to make sure that our public schools continue on the right track.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise to engage in a colloquy with the chairman of the Committee on Education and the Workforce. I support the bill, I think the bill does what it says, and I appreciate all the hard work the chairman and ranking member have put into this bill.

But I am extremely upset about one single provision that only affects New York City and Hawaii. The provision known as the County Provision divides New York City as no other Federal law does. New York City is one unique local education agency; yet this provision mandates that the city be treated as five separate LEAs when it comes to title I funding. The provision, which was added in 1994 to the ESEA, allows for Staten Island to receive almost 150 percent more in title I funds than the city-wide average. In fiscal year 2001, Staten Island received $1,718 for a title I student, whereas Brooklyn receive $811 and the Bronx, which I represent, receives only $552 per title I student.

This provision undermines the very premise of the bill. We tried to eliminate this provision. We thought we had a compromise, but we did not quite reach it.

Overall I support this bill. It ensures that all teachers are qualified to teach in their subject matter, supports teachers by giving them the resources they need to do their jobs, targets federal aid for bilingual and immigrant education to those students who need it the most, and expands after-school programs.

A compromise that was reached by the conferees from New York would have held Staten Island harmless, keeping it at $1718 for the life of this authorization while allowing the per pupil allocations in the other boroughs to creep up, was rejected.

I am extremely upset that while the title of this bill is "No Child Left Behind" the poor children in the Bronx will continue to be left behind.

I would like to thank the Chairman, the gentleman from New York, Mr. OWENS, and Senator CLINTON for all of the work they have done to right this wrong. I look forward to working with them in the future to put an end to the County Provision.

I would say to the chairman that this county provision needs to be revisited, and I would like his comments on it because I know he has publicly said they were going to make this more equitable.

Mr. BOEHNER. Mr. Speaker, I yield myself 1 minute.

I understand the discrepancy in the funding in New York City. This was part of the 1994 act, under agreement by the Members from New York City, and I do think it had unintended consequences. We sat out early this year to try to bring some resolution, and the conference committee believed that the Members from New York should work this out amongst themselves and, frankly, they were unable to.

As I have learned more about this issue, I do understand the gentleman's concerns, and I have expressed to other Members of the New York City delegation and to Senator CLINTON that as we proceed in the coming years, that we would continue to look at this and to work with this to see if we cannot bring about some better resolution.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Speaker, I add to the compliments for my colleague, the chairman, the gentleman from Ohio (Mr. BOEHNER), and the ranking member, the gentleman from California (Mr. GEORGE MILLER). This is a great product that the conference committee has delivered, and it goes a long way to addressing some very important issues.

I particularly want to mention a provision that would require States, over a number of years, to do a much better job in terms of providing an effective quality teacher in every classroom and also the targeting provisions of title I.

There is more work that will be required of us as we go forward, but I think this is a conference committee that we can all embrace. It is a giant step forward, but we are still a long way from making sure that poor children do not end up with a poor quality instructor and poor quality textbooks and educational materials. This is, as a Federal Government, I think, an appropriate role for us to play.

But I want to commend the gentlemen for their work and the work of all of those on the conference committee from both Chambers, and I look forward to additional work in the future.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I rise today in very strong support of the conference report for H.R. 1, the reauthorization of the Elementary and Secondary Education Act.

Nearly a year ago, Congress embarked on a mission to improve the education of America's public school students. Today, I am proud to say that we have produced a consensus bill that, when implemented by the Administration as intended by Congress, will dramatically expand the opportunity for all children in our country to learn.

A COOPERATIVE AND BIPARTISAN PROCESS

This bill is the result of many people's labor and ideas. I deeply appreciate Chairman JOHN BOEHNER for the leadership, candor and honesty that he displayed throughout his process. He has been a man of his word.

President Bush told us a year ago in Texas that he wanted to make education reform the hallmark of his administration, and that his central goal was to target federal resources towards the neediest students. We have worked with him throughout this long process, and the bill we have written meets those objections.

Senator JUDD GREGG has been deeply engaged throughout this effort, and, while we often disagreed, we were able to work successfully to resolve our differences.

And I am particularly pleased to have been able again to work closely with my longtime friend and colleague Senator TED KENNEDY, with whom I have participated in so many efforts on behalf of those who need our help the most but who are most often ignored. His commitment to a strong reform bill on behalf of all of America's children was critical to forming this final product.

Great credit, of course, goes to all of the members of the Conference Committee that produced this bill, and I also want to thank all of the members of the House Committee on Education and the Workforce who crafted this bill earlier in the year.

In particular, I want to express my appreciation for Congressman ROEMER of Indiana, whose creative contribution to the issue of flexibility formed the basis for our successful resolution to the fight over state block grants, one of the issues that delayed completion of work on this legislation earlier this year.

Last, I wish to express my appreciation to the staff of the House and the Senate education committees who worked diligently, through many nights, weekends and vacations, to see this bill through to the end. I feel particularly privileged to have as my lead education adviser Charles Barone, an enormously dedicated and capable public servant whose expertise and insight were invaluable to the successful completion of this bill.

AN URGENTLY NEEDED BILL

Despite a commitment by our government to the contrary, our educational system has tolerated extremely low educational achievement for decades. Many thousands of schools throughout this nation, disproportionately in neighborhoods serving low income and disadvantaged youth, have unacceptably high percentages of children who cannot read, write or do math at their grade level. The problem is not that they do not have the ability to succeed or that they are not capable of higher levels of achievement. The problem is that states and school districts have not provided them the opportunity to do so. Those same schools have the least qualified teachers, the highest dropout rates, and are in the greatest physical state of disrepair.

Report after report on the weakness of our educational system was published over the years with an inadequate response:

25 percent of teachers who are not qualified to teach in their subject area;

68 percent of 4th graders not able to read at a proficient level;

73 percent of 8th graders not able to conduct math at a proficient level;

An unmet school construction and repair bill of $127 billion.

Now, with this legislation, we are not only once again committing ourselves to opening the door to quality schools for every child and closing the door on acceptable losses, but we are backing up that commitment with resources and a strong accountability system.

This year's effort is rooted in my firm belief that if teachers and their schools have adequate resources and high standards, and not just rhetorical support, America can have a world-class K–12 public school system for all its students.

I know that we can do better. Having spent over 25 years on the House education committee, 10 years as chairman of the House Select Committee on Children, Youth and Families, and having worked with and taught in schools in my congressional district over the years, I know that we can do much more to ensure that all children get the kind of education each of us would want for our own sons or daughters.

I have spent much of the past decade fighting to pass the key provisions of this bill: teacher quality, parental notification, school accountability, and new and unprecedented targeting of resources.

Given the broad support this legislation enjoys, it is difficult to believe that fewer than ten years ago, my efforts to guarantee every child a qualified teacher were dismissed by the Congress. Today we do that, and much more.

AN EMPHASIS ON ACCOUNTABILITY, RESOURCES, AND QUALITY

As a result of the changes we have made in the conference committee to the bill introduced earlier this year, this bill will help return our school system to the original goals of the 1965 Elementary and Secondary Education Act—to ensure that all children have an opportunity to learn regardless of income, background or racial or ethnic identity. But unlike the laws on the books over the past 35 years, we will back up our commitment with a set of unambiguous expectations, time-lines, and resources.

In this bill, we are prepared to offer a significant increase in resources in exchange for meeting real goals—teachers who teach, students who learn, and schools that succeed.

Our bill, for the first time in federal law, establishes clear goals to close the educational achievement gap over a 12-year period. Through a system of state-based annual tests in grades three through eight that will act as a diagnostic tool, we will identify schools in need of improvement and ensure they receive adequate resources to improve.

Our bill provides for the unprecedented targeting of federal dollars to the neediest students, including a change in the Title I formula that will reward states who make strides to reduce school finance inequity.

Our bill sets the clearest educational standards in history.

For the first time in federal law we establish a clear goal of requiring that every teacher is fully qualified to teach in his or her subject area within four years. And we offer the greatest support for our teachers in history.

For the first time in federal law we establish a formula to target federal aid for bilingual education based on the number of children in a particular school district who need it.

For the first time in federal law we will require that parents receive report cards with clear and precise information on the quality of their child's school.

We will allow for unprecedented flexibility in administering programs at the local level.

We greatly expand the reading program initiated by Democrats in 1998 and favored by President Bush, including a new pre-K program.

We also ensure that all state tests would be compared against one, credible national benchmark test, the NAEP test, and not a smattering of different benchmark tests as the House bill had called for. The NAEP test is already used in a majority of states.

To ensure that the requirements of this bill can be met, we provide new resources to schools:

New money for teachers to receive mentoring, professional training, and salary enhancements. We are supporting teachers by giving them the resources they need to meet our new standards;

We significantly increase funding for Title I, the program for disadvantaged students, and better target the money to the neediest students;

We provide assistance for struggling schools;

We significantly increase funding for technology, after-school, and other programs that have proven to enhance educational quality.

Both on the House floor earlier this year, and then again during the conference committee, we successfully defeated a negative, conservative education agenda that threatened to undermine the original goals of this effort.

There are no vouchers in this bill to divert public school money to private schools.

There is no "Straight A's" state block grant to eviscerate the federal targeting of dollars to the neediest students and to waste critical education dollars on state bureaucracies.

We maintain and expand the After-School program, despite the President's attempt to eliminate it as a separate program.

We provide authority and resources for school construction, despite opposition to a federal role in modernizing school facilities by the President and Republicans in Congress.

We also defeated a negative, conservative social agenda that some attempted to insert into this bill. They wanted to eliminate the Hate Crimes program that teaches tolerance in our schools, but we kept the bill. They wanted to weaken civil rights protections in current law, but we stopped them.

A REAL INCREASE IN RESOURCES

Finally, as I mentioned above, we have made great strides in boosting funding over and above what the President and Republicans in Congress offered.

The President began this effort with virtually no increase at all for education:

The President asked for only a 3% increase in ESEA. We will now see a 20% increase in ESEA in real appropriations under the FY 02 Labor-HHS appropriations bill;

The President asked for only a 3% increase for Title 1. We won a 16–20% increase in appropriations,

The President asked for only a 3% increase for teacher quality. We won more than a 40% increase in appropriations;

The President asked for zero percent (0%) for After-School programs. We won an 18% increase in appropriations.

COMMITMENT TO SPECIAL EDUCATION FUNDING STILL UNMET

Mr. Speaker, there is one final point, regrettably, that I must raise. In this bill, unfortunately, the conferees were not able to reach an agreement on providing additional funding for special education. The Senate bill would have fully funded our federal commitment to special education, whereas the House rejected that provision. But you cannot fund only two-fifths of our commitment to special education and still "leave no child behind."

Yet, despite strong, bipartisan and bicameral support for full and mandatory funding for special education, the conference committee twice refused to provide the funding we promised school districts and parents 26 years ago.

CONCLUSION

Despite our serious disagreement over the critical issue of special education, I believe that the other reforms and resources that we provide for America's school children in this bill are unprecedented achievements that deserve to be enacted into law without delay and implemented by the Administration in the very manner in which the conference committee intended.

There now lies a tremendous obligation by the Bush Administration to write the regulations for this bill and implement those regulations in a manner consistent with the urgent need that led us to write this bill in the first place.

This is a strong bill, it is a reasonable bill, and it is a historic bill that draws bright lines for our students and provides new resources to where they are needed most. I look forward to the enactment of this bill before the end of this year.

ACKNOWLEDGEMENTS—H.R. 1

I would like to acknowledge a number of people who helped to make this bill a reality. As I said at the outset, it was a bi-partisan and cooperative process.

I would like to acknowledge and thank President George W. Bush, Committee Chairman JOHN BOEHNER, Senator TED KENNEDY, and Senator JUDD GREGG. I would like to acknowledge and thank the other House Democratic conferees for their contributions, Representatives DALE KILDEE, PATSY MINK, Major OWENS, ROB ANDREWS and TIM ROEMER.

I would like to express my grateful appreciation for the hard work of my committee staff, including my top education advisor Charles Barone, as well as John Lawrence, Daniel Weiss, Alex Nock, Denise Forte, Mark Zuckerman, Ruth Friedman and James Kvall, and also the staff for Congresswoman MINK, Brendan O'Neil, for Congressman ROEMER, Maggie McDow, and for Senator KENNEDY, his top education aide, Danica Petroshius.

I would like to thank Chairman BOEHNER's committee staff, his top education aide, Sally Lovejoy, and his staff director, Paula Nowakowski.

In addition, there were many experts and organizations who provided invaluable expertise to our committee as we developed this legislation. Some in particular whom I would like to thank for their help include Bill Taylor and Dianne Piché at the Citizen's Commission on Civil Rights, Kati Haycock and Amy Wilkins at the Education Trust, and Paul Weckstein at the Center for Law and Education.

I hope that everyone who had a hand in this enormous effort feels as proud as I do today about this legislation.

Mr. Speaker, back in May, this House spoke with almost a unanimous voice, with a strong voice, regarding the kind of education bill that they wanted. I believe that we can say to the Members of this House that we have brought them back a better bill than the bill we passed.

My colleagues said they wanted accountability for closing the achievement gap, and we have provided that. They said they wanted to improve the targeting of funds on poor districts and disadvantaged children, and we have done that. They said they wanted new investments and a stronger commitment to teacher and professional development, support and mentoring, and we have done that.

They said they wanted a new formula program for bilingual students so the money would go where the students in needs are, and we have done that. They wanted assistance for those schools struggling to turn themselves around, and this legislation does that. They said they wanted the expansion of the reading program, as outlined by the President and other people who are critical of the current reading resources in the Federal program, and we have done that. They wanted the use of nationwide tests so we could test whether or not the assessments made at the State level were accurately reflecting the educational achievement of those children. They also said they did not want Straight A's, and we do not have that. They said they did not want vouchers, and we do not have that. But they wanted flexibility, and we provided that flexibility without the Straight A's.

So I think we have delivered a bill that this Congress on both sides of the aisle have overwhelmingly spoken on behalf of for many years, and the results are now here.

But let me just say one thing this bill does and what it is built upon. It is built upon a deep and uncompromising belief by the chairman of this committee, by the President of the United States, by Chairman KENNEDY, by Senator GREGG and myself, and so many other Members of this Congress and this committee that all of America's children can learn. We believe that an impoverished child does not mean a child that cannot learn. We believe that because an individual is a minority does not mean they cannot learn. And the evidence is overwhelming that we are right.

What we did with this legislation was redirect those resources to dramatically enhance the opportunities for success by America's children. The opportunity for success. We cannot guaranty the success, but we can provide the opportunity.

Yesterday, the Education Trust put out a report on the eve of our consideration of this bill that identified 1,320 districts with high-poverty students, high percentage of poverty, high minority schools that are excelling in the top third of their States. We can no longer accept the level of failure that we have in the past, and this legislation says that we will not.

Yes, it is going to be hard to meet these achievements; yes it will be hard to meet these goals; and yes, it will be hard to hold ourselves accountable, but there is no option to our doing this on behalf of America's children.

We heard back in August when many people said this is impossible. I was shocked to hear it from so many educators. Maybe they are in the wrong field. Because here are 1,300 schools that are using the basic tools that are provided in this legislation, that are strengthened in this legislation, that are enhanced with the resources in this legislation, using the very tools in this bill, these 1,320 schools are among the top performers in their States. We want to replicate that all over this Nation for all of America's children.

Again, I want to thank the chairman for making this possible. I believe we will do all this with an "aye" vote on the passage of this legislation.

Mr. BOEHNER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I feel today like I did on the day of the birth of my two daughters: exhausted. It has been a long process and a long year. And as tired as I and the ranking member, the gentleman from California (Mr. GEORGE MILLER), and the members of the committee are, I think all of us understand that our staffs have done much, much more than we have, and have spent much, much more time. And I think that the Members here deserve to give our staff a big round of applause.

Mr. Speaker, there are a lot of thank-yous that have gone around today, and a number of people have mentioned the President. I think a lot of us know that President Bush, during his campaign last year, took a courageous stand, as a Republican candidate for President, when he took the issue of education and our party in a new direction. It was a bold and courageous move on his part, but he did it.

But not only did he do it during the campaign, he maintained that effort and that focus to make this his number one domestic priority. That is when the gentleman from California (Mr. GEORGE MILLER) and I, and others, were brought down to Austin, Texas, to talk about the foundations of this bill. That is why the first full day in office, on January 22, the gentleman from California (Mr. GEORGE MILLER), Senator KENNEDY, Mr. JEFFORDS, and I were in the Oval Office with the President telling us how important this bill was.

The President believed that we needed more accountability in our Nation's schools; that we needed more flexibility for our local schools and our teachers at the local level; that we needed a new investment in early childhood reading programs and early grade reading programs; and that we needed to consolidate the number of Federal programs; and, lastly, to refocus the Federal Government's efforts at the neediest of our students.

□ 1415

But as important as this bill is, there is another important dynamic that occurred over the course of the year, and that is how this bill is going to become a law.

If we go back to last year during the campaign, the President talked about the need for a new tone in Washington. The President said that we needed to be more bipartisan here in Washington, and the American people applauded him for his willingness to say that. When the President brought us to Texas on December 21 of last year, he brought us down there to talk about education, but he also talked to us about wanting to move ahead together.

And on January 22 when we were in the Oval Office, it was the President who once again said that we need to move this process together, and we need to work together. I can tell Members that I believed the President when he was a candidate, and I believed him all during this year. And I believe, as many of our Members on both sides of the aisle believe, that it is time that this body become more bipartisan.

Now if the gentleman from California (Mr. GEORGE MILLER), who, as he said, have spent 10 years throwing bricks at each other, and every Member knows that the gentleman from California (Mr. GEORGE MILLER) and I can be as partisan and as hard-nosed as anybody on either side of the aisle, if we can work together with the members of our committee, which is a very partisan committee, it has been the most partisan committee in this House for the last 3 decades, if we can do it, there is no reason why any other committee in this House cannot do it.

I can tell Members during the 20 years that I have been in this business, this is by far the most important piece of legislation that I have ever worked on. It is my proudest accomplishment. It is the work product that I am proud of; but, as importantly, the way that we did this. Bipartisanship means that Members have to trust each other. Bipartisanship means that Members need to work together and find common ground.

To the pundits who said that the bill was stalled, were not sure we were going to get it, let me suggest the bill was never stalled. It took a great deal of patience and listening, and it took a great deal of trust to actually bring this product to where we are today.

As I said earlier, I could not have had a better partner in this process than the gentleman from California (Mr. GEORGE MILLER). We did not know each other very well when this year started, but I laid out a vision for our committee and a vision for how this bill could become law, a vision of starting in the right place in order to end up in the right place.

The gentleman from California had his critics on his side of the aisle who could not understand how he could support a bill that I was supporting; and I clearly had my share of problems with Members that could not believe I could be supporting a bill that the gentleman from California (Mr. GEORGE MILLER) was supporting.

Mr. Speaker, we went through this process together, and I could not have enjoyed our experience, nor could I have developed a better friend than the gentleman from California.

Let me say to my colleagues in the other body who worked with us over the last 4 or 5 months, Senator KENNEDY and Senator GREGG, their willingness to sit and work through this process, their willingness to take the time and to trust each other, helped to develop what I think is a landmark piece of legislation. I thank all of them for their efforts.

When we step back and look at what we are trying to do here, it is simple. The gentleman from California (Mr. GEORGE MILLER) said it in his closing remark, and that is the gentleman from California and I, Senator KENNEDY, Senator GREGG and Members on both sides of the aisle are committed to the concept that every child in America can learn, and that every child in America should have the opportunity to get a sound, basic education.

Every Member in this body understands that without a sound, basic education, the chance at the American dream does not exist. For 35 years we have promised from the Federal Government that we would help the poorest of our children. We failed, and we failed miserably.

This is not the end of this process. Let me suggest to Members, this is the beginning of the process. The writing of the rules, the implementation of this bill in each of our 50 States is going to be a Herculean battle, not unlike what we have seen over the course of this year.

Mr. Speaker, I urge my colleagues to not only vote for this bill today, but to keep up their vigilance at home to get this bill implemented correctly because at the core of it, what we are trying to accomplish here is to ensure that every child in America has a chance at a good education, and that every child in America has a chance at the American dream.

Mr. SAXTON. Mr. Speaker, I rise in strong support of H.R. 1. This bill addresses the vital school construction needs unique to federally impacted schools by authorizing a new competitive construction component within the federal Impact Aid program. In many cases the local tax base does not have the needed resources to draw upon to meet the needs of our military and Indian schools. As a result, lack of funds has until now left those schools without the resources for new construction, renovation, or modernization initiatives. H.R. 1 adds the new construction component that will allow these schools to complete important projects by enabling them to compete for funding, on the basis of need.

However, I am disappointed that this bill does not allow for separate construction funding sources for all eligible categories of federally impacted schools. While the current provision appears to benefit the entire Impact Aid community, the military component of the program has little prospect to successfully compete for discretionary money, as Indian districts have the greatest need for emergency funds. While unintentional this Bill would leave military districts with pressing construction needs on the side of the road once again. From my own travels to several military installations, it is clear that more—much more—needs to be done to ensure adequate funding for both of these eligible categories.

In closing, I want to express my appreciation to my colleagues for their concern in addressing this problem overall and I look forward to working together in the future to create a division of these construction funds to ensure the unique needs of the two major categories of federally connected school districts are met.

Mr. REYES. Mr. Speaker, I rise today in strong support of the Elementary and Secondary Education Authorization Act Conference Report.

I would like to join my colleagues in commending the members of the Conference Committee, namely Chairman KENNEDY, Chairman BOEHNER, and Ranking Member GEORGE MILLER, for their hard work and commitment on this conference report. This bill was truly the product of bipartisanship. The best interests of our children and teachers took priority, and because of that they will continue to prosper.

The goal of this bill was to eliminate the achievement gap between rich and poor students and minority and non-minority students that has burdened our schools for years. Not only does this bill begin to address these issues but it puts forth a realistic twelve year time frame to achieve it.

I am particularly pleased with the agreements made in regards to bilingual education. This bill will empower our parents and given them the option to remove their children from bilingual education at any time. Also, no time limit will be imposed on our students regarding their length of enrollment. The funding formula for bilingual education will base its funding levels on the size of its limited english proficiency student population. Our teachers will also be provided funds for training and professional development.

This bill also authorizes a funding increase of nearly twenty percent for elementary and secondary education programs. This is a significant and well deserved increase. Students and teachers of El Paso will surely benefit and I am pleased to show my support for its passage.

Mr. ISRAEL. Mr. Speaker, today I will vote for The No Child Left Behind Act, H.R. 1. While I support this legislation it is not without some reservations, particularly the inadequate federal support that the bill provides for the Individuals with Disabilities Education Act (IDEA). Overall, this bi-partisan legislation strengthens our commitment to closing the achievement gap between rich/poor, minority/non-minority students, improves targeting of funds to low-performing students, improves teacher quality, preserves the After-School program and key civil rights safeguards, and expands local flexibility in the use of certain federal education funds. And this bill contains the high levels of authorizations needed to assure that adequate resources will be provided to carry out the mandates of this new law.

I do, however, find the level of funding for special education to be cause for grave concern. Twenty-one years ago the federal government said it would spend 40 percent of the cost of educating children with disabilities. Yet today the government provides only 15 percent of that cost. Children with special needs often require additional resources that put a great burden upon states and local school systems.

That is why I asked the Conferees to provide the 40 percent funding that the federal government promised so long ago. I am very disappointed that they decided to wait until next year to address this issue. In the meantime, states, local school systems and families of these children will continue to suffer.

Mr. Speaker, this is not a flawless bill, but it is a very good start. Despite my concerns about funding for special education programs I am going to vote in favor of the legislation. Our children's education is far too important to let the Perfect be the enemy of the Good.

Mr. SERRANO. Mr. Speaker, I rise in support of the conference report to accompany H.R. 1, the Elementary and Secondary Education Act Reauthorization bill, also known as the No Child Left Behind Act of 2001.

At the outset, I want to thank the gentleman from Ohio, Chairman BOEHNER and our Ranking Democrat, the gentleman from California (Mr. GEORGE MILLER) for bringing to the Floor a good conference report.

This legislation reauthorizes the Elementary and Secondary Education Act for six years and authorizes $26.5 billion for its programs in fiscal year 2002. While President Bush made education a priority at the beginning of this year, he failed to request any significant increase in funding to back up his broad outline for reform. But Congress has stepped in to provide a significant increase in real funding. The appropriations bill that goes with this reform bill will provide nearly $4 billion more in funding for all elementary and secondary education programs funded by the federal government, nearly a 20 percent increase in appropriations. President Bush asked for only a three percent increase.

Mr. Speaker, New York City's public schools face a host of difficult challenges including: overcrowded and outdated facilities; more students with special needs; increasing teacher shortages; and keeping up with rapidly advancing technology. I am pleased that H.R. 1 contains a number of important provisions that will help New York City meet its goals of greater student achievement levels by supporting enhanced efforts in these areas. For instance, NYC is estimated to receive an increase of $140 million in Title I funds under pending agreements to allocate most of the new Title I money to districts serving high numbers of poor students. H.R. 1 also retains targeting for the newly consolidated teacher quality program, which will be of great value to our current teacher recruitment, retention, and training efforts.

The bill offers new flexibility to school systems through the 150-district "local A's" provision and through the "transferability" language. The flexibility, moreover, is achieved without state block grants, portability, vouchers, or other provisions that could have diluted otherwise-targeted assistance.

As a native of Puerto Rico, I am pleased that this bill moved Puerto Rico to full participation in Title I over the next 6 years in roughly 8 percent a year increments. Next year, for example, Puerto Rico's Title I funds will increase by over $60 million, more than a 20 percent addition. But that is not all.

Under this legislation and the upcoming appropriation bill, Puerto Rico will also enjoy expanded funds for the teacher quality program which will increase by $38 million, or 58 percent, the technology program which will increase by $10 million, or 67 percent, and the Bilingual Education program which will grow by $1 million, or 69 percent.

However, Mr. Speaker, despite endless negotiations between people of good faith, I have to admit that I am disappointed that the conferees did not omit the so-called "County Provision." The County Provision states that if a local education agency (LEA) contains two or more counties in its entirety, then each county is treated as if it were a separate LEA for the purpose of calculating Title I grants. The provision singles out New York City for different treatment than any other local education agency in the nation (other than Hawaii) in determining the allocation of Title I funds. The counties of Kings (Brooklyn), Manhattan, Richmond (Staten Island), Queens, and the Bronx are treated as if they are five distinct LEAs; despite the fact that under New York State law the New York City Board of Education is the only LEA in New York City. As a result, Title I funds are now distributed based on each borough's percentage of New York City's federal Census poverty count. In short, poor children in different boroughs receive differing amounts of federal education funding. Retention of this provision continues to promote inequity in funding among the counties within New York City.

This funding disparity occurs even though New York City Title I schools, regardless of their location, have almost identical costs for personnel, materials, equipment, and mandated costs to educate youngsters. I hope that we will somehow find a way to strip this inequitable provision so that needy children will receive the same level of funding without regard to where they live.

Finally, Mr. Speaker I am pleased that the Conference Committee on H.R. 1 has produced a bill that strengthens our commitment to closing the achievement gap between rich and poor, minority and non-minority students, improves targeting of funds to low-performing students, improves teacher quality, preserves the After-School program and key civil rights safeguards, and expands local flexibility in the use of certain federal education funds. And this bill contains the high levels of authorizations needed to assure that adequate resources will be provided to carry out the mandates of this new law.

Mr. Speaker, I urge my colleagues to support the conference report.

Mr. STARK. Mr. Speaker, I rise in support of H.R. 1, the Better Education for Students and Teachers Act, which provides for increased funding for our nations school system. This bill improves current law by holding our schools accountable for providing quality education, enhancing teacher training and targeting funds to underprivileged students.

H.R. 1 makes a strong bipartisan effort to narrow the gap between the academic achievement of poor children and their more advantaged peers. It encourages schools to do a better job of educating our most vulnerable citizens. By helping disadvantaged children read and understand math, it starts them along the path to a better future. By ensuring that low performing schools are provided additional assistance, fewer underprivileged children will be ignored or allowed to be the victims of low expectations.

This bill provides accountability in public education. In the process, it makes sure that funding is available for teachers to receive high quality professional development H.R. 1 targets schools that need extra help and also offers additional funds for educating poor children. The bill recognizes that some of our newest citizens may have limited English proficiency and makes sure they are provided the extra help they need. The state based testing system makes sure that we can more strategically direct efforts to improve the performance of children. Schools that do well will be recognized and schools that need help will be provided the assistance they need. There is much in this bill that merits our broad support.

I am also pleased with the things left out of this bill. I am pleased that Congress made the wise decision to reject private school vouchers. At the moment, public schools are under funded. Keeping money from public education does not address the problem in our schools, it exacerbates it. Vouchers assist a small proportion of children at the expense of the rest of the student population.

While there is much to support about H.R. 1, I am disappointed that the bill does not do more to improve special education. We must make sure that the needs of disabled children are fully addressed before we can truly say that no child is left behind. I look forward to future bipartisan efforts to fulfill our promise to meet the needs of children with disabilities.

In this paralyzed Congress, enactment of this solid bipartisan bill is a great accomplishment and will improve our nations educational system. I urge my colleagues to join me in support of Elementary and Secondary Education Act. H.R. 1 is a giant step forward in improving schools for our children.

Mr. MOORE. Mr. Speaker, I rise today to express my support for the conference report for H.R. 1, the Leave No Child Behind Act. This bill is a great improvement over the legislation passed by the House earlier this year, both in terms of policy goals and adequate funding authority. While this legislation is not perfect, we should not let the perfect be the enemy of the good.

As a father and grandfather, I take the future of our education system very seriously. I have always believed that the federal government is an important junior partner in creating education policy. As such, I believe sound federal education policy must include targeted help for low-income kids and struggling schools, as well as local control, flexibility and support for school officials and teachers.

Following House passage of H.R. 1, I wrote to the conferees and requested that the conference committee meet minimum standards to ensure my support of the bill. I believe that they have met my requirements, and I will support the conference report.

Not only is education key to our country's economic success in the twenty-first century, the right to a high quality public education goes to the very core of the American values of fairness, opportunity, hard work, and democracy. Ensuring that all American children can get an adequate education, despite their family income, race, or accident of geography, will pull families out of poverty and make our country stronger. This conference report goes a long way towards targeting funding and assistance to the schools and the kids that need it most. The bill improves targeting of federal funds to low-income schools districts. It also establishes a new, formula-driven Bilingual and Immigrant Education program to provide services to English-language learners that most need them. Additionally, the conference report restores after-school and violence prevention program funding that was eliminated from the original House bill.

I have made a commitment to parents and students in my district that I will oppose any legislation that uses vouchers to siphon public money into private schools. The conference report provides public school choice for children in consistently failing schools. The bill also includes provisions that help local school districts address the practical matter of school choice, such as transportation costs. Furthermore, the bill does not include block grants that undermine the targeting of funds to students that need them the most.

Schools in my own Third District of Kansas are in severe need of repair and reconstruction. Seventy-six percent of American schools are currently in disrepair. Yet, the original House-passed H.R. 1 did not include funding for locally-controlled school construction. The conference report authorizes funding to continue the vital school construction program created by President Clinton.

More, than ever, we need to ensure that low-income children get the quality teachers certified in their area of instruction. The conference report doubles President Bush's proposed funding for teacher quality and will give teachers the support, mentoring and salary incentives they need to ensure that we continue to have a strong, professional teaching force.

Since taking office, superintendents and principals in the Third District have told me that Congress needs to step back and allow them to do the jobs they were hired to do without excessive red tape, bureaucracy and federal micromanagement. This conference report reduces the number of federal programs and significantly increases state and local control of education decisions. It allows local school districts to transfer up to 50 percent of funds between programs and gives states additional flexibility to transfer funds between programs as long as they demonstrate results.

The report gives the states the flexibility to design and select their own tests for math and reading and has made a "commitment" to states to cover the costs of administering the test. I am supporting this legislation today, in part because I fully expect the House to fulfill this funding commitment, as promised by the conferees, this year. As I have long worked to fully fund the federal government's commitment to special needs kids through IDEA, I will not support creation of another unfunded mandate.

Additionally, the bill provides a national benchmark to ensure the rigor of state tests without crating a new, overly burdensome national test. The bill allows states to use their own report cards, so parents will know their child's school measures up.

Although I was disappointed that the Class Size Reduction program and the Eisenhower Professional Development programs were combined into one grant, I am satisfied by the fact that funds were not cut for the programs and school districts will be held harmless and receive at least as much funding as they received in FY 2001.

Finally, I want to send a clear message to my colleagues regarding funding of our national education priorities. It is critically important that states and local school districts get the funding they need to implement these new policies. Many promises have been made in this bill, and as a Member of the Budget Committee, I will make every effort next spring to ensure that these promises to fund these new priorities are kept. I had hoped that the conferees would take a stronger stand and make a commitment to fully fund IDEA and not put this important job off until next year. Nevertheless, my commitment to adequate funding for IDEA and other national education priorities, both new and old, remains strong.

Mr. ACEVEDO-VILÁ. Mr. Speaker, I rise today to commend my colleagues that worked together to bring this Education conference report to the floor. This legislation is good to every child in America. The President stated that "no child be left behind," with this legislation Congress makes sure that the expression "no child" would include the Puerto Rican children.

In the area of Title I, Puerto Rico's funding was caped at 75 percent of what other U.S. jurisdictions received. Puerto Rico has operated under this unfair formula even though the Island must meet all Title I program requirements.

Language in this report corrects the unfairness by increasing Puerto Rico's Title I funds from 75 percent to 100 percent of our fair share over a 6 year period. This is the most important federal legislation for education that has been approved for Puerto Rico in the last 30 years.

In addition, Puerto Rico will benefit from other programs included in the federal legislation, such as increased funds for reading and math tests for students in the third through eight grades; teacher training programs, after school tutoring and technology programs.

In these times of economic hardship, the best investment we can make is in the education of our children. I urge my colleagues to vote in favor of this legislation, and to reaffirm to the American people that education is still a top priority.

Mr. HONDA. Mr. Speaker, I rise to express my reluctant support of the conference report on the Elementary and Secondary Education Act. While this legislation makes a significant strides in the field of education reform, it fails to honor an important commitment to our nation's children.

Over the last quarter century, Congress has been shortchanging the federal commitment to education by grossly underfunding the Individual with Disabilities Education Act, or IDEA, in its annual appropriations process. This failure on the part of Congress has hurt local school districts in their efforts to fulfill their education mission, as they struggle to meet the mandates of IDEA without sufficient federal support. Earlier this year, I sent a letter signed by one hundred and thirty-four Members of Congress urging support of mandatory, full funding of IDEA. Despite the support of a bipartisan group of Members and education groups across the country, this bill fails to fully fund the federal share of IDEA. Congress made a promise to our nation's children, and I will continue to fight to make sure this commitment is met in the future.

Mr. Speaker, while I am disappointed that Congress failed to provide this critical resource, I am pleased that this legislation establishes a promising framework for raising student achievement. This legislation will provide greater opportunities for our nation's disadvantaged children and will hold schools accountable for the academic achievement of students across this country. The bill will help schools in need, rather than instantly punishing them; it will give greater flexibility to local schools who make the day-to-day decisions about our children's education; and it will dramatically expand and increase support for locally-designed approaches to help students learn English and achieve academically. I am particularly pleased that the bill increases funding for teacher training, requires states to develop plans to ensure that all teachers are provided professional development to become fully qualified in four years, and does not require mandatory testing of veteran teachers.

Mr. Speaker, as a former teacher and principal, I understand that accountability is a two-way street. Education reform will only succeed when it is adequately funded. Our nation's schools cannot be expected to provide a top-quality education if they do not have the resources to do so. This legislation is an important first step in improving our nation's educational system, but it is not the last. Congress must continue to commit the necessary resources to make reform a success. Only then will we truly leave no child behind.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today in strong support of the reauthorization for arts in education in the Conference Report of H.R. 1, the Elementary and Secondary Education Authorization Act. I applaud the efforts of my colleagues in developing consensus on this measure to improve elementary and secondary education for our children—our future. According to the Conference Report, Subpart 15, Section 5551, "the purposes of this subpart are the following: (1) To support systemic education reform by strengthening arts education as an integral part of the elementary school and secondary school curriculum. (2) To help ensure that all students meet challenging State academic content standards and challenging State student academic achievement standards in the arts. (3) To support the national effort to enable all students to demonstrate competence in the arts." I have long been a champion of arts and music education in our schools. The investment in these initiatives is one I remain committed to achieving.

H.R. 1 authorizes structural changes that will improve our country's education system. As we implement these changes, we must continue to provide opportunities in arts and music education programs for our children. Arts in our school make a difference. The students who pick up a saxophone, a paintbrush, or a pen channels their energies into positive action. Affording children access to the arts through education yields dividends to our society as they develop into productive adults. Children who are involved in arts and music programs have reduced criminal tendencies, increased academic success, concentration, and self-discipline. These characteristics need to be emphasized in our children. The provision of arts in education programs is integral to the development of these qualities in our nation's youth.

It is because of the documented benefits of arts and music education that these programs should receive increased funding in the appropriation process. While a start, merely authorizing these programs is not enough. We must provide federal funding so that every child in every school has the ability to access arts and music education programs or we fail to allow children to utilize their full potential. The structural changes authorized today will not be as successful if we neglect the creative side of education. Arts and music education allow children to flourish, not only in music, art, and drama, but also in math and science and social skills.

I commend the conferees on their continued dedication to arts in education and their commitment to enhancing the education of our children through this comprehensive measure. I strongly support increased resources in the upcoming Appropriations process and adoption of this Conference Report.

Mr. LARSON of Connecticut. Mr. Speaker, I submit this statement today in support of the Conference Report for Elementary and Secondary Education Authorization Act. Although I could not be here today during this debate because of a death in my family, I want to say for the record that the bill before us today is the end result of a year-long process between leaders in both parties to achieve compromise on what is surely one of the most important issues on the national agenda: the education and development of our nation's future, our children.

It is no secret that America has long recognized that its long-term strength and security, and its ability to recover and sustain high levels of economic growth, depends on maintaining its edge in the quality of its workforce, its scientific achievement and the technological innovation it produces. Biomedical advances have permitted us to live longer, healthier, and more productively. Advances in agricultural technology have permitted us to be able to feed more and healthier people at a cheaper cost, more efficiently. The information revolution can be seen today in the advanced instruments schools are using to instruct our children and in the vast information resources that are opened up as a result of the linkages created by a networked global society. Our children today can grow up to know, see, and read more, be more diverse, and have more options in their lives for learning and growing. Some emerging technologies—such as nanotechnology and biotechnology—have untold potential to make our lives more exciting, secure, prosperous, and challenging.

Many countries also recognize this and they, therefore, focus their industrial, economic, and security policies on nurturing and developing an educational system that responds to the needs of its citizens and their societies. Countries that follow this path of nurturing educational achievement focus their efforts into ensuring that a pipeline which pumps talented and imaginative minds and skills is connected to the needs of the country's socio-economic and security enterprise.

Yet here in this country, this pipeline is broken, threatening the competitive edge we enjoy in the business of personal and economic growth, and technological innovation.

The only acceptable course of action for a country that wishes to maintain its edge in the global system is to have a long-term educational policy that responds to the challenge of a declining public school system with vigorous and renewed effort and commitment. That is why this bill before us today is truly historic.

This bill strengthens education in this country by enhancing accountability of our public schools, increasing overall funding for education for disadvantaged students, for science and math education, and for technology programs.

I am heartened that the bill would provide nearly $1 billion for a new program aimed at having all children reading by the third grade. It would require states to develop a plan to have a qualified teacher in every classroom within four years. It also would give local school districts greater flexibility in spending federal money.

The bill increases federal funding under the Elementary and Secondary Education Act by $3.7 billion. Funding for Title I, the federal government's main education program for the disadvantaged, would increase by $1.7 billion under the law and technology programs would be increased by about $150 million.

But the bill is not perfect however. Currently, the federal government does not meet the financial obligations for special education it committed to in 1975 when the Education for all Handicapped Children Act (renamed Individuals with Disabilities Act in 1990) was first passed by Congress. This shortfall places an onerous financial burden on local communities who must find alternate resources, such as higher property taxes, to fund special education. The bill before us today does not address this injustice.

The Individuals with Disabilities Education Act (IDEA) is a civil rights statute that provides funding to states and helps states fulfill their constitutional obligation to provide a public education for all children with disabilities. IDEA serves more than six and a half million children today. Underlying IDEA is the basic principle that states and school districts must make available a free and appropriate public education (FAPE) to children with disabilities between the ages of 3 and 21, and must be educated with children who are not disabled "to the maximum extent appropriate."

Since 1975, Congress has authorized a federal commitment to special education funding at a level of 40 percent of the average per pupil expenditure (APPE) on special education services. However, Congress has only appropriated funds to meet between 5 and 14 percent of APPE, with FY 2001 appropriations setting a record at 14.9 percent, or about $7.4 billion. But that is still only little more than third of the, so far embarrassingly unfulfilled, Federal commitment to our children.

As a former teacher, member of a school board, State Senator, and now Congressman, I have constantly heard a clear message from local educators and administrators that more resources must be committed to provide fair and adequate educational opportunities to children with special needs, and that the federal government must meet its commitment under IDEA. In the past, "fully funding" IDEA (meeting the 40% authorization) has generally been a theme for a handful of Republicans, but with the trade-off that other educational programming must be sacrificed.

Let me be clear, this is a constitutional right. Local school districts do not have the discretion to not fulfill their obligations to children with special needs. Where does the approximately $10 billion in unfulfilled Federal pledges to the States come from? It has to be made up somewhere and will most likely come from other important, but not constitutionally mandated, priorities. This is the real cost of our inaction. It is either a tradeoff in spending or a property tax increase. It does not have to be this way, of course. And I believe the American people deserve better from us.

Still, failure to include this important provision will not stop me from fully supporting the underlying bill. It is a very good bill and I support it for the opportunity—the hope—that it represents for this country: commitment to our education system and a good start. And since I see as merely a start, I will not stop my efforts to enact legislation—such as my bill, H.R. 1829—that would fulfill our commitment to our children, to our communities, and to our public schools by fully funding IDEA—and together with the bill before us today, our promise to the nation.

Ms. HARMAN. Mr. Speaker, as a product of the Los Angeles public school system, I know the value of public education.

As a businesswoman, I also know the value of flexibility to allow our schools to develop innovative solutions to the problems our public education system faces today.

Too many of our schools today are starved for funding, frustrated by regulations that hamstring their ability to create the programs they know will help students, or held unaccountable for providing a substandard education to students.

The status quo for public education is unacceptable. Thoughtful reform that improves opportunities for all students is the only path that builds an exceptional education system.

By improving our public education system, we reduce inequalities between individuals of different economic and racial backgrounds. I firmly believe that a quality education for all students is the best affirmative action program for our nation.

To achieve this goal, elementary and secondary education must provide students the skills they need to excel in the new economy. This means first and foremost an emphasis on basic skills—schools cannot graduate students without strong reading, writing, and analytical skills. But we must also ensure that students are well versed in the latest technologies and have the opportunity to develop their full potential in the arts, sciences, or literature.

The Conference Report helps us take the first step toward reinvigorating our public education system—and provides schools the resources they need to implement reform.

This legislation will require an unprecedented testing regime to hold schools accountable for improving the achievement of all students. Schools that fail to make the grade will at first receive more federal assistance to improve their curricula, then if they continue to fail, will have to provide funds to their students for tutoring or to travel to another public school.

The bill provides funds to local school districts to implement these reforms. It increases federal education funding by 20 percent—an increase of almost $4 billion—to allow schools to develop accurate tests, improve the training and recruitment of teachers, buy computers, and develop afterschool programs. It targets these funds at the school districts that need it most—those with a large number of low income students—while allowing all school districts more flexibility in how they use federal funds.

I am however, deeply disappointed that this Conference Report did not increase federal funding for special education. Special education remains the biggest constraint on the budget for school districts in my district and the federal government must live up to its commitment to pay 40 percent of the cost of educating students with special needs. I will continue to fight for increased appropriations for special education while I am in Congress. There are legitimate arguments for why this program needs reform, but these concerns cannot be an excuse for not meeting our federal obligation on special education.

I support this Conference Report as a strong and significant step toward an education system for the 21st century.

Mr. THOMAS. Mr. Speaker, I rise in support of H.R. 1, the No Child Left Behind Act of 2001. This legislation fulfills President Bush's promise to provide every child the opportunity to learn and to hold schools accountable to parents, and I commend the President and my colleagues, particularly Chairman BOEHNER, for all of their hard work on this important legislation.

First, Mr. Speaker, our local schools will immediately have additional resources at their disposal as a result of this legislation's requirement that 95 percent of federal education dollars go directly to America's classrooms. Currently, as a result of 40 years of Democratic control of this body, the federal education system takes more than 30 cents of every education dollar to support its own administrative bureaucracy, rather than the needs of our children. This sad situation will end because of the legislation we are passing today; almost all of the funding now will go to provide our teachers with the technology, textbooks, and training they need to help our students succeed.

Having taught in the California Community College system for 10 years before being elected to the California State Assembly, I want to address what enactment of H.R. 1 will mean for America's teachers. Our teachers face an enormous task every day to provide our young people with the tools needed to succeed in the 21st Century world. Teachers make sacrifices often at the expense of their own time, and in some cases, their own funds. Furthermore, our current educational system has for too long fostered mediocrity and stifled creativity. This legislation will give teachers the resources they need and will financially reward them for their excellence when their students make significant achievement gains.

Of great importance, the No Child Left Behind Act will also give teachers the help they need to control their classrooms by directing schools to develop policies which will discipline disruptive students and control classroom behavior. Finally, the Act will make it easier for school districts to recruit and train qualified teachers, and encourages school districts to hire secondary teachers who have advanced education in the subject they will teach.

It is clear, Mr. Speaker, that this bill is good for America's teachers, America's parents, and most importantly, America's children. Thus, I encourage my colleagues to join me in supporting the No Child Left Behind Act.

Mr. GILMAN. Mr. Speaker, I rise today in support of this conference report which reauthorizes and reforms the Elementary and Secondary Education Act H.R. 1. I am pleased that the House and Senate conferees have drafted a bipartisan bill which will bring about the most significant federal education reforms in a generation, providing local school districts with the opportunity to use federal funds for a variety of programs that will benefit both educators and students.

This measure provides states and local school districts the authority to participate in state and local flexibility demonstration projects, to ensure that federal education funds are used most effectively to meet the unique needs of our students. Moreover, the conference report consolidates and streamlines programs and targets resources to existing programs that serve poor students and it also allows federal Title I funds, approximately $500 to $1,000 per child, to be used to provide supplemental educational services—including tutoring, after school services, and summer school programs—for children in failing schools.

The conference report also helps school districts with the evergrowing teacher shortage problem by giving local schools new freedom to make spending decisions in up to 50 percent of the non-Title I federal funds they receive. With this new freedom, a local school district can decide to use additional funds for hiring new teachers, increasing teacher pay, improving teacher training and development or other uses. This measure will make it easier for local schools to recruit and retain excellent teachers. It also consolidates current programs into a new Teacher Quality Program which allows greater flexibility for local school districts. In addition, the report includes Teacher Opportunity Payments, which provides funds for teachers to be able to choose their own professional development activities.

I am particularly pleased that language from the Foundations for Learning Act, which I worked on with Representative and Co-Sponsored PATRICK KENNEDY and Senator TED KENNEDY is included in this conference report, allowing local school districts to use federal funds to establish or contribute to existing prekindergarten programs. These programs will help our children to be better prepared for kindergarten by focusing on social and emotional growth, in addition to educational instruction. By preparing these children for kindergarten, they can enter school at higher social and emotional levels. They will know how to work with their classmates and will be accustomed to the basic rules of a classroom setting. This will allow teachers to focus more of their attention on actually teaching the class rather than working on acceptable social behaviors.

Moreover, this legislation includes funding for youth violence prevention and before and after school activities, two issues in which I have spent a great deal of time working on over the past 5 years. By providing children with options during non-school hours, we are giving them the guidance and tools they need to reject violent and destructive behaviors and giving them the chance to grow up and mature into productive and happy young adults. With many single parent families and families with two working parents, millions of children need a place to go to before and after school. By allowing school districts to use federal funds for these programs, many children across the nation will not be sitting home alone or getting involved with a bad crowd while waiting for their parents to get home from work.

Although this bill does not address the issue of fully funding the Individuals with Disabilities Education Act, it does lay the groundwork for important reforms in the program, which will be the next major education reform project the Congress should address. I look forward to working on legislation that will finally fulfill the federal government's commitment to fully fund IDEA.

I commend my colleagues who have spent the last few months working on this conference report, especially the gentleman from Ohio, the distinguished Chairman of our Education and Workforce Committee, Mr. BOEHNER. Accordingly I urge my colleagues to support this conference report which will improve the nation's education system, ensuring that we "Leave No Child Behind."

Mr. BENTSEN. Mr. Speaker, I rise in support of this legislation, which provides for reauthorization of the Elementary and Secondary Education Act. H.R. 1 provides for a reform of the basic federal laws that support America's elementary and secondary public schools. Passage of this legislation will help return our school system to the original goals of the 1965 Elementary and Secondary Education Act—to ensure that all children have an opportunity to learn regardless of income or background.

I applaud the work of the conferees on this legislation, who have produced a bill that strengthens our commitment to closing the achievement gap between rich and poor students, improves targeting of funds for low-performing students, improves teacher quality, preserves critical after-school programs and expands local flexibility in the use of federal education funds. With respect to overall funding levels, this conference report provides a significant increase in funding for assistance to school districts to help improve student achievement, including a 57 percent increase in Title I resources, which are targeted for economically disadvantaged students. The agreement also reauthorizes most federal elementary and secondary education programs, bilingual education, teacher training and safe-school programs for six years. Perhaps most importantly, this bill contains the necessary authorization levels to assure that adequate resources are provided to carry out the mandates provided under this new law.

I am also pleased that the Conference Agreement contains language included in the original House bill that establishes annual student testing in grades three through eight in math and science. The testing provision is designed to better inform parents and school officials about students' academic progress. For students in low-performing schools, the agreement requires districts to implement certain corrective actions, and if adequate progress is not achieved after one year, school districts would have to allow students to transfer to other public schools, and assist parents with the associated transportation costs. Rightly, this agreement does not mandate or impose a federal testing provision. Instead, under H.R. 1, states will design and select their own tests, and allows states 4 years to develop and implement the tests for every child in these six grades.

Along with annual testing, this legislation includes a number of accountability provisions intended to help hold schools reach high levels of academic achievement for their students, including state, school district and school "report cards" to parents and the public on school performance and teacher qualification. These provisions are critical to ensure that while we are asking much of our students academically, we are asking schools to maintain a high degree of professional standards and excellence. For the first time, this legislation establishes a federal law that teachers must be qualified in their subject area within four years. And this measure provides them with the resources for training, support and mentoring that they need to reach that goal.

The conference report also provides a significant new commitment to bilingual and immigrant education. For the first time in federal law, this measure establishes a formula that will target federal aid to where the greatest need in bilingual education exists. Under this provision, the Department of Education would distribute the funds to states according to a formula based 80 percent on the number of children with limited English proficiency in the state and 20 percent on the number of immigrant children in the state. Further, the agreement eliminates the existing requirement that 75 percent of the funds be used to support programs in which the child is taught in his or her native tongue, and allows local school districts to determine the best method of instruction to teach children with limited English proficiency. As a representative of Texas, a border state, I strongly support these provisions, which will provide school districts with expanded resources and flexibility to assist students with limited English proficiency.

While on balance, this bill is an important achievement, I am disappointed that the conferees did not include a provision to convert the special education programs from a discretionary spending program into a mandatory spending program. Earlier this year, with my colleague CHARLES BASS (R–NH), I introduced legislation (H.R. 737) that would make IDEA funding mandatory. Under H.R. 737, the federal government would be obligated to increase its share of funding by 5 percent a year for the next five years until full funding for IDEA is reached in 2006. It is important to point out that since its enactment in 1975, IDEA committed the federal government to fund up to 40 percent of the educational costs for children with disabilities. However, the federal government's contribution has never exceeded 15 percent, a shortfall that has caused financial hardships and difficult curriculum choices in local school districts. I believe Congress must abide by its commitment and provide the financial resources to help local school districts provide a first rate education to students with disabilities, and I am hopeful that the leadership of the House and Senate, as well as the Administration will address this issues next year when we consider reauthorization of IDEA.

Like many of my colleagues, I have long sought many of the key provisions of this bill, including enhanced teacher quality, parental notification, school accountability, and new and better targeted resources. Given the broad support this legislation enjoys, it is clear that a bipartisan majority in the Congress support these critical provisions. H.R. 1 offers the right combination of accountability and resources and I am proud to support its passage today.

Mrs. MCCARTHY of New York. Mr. Speaker, although I rise in strong support for the Elementary and Secondary Education bill, I am disappointed that it does not fully fund the Individuals with Disabilities Education Act (IDEA). The basic principle of IDEA is that a free and appropriate public education should be provided to children with disabilities between the ages of 3 and 21, and that these children should be educated with children who are not disabled "to the maximum extent appropriate."

In the 1975 law, Congress pledged to provide up to 40 percent of the average per pupil expenditure on special education services. However, we have not kept our promise. Congress has appropriated only funds to meet between 5 and 14 percent of the average per pupil expenditure with FY2001 appropriations setting a record at 14.9 percent.

Since Congress has not fully funded IDEA, our schools must spend more of their own money to meet the regulation of providing free and appropriate education to children with disabilities. Mr. Speaker, when everyone in government is finally making education a top priority, we must provide our schools with the funding we promised them.

As I meet with my schools each week, I've been hearing a clear message from my superintendents and principal that more resources must be committed to provide fair and adequate educational opportunities to children with special needs, and that the federal government can help in a dramatic way by moving towards the maximum authorization level.

In the past, "fully funding" IDEA (meeting the 40 percent authorization) has generally been a trade-off that for sacrificing other educational programming.

And although today I believe we have missed a historic opportunity to meet our federal commitment to local schools this year, I believe in Chairman BOEHNER'S commitment to passing this legislation next year.

Mr. Speaker, I look forward to working with my colleagues in the Education and Workforce Committee to fully fund IDEA when we reauthorize the program next year.

Mr. FORD. Mr. Speaker, I rise today in support of the conference report on H.R. 1.

This bill represents a major step forward in education policy. For the first time, federal funding will be tied to results, to actual student achievement. The system of accountability and standards implemented by H.R. 1 is long past due.

Results cannot be achieved without resources—for good reason, the consideration of H.R. 1 has been linked to substantial increases in appropriations. For decades, the federal government has made promises to local schools that we will provide them with the resources they need to raise student achievement.

Now, we are imposing accountability measures requiring schools to perform. So it is absolutely crucial that the resources be there. And we are providing substantial increases for ESEA funding to school districts.

That said, this legislation, by itself, cannot fulfill some of the claims that have been made. Calling it the "No Child Left Behind Act" exaggerates what we are doing here, and I fear it makes false promises to the children who will still be left behind.

This week, this Congress passed up a historic opportunity to make good on a commitment we made to children with disabilities in 1975 with the passage of IDEA. With IDEA, the federal government promised to fund 40% of the costs to states of providing a quality education for children with special needs.

But year after year, Congress has fallen well short of making good on that promise. This week, we fell short once again. We owe it to children with disabilities—and to all of our children—to come back here next year and ensure that IDEA is fully funded.

Another shortcoming of this legislation is its silence on school construction and renovation. Millions of students, including thousands of children in my district, attend schools that are in desperate need of extensive repair or outright replacement. This problem has not gone away. Our children deserve safe, comfortable, modern schools.

And while this bill dramatically raises authorization levels, it provides true funding increases only for fiscal year 2002. I recognize that compromises had to be made to gain the broad bipartisan support that this bill enjoys. But if we are serious about leaving no child behind, we have to continue our commitment to education funding next year, and every year.

This conference report represents a large step forward for education. I commend Chairman BOEHNER, Ranking Member MILLER, and the conferees for working hard over many months to produce this bipartisan legislation. We have lifted the hopes and brightened the futures of million of children.

However, to close the achievement gap, to improve our schools, to give every American child the same opportunities to succeed in the 21st century workforce—our work is far from done.

Mr. BLUMENAUER. Mr. Speaker, today I will vote in favor of H.R. 1, the Leave No Child Behind Act. Since coming to Congress my goal has been to ensure that the Federal Government is a better partner in building more livable communities. Access to quality public education is a key component of a community that is safe, healthy and economically secure.

While not perfect, the final version of H.R. 1 represents a bipartisan agreement that will move us in the right direction by providing more support and investment for public education. This bill establishes clear goals and a timeline for narrowing the achievement gap and targets federal dollars toward the neediest children. It sets a four-year goal for ensuring that all teachers are qualified to teach in their subject matter and provides resources for mentoring, training and salary enhancements to help us meet this critical four-year goal. It helps bilingual education and eliminates the highly punitive elements of the President's original plan. Also important is what is not in the bill, efforts to repeal after-school program funding or divert money away from our public schools were rejected. I applaud the addition of a section dealing with school construction.

I support the overall framework that the bill provides, but I have concerns about imposing new multi-year mandates without matching multi-year funding, failing to help local communities deal with their growing education budget shortfalls in the wake of September's events and the lack of full funding for special education.

The federal government should lead by example in offering the best possible public education to our nation's children. H.R. 1 is a good start and it will certainly help return our school systems to the original goals of the 1965 Elementary and Secondary Education Act and ensure that all students have an opportunity to grow academically.

Mr. BEREUTER. Mr. Speaker, this Member wishes to add his support for the H.R. 1 conference report, and his appreciation to the distinguished gentleman from Ohio [Mr. BOEHNER], the Chairman of the House Education and the Workforce Committee, and the distinguished gentleman from California [Mr. MILLER], the ranking member of the House Education and the Workforce Committee, for bringing this important legislation to the House Floor today.

This is the most important action we have taken regarding elementary and secondary education since this Member first came to Congress. The H.R. 1 conference report, makes states that use Federal dollars accountable for improving student achievement, grants unprecedented new flexibility to local school districts, empowers parents and provides an escape route for children trapped in failing schools.

The No Child Left Behind Act enhances flexibility for local school districts by allowing them to transfer up to 50 percent of their Federal education dollars among an assortment of ESEA programs as long as they demonstrate results. In addition, the H.R. 1 conference report consolidates a host of duplicative programs to ensure that state and local officials can meet the unique needs of students. The legislation also gives low-performing schools the chance to improve by offering necessary financial and other technical assistance.

In addition, the No Child Left Behind Act provides a "safety value" for children trapped in failing schools. The conference report provides that if a school fails to make adequate yearly progress for two consecutive years, then a district would have to offer to the student in that school the opportunity to transfer to another public school. The legislation also allows children in failing schools to obtain supplemental education services, such as tutoring.

Furthermore, the conference report for H.R. 1 continues and updates the authorization for the National Writing Project. The legislation supports the Center for Civic Education and its education program that encourages instruction on the principles of our constitutional democracy, the history of the U.S. Constitution and the Bill of Rights. The measure also supports annual competitions of stimulated congressional hearings for secondary school students. This Member is pleased that the conference report also includes reauthorization of the Close Up Program.

When the House initially considered H.R. 1, this Member voted against an amendment that required states to annually test students in grades 3–8 in reading and math. This Member believes that the Federal Government's role in education should be to support proven state and local reform efforts rather than to create additional requirements for out local schools. By mandating new testing requirements on every child, every year from grades 3–8, as is provided in the H.R. 1 conference report, this measure will take teachers and students out of class, take dollars out of state and local education budgets, and undermine successful reform efforts already underway in Nebraska. This Member is also very concerned that this provision will force teachers to "teach-for-the-test." Although the conference report continues the House decision to allow states to design and select their own test, this Member continues to have these same concerns.

Mr. Speaker, this Member is also very concerned that the H.R. 1 conference report does not include a provision that would create mandatory full funding of the Individuals with Disabilities Education Act (IDEA). Only July 19, 2001, this Member sent a joint letter to the distinguished gentleman from Ohio [Mr. BOEHNER], along with several other Members of Congress, requesting that Mr. BOEHNER work with the other House and Senate conferees on the reauthorization of the Elementary and Secondary Education Act (ESEA) to improve the current ESEA reauthorization bill by including a mandatory IDEA full funding measure in the conference report. It is very unfortunate that such language was not included in the agreement.

Currently, the Federal Government is funding an average of 12.6 percent of the per pupil expenditure for children with disabilities. The other 27.4 percent of this unfilled congressional promise is a burden for state and local governments as they are forced into providing these funds. This Member has said, for many years now, that the one significant way that Congress could possibly help decrease property taxes for Nebraskans is to keep the congressional promise to provide 40 percent of the costs of special education, as this would enable a local school board to either lower property taxes or use such funding for other priority school needs as determined by the local school board. Therefore, this Member strongly urges this body to revisit this issue immediately in the upcoming Second Session of the current 107th Congress.

Mr. Speaker, in closing, this Member asks his colleagues to support the H.R. 1 conference report.

Mrs. MORELLA. Mr. Speaker, I rise today to congratulate my colleagues on both sides of the aisle for their hard work to reach a consensus on what we have come to know as the "No Child Left Behind Act of 2001" The Elementary and Secondary Education Act Authorization (H.R. 1) is a good bill and will improve education for millions of America's children. But Mr. Speaker we are leaving some of our children behind. I am talking about America's children in dire need of special education. I understand the agreement to deal with the funding issues posed by the Individuals with Disabilities Education Act, also known as IDEA, when it comes up for reauthorization next year. I do hope that Congress will agree that time is of the essence and that it is time to fix IDEA.

Mr. Speaker, I believe that IDEA is one of the most important civil rights laws ever signed into law. This legislation sends a message that in America, education is not a privilege, but a fundamental right belonging to all Americans. More than twenty-six years ago, on December 2, 1975 President Gerald Ford signed the "Education for All Handicapped Children Act." This later became known as IDEA, the basic premise of this federal law, is that all children with disabilities have a federally protected civil right to have a federally protected civil right to have available to them a free appropriate public education that meets their education and related services needs in the least restrictive environment. The statutory right articulated in IDEA is grounded in the Constitution's guarantee of equal protection under law and the constitutional power of Congress to authorize and place conditions on participation in federal spending programs.

Mr. Speaker, in 1970, before enactment of the federal protections in IDEA, schools in America educated only one in five students with disabilities. More than one million students were excluded from public schools, and another 3.5 million did not receive appropriate services. Many states had laws excluding certain students, including those who were blind, deaf, or labeled "emotionally disturbed" or "mentally retarded." Almost 200,000 school-age children with mental retardation or emotional disabilities were institutionalized. The likelihood of exclusion was greater for children with disabilities living in low-income, ethnic and racial minority, or rural communities. A recent government study published by the National Council on Disability finds that 25 years after enactment of IDEA, not one single state is in compliance. States cannot afford to be in compliance. States' school boards are trying to meet the requirements of IDEA but are struggling because the Federal government has not fulfilled its commitment to provide funding at 40 percent of the average per pupil expenditure to assist with the costs of educating students with disabilities.

Today IDEA is funded at about 14.9 percent of the average per pupil expenditure—much higher than the 7 percent of 5 years ago, but this, as we all know in this room today, is not good enough. We must continue to increase funding to reach the 40 percent of the average pupil expenditure funding level mandated in law. I can tell you that the schools in my district are struggling to carry out IDEA, and my concern is that without the 40 percent federal support, we will see a backlash against those students with disabilities. Congress must fulfill its commitment assist States and localities with educating children with disabilities. Congress must ensure that the Federal government lives up to the promises it made to the students, parents, and schools more than two decades ago. Congress needs to fully fund IDEA and maintain its commitment to existing federal educational programs. We should ensure that children with disabilities receive a free and appropriate public education and at the same time ensure that all children have the best education possible.

Mr. Speaker, IDEA is a landmark civil rights law that was intended to open the doors to education and success for more than six million American children each year. This was followed by another landmark civil rights law, the Americans with Disabilities Act (ADA) which was signed by President Bush in 1990. It is my hope that this President will follow these former Presidents and show our Nation that indeed no child will be left behind and that when IDEA comes up for reauthorization that he too leaves a legacy for protecting the rights or people with disabilities.

Ms. SCHAKOWSKY. Mr. Speaker, I rise in support of H.R. 1, the reauthorization of the Elementary and Secondary Education Act. I support this bill because it reauthorizes a broad array of targeted programs that work toward improving public education. It focuses on maintaining high standards in every classroom, strengthening teacher and principal quality, supporting a safe, healthy, disciplined, and drug-free learning environment and improving student performance.

H.R. 1 will help to close the gap between disadvantaged children and their more affluent peers, and between minority and non-minority students. The conference report includes unprecedented targeting of Title I funds to the neediest communities. The 50 school districts with the highest percentage of poor students will receive a 10 percent increase in Title I funding solely as a result of proposed Title I formula grants. In addition, Title I schools will receive more funds due to increases in appropriations. Congress, and the country at-large, cannot continue to ignore the gap between rich and poor and minority and non-minority students. This bill represents a fight against the status quo.

H.R. 1 will ensure that all teachers are qualified to teach in the subject matter for which they are responsible. The bill includes an authorization of $3.2 billion for teacher training and class-size reduction, a $1 billion (or 46%) increase from the FY 2001 funding level. It provides new resources for mentoring, training, salary enhancement and other improvements. We are supporting teachers by giving them the resources they need to do their jobs. Our teachers will now be better prepared to give students the tools and know-how to be successful students.

H.R. 1 includes a historical 57 percent funding increase in bilingual education programs. For the first time ever, our education legislation has recognized that this country is growing closer and closer to our creed, E Pluribus Unum, "Out of Many, One". This bill will ensure that language barriers will not leave our many immigrant and bilingual children behind.

Additionally, H.R. 1 contains no vouchers, no state block grants, and no repeal of after-school programs and a section was added for school construction. The bill also kept hate crimes programs and civil rights protections. Efforts to hold schools accountable without providing the resources and protections needed to meet high standards were defeated.

I contacted major disability groups, such as, The Arc and the Easter Seal Society. These groups expressed their disappointment in the loss of IDEA funding. The NEA, AFT, and NSBA offered similar opinions on the bill. All three groups also express disappointment that Congress could not agree to fulfill its promise to fully-fund IDEA at 40 percent. Congress made a commitment 26 years ago to fund federally mandated special education programs at 40 percent of average per pupil expenditures. By simply fulfilling our promise to fully fund our share of IDEA, Congress could improve public education three-fold. First, school districts would have substantial resources freed up for other essential or innovative educational programs. Second, we would remove the unpredictability of the annual appropriations process, replacing confusion with stability for local schools when formulating their budgets. And last but not least—we would be giving special education students the tools needed to overcome the many obstacles they face on a daily basis. Despite this shortcoming, these groups support the goals of raising achievement, increasing accountability, and improving teacher quality, and I agree with them.

I believe the education of the 21st century must change to suit different learning styles and include a wider variety of programming that focuses on the application of classroom lessons—math, science, social sciences—to real world situations. Too often, lessons are taught in a way that makes it difficult to connect book lessons to the real world; we must better bridge this gap. In a world that evolves more closely everyday, 2nd language classes should be encouraged at early ages. We simply must ensure that our education system keeps up with our world. We are in a critical transition stage; new techniques, new ideas, and new visions must be the order of the day, in order for our students to remain competitive.

We have the opportunity to uncap a wealth of human resources that lay under-appreciated and underestimated in urban and rural school districts across the country. The next generation of great thinkers, writers, scientists, doctors, educators, actors and lawmakers, are waiting for us to activate and motivate them. It is our responsibility to devise a new definition of success. We must let our students know that our future is nothing without them. it is our responsibility to show them that there is a world that they can—not only be a part of—but also change and improve. If we invest in our students, we invest in a future of innovation and growth. The H.R. 1 conference agreement is a strong, positive step toward a new education system that focuses on preparing our youth to make our world the best it can be. I urge all may colleagues to support the passage of this conference report.

Mr. EHLERS. Mr. Speaker, I rise in strong support of H.R. 1, the No Child Left Behind Act Conference Report. I commend our Chairman for his strong leadership and members of the conference committee for their tireless efforts to send a bill to the President's desk before we adjourn this session. As a scientist and former professor with twenty-two years of experience working at the K–12 level to improve math and science education, I have tried to bring my expertise to the table in the drafting of this legislation.

H.R. 1 encompasses the four elements of President Bush's education reform plan: demanding results from states and schools, providing flexibility in the use of federal funds, reducing the red tape in federal programs, and expanding school choice. This legislation will do much to close the achievement gap between our nation's rich and poor students.

This legislation also addresses another achievement gap—the gap between U.S. students and their international peers in science. International tests place our students in the bottom third of industrialized nations in their performance in science, and dead last in high school physics. Recently, the Department of Education released results from the 2000 NAEP and found no improvement in science literacy in grades 4 and 8, and a decline in science performance in grade 12 since 1996. Science education is vitally important to our country's economic and national security, and we must hold states and schools accountable for student performance in science, as well as reading and math.

The conferees recognize the importance of science education by requiring states to set standards in science by the 2005–2006 school year. I am pleased that the conference report also includes my amendment to H.R. 1, which requires states and schools to test students in science by the 2007–2008 school year.

Such testing requires that teachers be knowledgeable in—and skilled in the teaching of—science and math. Professional development for science and math teachers is vitally important, and I am pleased to see the conference report incorporate my legislation to create summer professional development institutes in the math-science partnership program. These math-science partnerships of higher education institutions, states, and schools will provide sustained, high-quality professional development through these institutes for our Nation's math and science teachers. I am hopeful that the conference report authorization of $450 million for this crucial program will be fully funded. While this bill will do much to improve our nation's math and science education, work remains to ensure that sufficient resources are made available in the appropriations process for math and science professional development. I encourage my colleagues to finish the job and fully fund the math and science partnerships for fiscal year 2002.

Again, I would like to thank the Chairman for working with me to incorporate my science education provisions into the conference report and I again thank the conferees for producing this excellent compromise legislation. I yield back the balance of my time.

Ms. KILPATRICK. Mr. Speaker. I rise today in support of H.R. 1, "The Leave No Child Behind Act." I thank the leadership from both sides of the aisle, Chairman BOEHNER and Ranking Member MILLER, for their diligence and commitment in constructing a bipartisan bill that represents a promising framework for our public educational system. The promise of a brighter future for all our nation's children through excellence in education should be the most important goal for Congress.

This Conference Report contains promising steps to improving education for our nation's students by providing significant increases in educational funding for key programs. The increase in Title I funding will help to close the achievement gap that currently exists between low-income, disadvantaged students and their more affluent peers. It provides funding for after-school programs that ensure our children have access to quality, enriching programs during non-school hours. It provides funding to improve teacher quality in our nation's classrooms and gives States and local districts flexibility over the use of federal funds in order to improve the level of achievement for all students. The Conference Report also includes funding for school construction, strong civil rights protections and funding for hate-crime prevention, which Democrats fought hard to include. This bill also affords parents the tools they need to ensure that their children are receiving a quality education.

However, as I do rise in support of this bill, it is not without reservation. In a year where the President and Congress have pledged to "leave no child behind," we, unfortunately, do not fulfill this commitment to those children with special education needs. Congress needs to make funding for special education mandatory, so that schools, teachers, and students with special education needs will have the tools they need to perform successfully. Congress also needs to continue its commitment to excellence in education and realize the need to provide more funding in the years ahead to ensure that our nation's public schools are able to meet the requirements laid out in this bill and face the challenges ahead of them.

I am hopeful that this bill puts us on the right track to meeting the educational needs of all of America's students. I urge Congress to commit to providing additional resources for educational programs and providing full funding for special education. This will ensure that we meet the goal of educational excellence for all our nation's youth.

Mr. HORN. Mr. Speaker, today the House takes up historic legislation. We will consider the conference report for H.R. 1, the No Child Left Behind Act of 2001, which will provide the most significant education legislation since Congress enacted the Elementary and Secondary Education Act in 1965 and I am very proud to be a cosponsor of the original legislation and to play a small role in the landmark reforms the legislation enacts.

As we all know, the cornerstone of H.R. 1 is increased flexibility for local schools in exchange for greater accountability for student progress. Every school and every school district is different and has different needs. For the first time, states and local school districts can target funds where they are needed most. For example, in my home state of California, we have already begun to lower class size. Under H.R. 1, we can use these funds in other areas where we desperately need resources, such as teacher training or special education. Title I funds are protected, ensuring that the needs of disadvantage students are met. Spending decisions are made by state and local officials, who are the most familiar with the particular strengths and needs of their schools, and can best decide how to spend federal funds.

H.R. 1 also helps schools help themselves. If a school fails to demonstrate adequate yearly progress, it is given the assistance it needs to turn itself around. At the same time, students can transfer out of that school. They are not stuck in a school that cannot teach them what they need to know. Additionally, students in schools that chronically fail to demonstrate progress are given the supplemental education services they need to catch up with their peers in better performing schools.

I am particularly pleased with the "Reading First Initiative" created by H.R. 1. Today, almost 70 percent of fourth graders in our poorest schools cannot read. If a student cannot read by the fourth grade, he or she will continue to fall further and further behind his or her peers. Obviously, we must do something to make sure that these children develop the skills necessary for a successful academic career and a productive life. H.R. 1 triples federal funding for scientifically based literacy programs to a total $900 million for next year. This "Reading First" initiative will ensure that every child, no matter his or her background, can read by the third grade. Addressing reading problems early will also prevent children from being mistakenly classified as special needs and entering an already over-taxed and underfunded special education system.

H.R. 1 demonstrates our bipartisan commitment to improving educational opportunities for every child. this is our chance to radically reform education for all students. They deserve nothing less. I urge my colleagues to support the conference report and make sure that no child is left behind.

The SPEAKER pro tempore (Mr. THORNBERRY). All time for debate has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BOEHNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on the conference report to accompany H.R. 1 will be followed by a 5-minute vote, if ordered, on the question of adopting H. Res. 314.

The vote was taken by electronic device, and there were—ayes 381, noes 41, not voting 12, as follows:

[Roll No. 497]

AYES—381

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (PA)
Petri
Phelps
Pickering
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Sanchez
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Serrano
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton

Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOES—41

Akin
Bartlett
Burton
Capuano
Crane
Culberson
DeLay
Duncan
Filner
Flake
Frank
Gilchrest
Goode
Gutknecht
Hefley
Hoekstra
Jones (NC)
Kennedy (MN)
Kerns
Lewis (KY)
Manzullo
McCollum
Moran (KS)
Paul
Pence
Peterson (MN)
Pitts
Ramstad
Rohrabacher
Ryun (KS)
Sabo
Sanders
Schaffer
Sensenbrenner
Sessions
Shadegg
Stearns
Tancredo
Taylor (NC)
Tiahrt
Weldon (FL)

NOT VOTING—12

Brady (TX)
Brown (OH)
Cubin
Gonzalez
Hostettler
Larson (CT)
Luther
Meek (FL)
Olver
Ros-Lehtinen
Waters
Young (AK)

☐ 1442

Messrs. SESSIONS, AKINS and CRANE changed their vote from "aye" to "no."

Mrs. NORTHUP changed her vote from "no" to "aye."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. LARSON of Connecticut. Mr. Speaker, I unfortunately was required to attend a funeral in my Congressional District today and missed rollcall Vote No. 497. Had I been present and voting, I would have voted "aye".

PROVIDING FOR MOTIONS TO SUSPEND THE RULES

The SPEAKER pro tempore (Mr. THORNBERRY). The pending business is the question de novo on agreeing to the resolution, H. Res. 314, on which further proceedings were postponed earlier today.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TIERNEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5 minute vote.

The vote was taken by electronic device, and there were—ayes 306, noes 100, not voting 27, as follows:

[Roll No. 498]

AYES—306

Abercrombie
Ackerman
Aderholt
Akin
Allen
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Culberson
Cummings
Cunningham
Davis (FL)
Davis, Jo Ann
Deal
Delahunt
DeLay
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Engel
English
Eshoo
Evans
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hulshof
Hunter
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Larsen (WA)
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Meehan
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pascrell
Pastor
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rivers
Roemer
Rogers (MI)
Rohrabacher
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanders
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stenholm
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOES—100

Andrews
Baca
Baird
Baldwin
Barrett
Becerra
Blumenauer
Bonior
Brown (FL)
Capps
Capuano
Carson (IN)
Clayton
Condit
Conyers
Crowley
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Doggett
Etheridge
Farr
Filner
Frank
Gephardt
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefley
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Hoyer
Inslee
Jones (OH)
Kaptur
Kildee
Kilpatrick
Kucinich
Lampson
Langevin
Levin
Lofgren
Lowey
Lynch
Maloney (NY)
Markey
Matsui
McCollum
McDermott
McGovern
McKinney
Menendez
Miller, George
Mink
Moore
Napolitano
Neal
Oberstar
Owens
Pallone
Payne
Pelosi
Price (NC)
Rangel
Reyes
Rodriguez
Sabo
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Tauscher
Tierney
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler

NOT VOTING—27

Brady (TX)
Brown (OH)
Cubin
Davis, Tom
DeMint
Diaz-Balart
Dingell
Ehlers
Emerson
Gallegly
Gonzalez
Hostettler
Hyde
Lantos
Larson (CT)
Luther
McNulty
Meek (FL)
Meeks (NY)
Obey
Olver
Rogers (KY)
Ros-Lehtinen
Roukema
Sanchez
Waters
Young (AK)

☐ 1454

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. LARSON of Connecticut. Mr. Speaker, I unfortunately was required to attend a funeral in my Congressional District today and mised roll call vote No. 498. Had I been present and voting, I would have voted "aye".

Mr. EHLERS. Mr. Speaker, on rollcall No. 498 I failed to receive notice that this vote was being held. Had I been present, I would have voted "aye."

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the conference report to H.R. 1, the No Child Left Behind Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DIRECTING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN ENROLLMENT OF H.R. 1, NO CHILD LEFT BEHIND ACT OF 2001

Mr. BOEHNER. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 289) directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1, and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 289

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, the Clerk of the House of Representatives shall, with respect to the title IX that is contained within quotation marks and that immediately precedes title X of the bill, make the following corrections:

(1) Insert before such title IX the following:

TITLE IX—GENERAL PROVISIONS

SEC. 901. GENERAL PROVISIONS.

Title IX (20 U.S.C. 7801 et seq.) is amended to read as follows:

(2) Insert at the end of such title IX closed quotation marks and a period.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GEORGE MILLER of California. Mr. Speaker, reserving the right to object, although I do not intend to object, I would yield to the gentleman for an explanation of his request.

Mr. BOEHNER. Mr. Speaker, I want to thank my colleague and friend from California for yielding.

Mr. Speaker, the concurrent resolution before us allows the Enrolling Clerk to make a technical correction in the conference report to H.R. 1.

Mr. GEORGE MILLER of California. Mr. Speaker, further reserving the right to object, I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1109

Mr. EHRLICH. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1109.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. Menendez asked and was given permission to address the House for 1 minute.)

Mr. MENENDEZ. Mr. Speaker, I take this time to inquire about next week's schedule.

I am pleased to yield to the distinguished majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week.

The House will next meet for legislative business on Tuesday, December 18, at 12:30 p.m. for morning hour debate, and 2 o'clock p.m. for legislative business. The House will consider a number of measures under suspension of the rules, a list of which will be distributed to Members' offices tomorrow. On Tuesday, no recorded votes are expected before 6:30 p.m.

Mr. Speaker, I would also like to report that we are continuing to work very hard on the economic security package. It is my hope that I will be able to schedule it for consideration in the House on next Tuesday night.

On Wednesday and the balance of the week, the House will consider the following measures to complete our business for the year: The Labor, Health and Human Services, and Education Appropriations Conference Report; the Department of Defense Appropriations Conference Report; and the Foreign Operations Appropriations Conference Report.

Mr. MENENDEZ. Mr. Speaker, reclaiming my time, am I to understand from the gentleman's statement that Members should expect the stimulus bill on the floor Tuesday after the votes at 6:30?

Mr. ARMEY. Mr. Speaker, I thank the gentleman for that inquiry. I can see that quiet look of confident optimism on the face of the gentleman from New York (Mr. Rangel) behind the gentleman, so it encourages me, knock on wood.

Mr. Speaker, I would say this is a very important piece of legislation. It is important to the Nation.

□ 1500

We are working hard in this conference, and I believe we are working in good faith with one another. We are preparing ourselves for the completion of the year's work which we would anticipate would involve our being able to do the stimulus package Tuesday night and the remaining appropriations bills. That will mean that there will be a lot of very hard work done in all of these conferences between now and then. But I believe the time is drawing near that we must redouble our efforts and come to these opportunities for closure.

So I would tell our Members that we would expect that we would be able to go to work on the floor and have the debate on a rule regarding the stimulus package between 5:30 and 6:30 on Tuesday evening next; we would expect to have the suspension votes and that rule vote; and then, after that period of time, sometime Tuesday night, 7:00, 7:30, we would be expecting to be taking up debate on the stimulus package.

Mr. MENENDEZ. Mr. Speaker, I thank the gentleman.

I have two further questions. The broadband Tauzin-Dingell bill is not on the schedule. Does that mean it is not going to happen in this year?

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, let me again thank the gentleman for the question. Mr. Speaker, I believe the broadband bill should be expected sometime in March of next year.

Mr. MENENDEZ. March of next year.

Finally, Mr. Speaker, I see that the gentleman is saying that we hope to end on Thursday. Can Members expect to be done for the year on Thursday?

Mr. ARMEY. Mr. Speaker, I thank the gentleman for the inquiry, and let me just say to the gentleman, with all my heart I hope so, and to the very best of my ability to understand it, I expect so.

Mr. OBEY. Mr. Speaker, would the gentleman yield?

Mr. MENENDEZ. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I would appreciate it if the majority leader could respond to one question. As he knows, one of the contentious items still remaining is the final disposition of the supplemental, and the issue within that that is causing the most heartburn is whether there will be any significant increase in funding for homeland security.

In light of the fact that I note today that a coalition of Mayors and Governors have appealed to the Congress and the White House to provide funds in addition to those being requested by the administration for things such as aid to local communities for homeland security costs and aid to local communities to upgrade their public health services; and in light of the fact that Governor Engler has been one of the lead spokesmen on that, I would simply ask the gentleman, again, within the leadership circles on that side of the aisle, to urge that we listen to those expressions of concern and find a way to provide at least the amount that was provided in the Senate action early last week on homeland security.

Mr. ARMEY. Mr. Speaker, let me thank the gentleman for those observations, and if the gentleman from New Jersey would continue to yield, let me just say that we have great confidence in the conferees on this bill. We obviously understand, and the President has said repeatedly, that additional requests in order to repair the damage that has been inflicted to compensate for the hardships endured and prepare America for a reaffirmation of its own soundness is something that he expects to send to us early next year, and it may be that many of these eleventh-hour requests will be considered in the White House at that time. I thank the gentleman for his interest.

Mr. OBEY. Mr. Speaker, I thank the gentleman from New Jersey for yielding. I hope that we can respond to the Governors' and the Mayors' request this year rather than next.

Mr. MENENDEZ. Mr. Speaker, I thank the gentleman for his answers, and I simply hope that on the stimulus package we can certainly respond to the growing unemployment needs of working men and women who have suffered as a result of September 11. As we seek to finalize that work, hopefully we can also give them hope as we approach the holiday season.

ADJOURNMENT TO MONDAY, DECEMBER 17, 2001

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, DECEMBER 18, 2001

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, December 17, 2001, it adjourn to meet at 12:30 p.m. on Tuesday, December 18 for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

VICTIMS OF TERRORISM RELIEF ACT OF 2001

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that it be in order at any time to take from the Speaker's table the bill (H.R. 2884) to amend the Internal Revenue Code of 1986 to provide tax relief for victims of the terrorist attacks against the United States on September 11, 2001, with Senate amendments thereto, and to consider in the House, without intervention of any point of order, any motion, or any demand for division of the question, a single motion offered by the chairman of the Committee on Ways and Means or his designee that the House concur in the Senate amendments with the amendment I have placed at the desk; that the Senate amendments and the motion be considered as read; that the motion be debatable for 40 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and that after such debate, the motion be considered as adopted; and that the amendment I have placed at the desk be considered as read for the purpose of this request.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. RANGEL. Mr. Speaker, reserving the right to object. Mr. Speaker, I would ask the gentleman from California to describe the substance of the bill before us today and how it differs from the bill that was passed by the Senate.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, perhaps in the explanation if we could start with the bill that originated in the House, which was an attempt to take current law that is available to service members and civilians overseas in a terrorist attack, which would provide income tax relief and estate tax relief, and we brought them to the gentleman's city to say that the New York area was, in fact, tantamount to a war zone and that the victims in that area should receive the same benefit as current law provides for people who are victims of terrorist acts overseas. That was the sum and substance of the bill we sent to the Senate.

For the 3 months that the Senate has had the bill, they examined it in a number of different ways. They added a particular death benefit for those individuals who were involved not only in the September 11 terrorist attacks, but also the Oklahoma City bombing of 6 years ago and for those individuals who, through no fault of their own, were victims from anthrax attacks.

In addition to that, they added a number of particular provisions dealing with charitable organizations, disaster relief payments, victims' compensation funds, and a number of other items.

What we did was examine those items and, where it was appropriate, offer a generic response. I will give the gentleman an example. Oftentimes, in dealing with disaster situations, disability trust funds will be established for individuals. The problem has been there has been no consistent approach to the way in which those disability funds would be treated from disaster to disaster. However, there is a typical response which occurs, but it has never been codified.

What we tried to do in this, working together, is to find those areas in terms of structured settlements, disability trusts, and similar arrangements that could be handled on a consistent basis, regardless of which disaster is involved, using this particular vehicle to assist us in that broad-based arrangement.

In addition to that, we have one additional amendment which examines the geographic area of New York that is a zone that is clearly described in the legislation and provide a number of tax measures to relieve those individuals, authorize the issue of tax-exempt private activity bonds, create a 30 percent bonus of depreciable property in the recovery zone as defined, a 10-year life on leaseholder build-outs for those individuals who own commercial property and want to rebuild it so that the vital aspects of New York City, which we visited, the restaurants and the shops and the others, can be restored as quickly as possible, and then extension of certain replacement period provisions which those of us on the Committee on Ways and Means know are extremely important in making sure that people make a decision quickly to move back in or to establish in the recovery zone to assist in the recovery of New York City.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, could the chairman of the committee share with a member of the committee with whom he discussed the remedies for the problems that we face in this city? The chairman constantly referred to "we." Is there a particular group from the City of New York that the gentleman met and discussed these issues with?

Mr. THOMAS. Mr. Speaker, if the gentleman will yield, I will tell the gentleman that I had the privilege at one time, for example, of accompanying the gentleman to Ground Zero, which I had not done, given the duties that we had here, and spent some time with a number of city business leaders that the gentleman and others were kind enough to bring together at the stock exchange location and, over lunch for several hours, listened to the particular concerns that those individuals had about the need and the way in which we needed to respond. I met with several New York City, New York State governmental teams, including the Mayor, and, of course, listening to on both sides of the aisle the members from the New York delegation, both from the city and the State.

In addition to that, as we all know, there are several other States that are just across the river and our colleagues from New Jersey and Pennsylvania had significant concerns as well. All of those came together culminating in this package today.

And I would be remiss if I did not thank the gentleman from New York (Mr. RANGEL) for his immediate and continuing offering and the members' willingness to accept his kind invitation to come and visit the city, albeit not in the way most of us had visited New York in the past on those wonderful trips that we used to have, but a very realistic trip to understand firsthand what had happened to the Big Apple.

Mr. RANGEL. Mr. Speaker, I withdraw my reservation, because it is so important to my city that we get as much relief as possible from both Houses. But it really never ceases to amaze me of the creative legislative ability of our distinguished chairman to bring together ideas and to pull them together without the input of the members of the committee, without hearings; it is just absolutely fascinating how the things that we have taken for granted that we do as a Congress or we do as a committee have been substituted by the inquiries that the Chair can make in the great City of New York and with people that have an interest in the City of New York.

So this is not the time to object; this is the time to move the consideration of this bill forward.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the Senate amendments is as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Victims of Terrorism Tax Relief Act of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—RELIEF PROVISIONS FOR VICTIMS OF TERRORIST ATTACKS

Sec. 101. Income and employment taxes of victims of terrorist attacks.
Sec. 102. Estate tax reduction.
Sec. 103. Payments by charitable organizations treated as exempt payments.
Sec. 104. Exclusion of certain cancellations of indebtedness.
Sec. 105. Treatment of certain structured settlement payments and disability trusts.
Sec. 106. No impact on social security trust funds.

TITLE II—GENERAL RELIEF FOR VICTIMS OF DISASTERS AND TERRORISTIC OR MILITARY ACTIONS

Sec. 201. Exclusion for disaster relief payments.
Sec. 202. Authority to postpone certain deadlines and required actions.
Sec. 203. Internal Revenue Service disaster response team.
Sec. 204. Application of certain provisions to terroristic or military actions.
Sec. 205. Clarification of due date for airline excise tax deposits.
Sec. 206. Coordination with Air Transportation Safety and System Stabilization Act.

TITLE III—DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS

Sec. 301. Disclosure of tax information in terrorism and national security investigations.

TITLE I—RELIEF PROVISIONS FOR VICTIMS OF TERRORIST ATTACKS

SEC. 101. INCOME AND EMPLOYMENT TAXES OF VICTIMS OF TERRORIST ATTACKS.

(a) IN GENERAL.—Section 692 (relating to income taxes of members of Armed Forces on death) is amended by adding at the end the following new subsection:

"(d) INDIVIDUALS DYING AS A RESULT OF CERTAIN TERRORIST ATTACKS.—

"(1) IN GENERAL.—In the case of any individual who dies as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or who dies as a result of illness incurred as a result of a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, any tax imposed by this subtitle shall not apply—

"(A) with respect to the taxable year in which falls the date of such individual's death, and

"(B) with respect to any prior taxable year in the period beginning with the last taxable year ending before the taxable year in which the wounds, injury, or illness were incurred.

"(2) EXCEPTIONS.—

"(A) TAXATION OF CERTAIN BENEFITS.—Subject to such rules as the Secretary may prescribe, paragraph (1) shall not apply to the amount of any tax imposed by this subtitle which would be computed by only taking into account the items of income, gain, or other amounts attributable to—

"(i) amounts payable in the taxable year by reason of the death of an individual described in paragraph (1) which would have been payable in such taxable year if the death had occurred by reason of an event other than an event described in paragraph (1), or

"(ii) amounts payable in the taxable year which would not have been payable in such taxable year but for an action taken after the date of the applicable terrorist attack.

"(B) NO RELIEF FOR PERPETRATORS.—Paragraph (1) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in any event described in paragraph (1), or a representative of such individual.".

(b) REFUND OF OTHER TAXES PAID.—Section 692, as amended by subsection (a), is amended by adding at the end the following new subsection:

"(e) REFUND OF OTHER TAXES PAID.—In determining the amount of tax under this section to be credited or refunded as an overpayment with respect to any individual for any period, such amount shall be increased by an amount equal to the amount of taxes imposed and collected under chapter 21 and sections 3201(a), 3211(a)(1), and 3221(a) with respect to such individual for such period.".

(c) CONFORMING AMENDMENTS.—

(1) Section 5(b)(1) is amended by inserting "and victims of certain terrorist attacks" before "on death".

(2) Section 6013(f)(2)(B) is amended by inserting "and victims of certain terrorist attacks" before "on death".

(d) CLERICAL AMENDMENTS.—

(1) The heading of section 692 is amended to read as follows:

"SEC. 692. INCOME AND EMPLOYMENT TAXES OF MEMBERS OF ARMED FORCES AND VICTIMS OF CERTAIN TERRORIST ATTACKS ON DEATH.".

(2) The item relating to section 692 in the table of sections for part II of subchapter J of chapter 1 is amended to read as follows:

"Sec. 692. Income and employment taxes of members of Armed Forces and victims of certain terrorist attacks on death.".

(e) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending before, on, or after September 11, 2001.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 102. ESTATE TAX REDUCTION.

(a) IN GENERAL.—Section 2201 is amended to read as follows:

"SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS OF THE ARMED FORCES AND DEATHS OF VICTIMS OF CERTAIN TERRORIST ATTACKS.

"(a) IN GENERAL.—Unless the executor elects not to have this section apply, in applying section 2001 to the estate of a qualified decedent, the rate schedule set forth in subsection (c) shall be deemed to be the rate schedule set forth in section 2001(c).

"(b) QUALIFIED DECEDENT.—For purposes of this section, the term 'qualified decedent' means—

"(1) any citizen or resident of the United States dying while in active service of the Armed Forces of the United States, if such decedent—

"(A) was killed in action while serving in a combat zone, as determined under section 112(c), or

"(B) died as a result of wounds, disease, or injury suffered while serving in a combat zone (as determined under section 112(c)), and while in the line of duty, by reason of a hazard to which such decedent was subjected as an incident of such service, or

"(2) any individual who died as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or who died as a result of illness incurred as a result of a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002. Paragraph (2) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in any such terrorist attack, or a representative of such individual.

"(c) RATE SCHEDULE.—

"If the amount with respect to which the tentative tax to be computed is:	*The tentative tax is:*
Not over $150,000	*1 percent of the amount by which such amount exceeds $100,000.*
Over $150,000 but not over $200,000.	*$500 plus 2 percent of the excess over $150,000.*
Over $200,000 but not over $300,000.	*$1,500 plus 3 percent of the excess over $200,000.*
Over $300,000 but not over $500,000.	*$4,500 plus 4 percent of the excess over $300,000.*

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Over $500,000 but not over $700,000.	$12,500 plus 5 percent of the excess over $500,000.
Over $700,000 but not over $900,000.	$22,500 plus 6 percent of the excess over $700,000.
Over $900,000 but not over $1,100,000.	$34,500 plus 7 percent of the excess over $900,000.
Over $1,100,000 but not over $1,600,000.	$48,500 plus 8 percent of the excess over $1,100,000.
Over $1,600,000 but not over $2,100,000.	$88,500 plus 9 percent of the excess over $1,600,000.
Over $2,100,000 but not over $2,600,000.	$133,500 plus 10 percent of the excess over $2,100,000.
Over $2,600,000 but not over $3,100,000.	$183,500 plus 11 percent of the excess over $2,600,000.
Over $3,100,000 but not over $3,600,000.	$238,500 plus 12 percent of the excess over $3,100,000.
Over $3,600,000 but not over $4,100,000.	$298,500 plus 13 percent of the excess over $3,600,000.
Over $4,100,000 but not over $5,100,000.	$363,500 plus 14 percent of the excess over $4,100,000.
Over $5,100,000 but not over $6,100,000.	$503,500 plus 15 percent of the excess over $5,100,000.
Over $6,100,000 but not over $7,100,000.	$653,500 plus 16 percent of the excess over $6,100,000.
Over $7,100,000 but not over $8,100,000.	$813,500 plus 17 percent of the excess over $7,100,000.
Over $8,100,000 but not over $9,100,000.	$983,500 plus 18 percent of the excess over $8,100,000.
Over $9,100,000 but not over $10,100,000.	$1,163,500 plus 19 percent of the excess over $9,100,000.
Over $10,100,000	$1,353,500 plus 20 percent of the excess over $10,100,000.

"(d) DETERMINATION OF UNIFIED CREDIT.—In the case of an estate to which this section applies, subsection (a) shall not apply in determining the credit under section 2010.".

(b) CONFORMING AMENDMENTS.—

(1) Section 2011 is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) Section 2053(d)(3)(B) is amended by striking "section 2011(e)" and inserting "section 2011(d)".

(3) Paragraph (9) of section 532(c) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

(c) CLERICAL AMENDMENT.—The item relating to section 2201 in the table of sections for subchapter C of chapter 11 is amended to read as follows:

"Sec. 2201. Combat zone-related deaths of members of the Armed Forces and deaths of victims of certain terrorist attacks.".

(d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents—

(A) dying on or after September 11, 2001, and

(B) in the case of individuals dying as a result of the April 19, 1995, terrorist attack, dying on or after April 19, 1995.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 103. PAYMENTS BY CHARITABLE ORGANIZATIONS TREATED AS EXEMPT PAYMENTS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) payments made by an organization described in section 501(c)(3) of such Code by reason of the death, injury, wounding, or illness of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, shall be treated as related to the purpose or function constituting the basis for such organization's exemption under section 501 of such Code if such payments are made using an objective formula which is consistently applied, and

(2) in the case of a private foundation (as defined in section 509 of such Code), any payment described in paragraph (1) shall not be treated as made to a disqualified person for purposes of section 4941 of such Code.

(b) EFFECTIVE DATE.—This section shall apply to payments made on or after September 11, 2001.

SEC. 104. EXCLUSION OF CERTAIN CANCELLATIONS OF INDEBTEDNESS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of any taxpayer if the discharge is by reason of the death of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, and

(2) return requirements under section 6050P of such Code shall not apply to any discharge described in paragraph (1).

(b) EFFECTIVE DATE.—This section shall apply to discharges made on or after September 11, 2001, and before January 1, 2002.

SEC. 105. TREATMENT OF CERTAIN STRUCTURED SETTLEMENT PAYMENTS AND DISABILITY TRUSTS.

(a) IMPOSITION OF EXCISE TAX ON PERSONS WHO ACQUIRE CERTAIN STRUCTURED SETTLEMENT PAYMENTS IN FACTORING TRANSACTIONS.—

(1) IN GENERAL.—Subtitle E is amended by adding at the end the following new chapter:

"CHAPTER 55—STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

"Sec. 5891. Structured settlement factoring transactions for certain victims of terrorism.

"SEC. 5891. STRUCTURED SETTLEMENT FACTORING TRANSACTIONS FOR CERTAIN VICTIMS OF TERRORISM.

"(a) IMPOSITION OF TAX.—There is hereby imposed on any person who acquires directly or indirectly structured settlement payment rights in a structured settlement factoring transaction a tax equal to 40 percent of the factoring discount as determined under subsection (c)(4) with respect to such factoring transaction.

"(b) EXCEPTION FOR CERTAIN APPROVED TRANSACTIONS.—

"(1) IN GENERAL.—The tax under subsection (a) shall not apply in the case of a structured settlement factoring transaction in which the transfer of structured settlement payment rights is approved in advance in a qualified order.

"(2) QUALIFIED ORDER.—For purposes of this section, the term 'qualified order' means a final order, judgment, or decree which—

"(A) finds that the transfer described in paragraph (1)—

"(i) does not contravene any Federal or State statute or the order of any court or responsible administrative authority, and

"(ii) is in the best interest of the payee, taking into account the welfare and support of the payee's dependents, and

"(B) is issued—

"(i) under the authority of an applicable State statute by an applicable State court, or

"(ii) by the responsible administrative authority (if any) which has exclusive jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

"(3) APPLICABLE STATE STATUTE.—For purposes of this section, the term 'applicable State statute' means a statute providing for the entry of an order, judgment, or decree described in paragraph (2)(A) which is enacted by—

"(A) the State in which the payee of the structured settlement is domiciled, or

"(B) if there is no statute described in subparagraph (A), the State in which either the party to the structured settlement (including an assignee under a qualified assignment under section 130) or the person issuing the funding asset for the structured settlement is domiciled or has its principal place of business.

"(4) APPLICABLE STATE COURT.—For purposes of this section—

"(A) IN GENERAL.—The term 'applicable State court' means, with respect to any applicable State statute, a court of the State which enacted such statute.

"(B) SPECIAL RULE.—In the case of an applicable State statute described in paragraph (3)(B), such term also includes a court of the State in which the payee of the structured settlement is domiciled.

"(5) QUALIFIED ORDER DISPOSITIVE.—A qualified order shall be treated as dispositive for purposes of the exception under this subsection.

"(c) DEFINITIONS.—For purposes of this section—

"(1) STRUCTURED SETTLEMENT.—The term 'structured settlement' means an arrangement—

"(A) which is established by—

"(i) suit or agreement for the periodic payment of damages excludable from the gross income of the recipient under section 104(a)(2), or

"(ii) agreement for the periodic payment of compensation under any workers' compensation law excludable from the gross income of the recipient under section 104(a)(1), and

"(B) under which the periodic payments are—

"(i) of the character described in subparagraphs (A) and (B) of section 130(c)(2), and

"(ii) payable by a person who is a party to the suit or agreement or to the workers' compensation claim or by a person who has assumed the liability for such periodic payments under a qualified assignment in accordance with section 130.

"(2) STRUCTURED SETTLEMENT PAYMENT RIGHTS.—The term 'structured settlement payment rights' means rights to receive payments under a structured settlement relating to claims for death, wounding, injury, or illness as a result of the terrorist attacks against the United States on September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.

"(3) STRUCTURED SETTLEMENT FACTORING TRANSACTION.—

"(A) IN GENERAL.—The term 'structured settlement factoring transaction' means a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration.

"(B) EXCEPTION.—Such term shall not include—

"(i) the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution in the absence of any action to redirect the structured settlement payments to such institution (or agent or successor thereof) or otherwise to enforce such blanket security interest as against the structured settlement payment rights, or

"(ii) a subsequent transfer of structured settlement payment rights acquired in a structured settlement factoring transaction.

"(4) FACTORING DISCOUNT.—The term 'factoring discount' means an amount equal to the excess of—

"(A) the aggregate undiscounted amount of structured settlement payments being acquired in the structured settlement factoring transaction, over

"(B) the total amount actually paid by the acquirer to the person from whom such structured settlement payments are acquired.

"(5) RESPONSIBLE ADMINISTRATIVE AUTHORITY.—The term 'responsible administrative authority' means the administrative authority which had jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

"(6) STATE.—The term 'State' includes the Commonwealth of Puerto Rico and any possession of the United States.

"(d) COORDINATION WITH OTHER PROVISIONS.—

"(1) IN GENERAL.—If the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

"(2) NO WITHHOLDING OF TAX.—The provisions of section 3405 regarding withholding of tax shall not apply to the person making the payments in the event of a structured settlement factoring transaction.

"(3) NO INFERENCE.—No inference shall be drawn from the application of this subsection to only those payment rights described in subsection (c)(2).".

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle E is amended by adding at the end the following new item:

"Chapter 55. Structured settlement factoring transactions.".

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection (other than the provisions of section 5891(d) of the Internal Revenue Code of 1986, as added by this subsection) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after the 30th day following the date of the enactment of this Act.

(B) CLARIFICATION OF EXISTING LAW.—Section 5891(d) of such Code (as so added) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after such 30th day.

(C) TRANSITION RULE.—In the case of a structured settlement factoring transaction entered into during the period beginning on the 30th day following the date of the enactment of this Act and ending on July 1, 2002, no tax shall be imposed under section 5891(a) of such Code if—

(i) the structured settlement payee is domiciled in a State (or possession of the United States) which has not enacted a statute providing that the structured settlement factoring transaction is ineffective unless the transaction has been approved by an order, judgment, or decree of a court (or where applicable, a responsible administrative authority) which finds that such transaction—

(I) does not contravene any Federal or State statute or the order of any court (or responsible administrative authority), and

(II) is in the best interest of the structured settlement payee or is appropriate in light of a hardship faced by the payee, and

(ii) the person acquiring the structured settlement payment rights discloses to the structured settlement payee in advance of the structured settlement factoring transaction the amounts and due dates of the payments to be transferred, the aggregate amount to be transferred, the consideration to be received by the structured settlement payee for the transferred payments, the discounted present value of the transferred payments (including the present value as determined in the manner described in section 7520 of such Code), and the expenses required under the terms of the structured settlement factoring transaction to be paid by the structured settlement payee or deducted from the proceeds of such transaction.

(b) PERSONAL EXEMPTION DEDUCTION FOR CERTAIN DISABILITY TRUSTS.—

(1) IN GENERAL.—Section 642(b) (relating to deduction for personal exemption) is amended—

(A) by striking "An estate" and inserting:

"(1) IN GENERAL.—An estate", and

(2) by adding at the end the following new paragraph:

"(2) FULL PERSONAL EXEMPTION AMOUNT FOR CERTAIN DISABILITY TRUSTS.—Paragraph (1) shall not apply, and the deduction under section 151 shall apply, to any disability trust described in subsection (c)(2)(B)(iv), (d)(4)(A), or (d)(4)(C) of section 1917 of the Social Security Act (42 U.S.C. 1396p) for a beneficiary disabled as the result of a wounding, injury, or illness as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or a terrorist attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.".

(2) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(A) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending before, on, or after September 11, 2001.

(B) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this subsection is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 106. NO IMPACT ON SOCIAL SECURITY TRUST FUND.

(a) IN GENERAL.—Nothing in this title (or an amendment made by this title) shall be construed to alter or amend title II of the Social Security Act (or any regulation promulgated under that Act).

(b) TRANSFERS.—

(1) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this Act has on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401).

(2) TRANSFER OF FUNDS.—If, under paragraph (1), the Secretary of the Treasury estimates that the enactment of this Act has a negative impact on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401), the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this Act.

TITLE II—GENERAL RELIEF FOR VICTIMS OF DISASTERS AND TERRORISTIC OR MILITARY ACTIONS

SEC. 201. EXCLUSION FOR DISASTER RELIEF PAYMENTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

"SEC. 139. DISASTER RELIEF PAYMENTS.

"(a) GENERAL RULE.—Gross income shall not include—

"(1) any amount received as payment under section 406 of the Air Transportation Safety and System Stabilization Act, or

"(2) any amount received by an individual as a qualified disaster relief payment.

"(b) QUALIFIED DISASTER RELIEF PAYMENT DEFINED.—For purposes of this section, the term 'qualified disaster relief payment' means any amount paid to or for the benefit of an individual—

"(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster,

"(2) to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence or repair or replacement of its contents to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster,

"(3) by a person engaged in the furnishing or sale of transportation as a common carrier by reason of the death or personal physical injuries incurred as a result of a qualified disaster, or

"(4) if such amount is paid by a Federal, State, or local government, or agency or instrumentality thereof, in connection with a qualified disaster in order to promote the general welfare,

but only to the extent any expense compensated by such payment is not otherwise compensated for by insurance or otherwise.

"(c) QUALIFIED DISASTER DEFINED.—For purposes of this section, the term 'qualified disaster' means—

"(1) a disaster which results from a terroristic or military action (as defined in section 692(c)(2)),

"(2) a Presidentially declared disaster (as defined in section 1033(h)(3)),

"(3) a disaster which results from an accident involving a common carrier, or from any other event, which is determined by the Secretary to be of a catastrophic nature, or

"(4) with respect to amounts described in subsection (b)(4), a disaster which is determined by an applicable Federal, State, or local authority (as determined by the Secretary) to warrant assistance from the Federal, State, or local government or agency or instrumentality thereof.

"(d) COORDINATION WITH EMPLOYMENT TAXES.—For purposes of chapter 2 and subtitle C, a qualified disaster relief payment shall not be treated as net earnings from self-employment, wages, or compensation subject to tax.

"(e) NO RELIEF FOR CERTAIN INDIVIDUALS.—Subsection (a) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.".

(b) CONFORMING AMENDMENTS.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

"Sec. 139. Disaster relief payments.

"Sec. 140. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 202. AUTHORITY TO POSTPONE CERTAIN DEADLINES AND REQUIRED ACTIONS.

(a) EXPANSION OF AUTHORITY RELATING TO DISASTERS AND TERRORISTIC OR MILITARY ACTIONS.—Section 7508A is amended to read as follows:

"SEC. 7508A. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

"(a) IN GENERAL.—In the case of a taxpayer determined by the Secretary to be affected by a Presidentially declared disaster (as defined in section 1033(h)(3)) or a terroristic or military action (as defined in section 692(c)(2)), the Secretary may specify a period of up to one year that may be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such taxpayer—

"(1) whether any of the acts described in paragraph (1) of section 7508(a) were performed within the time prescribed therefor (determined without regard to extension under any other provision of this subtitle for periods after the date (determined by the Secretary) of such disaster or action),

"(2) the amount of any interest, penalty, additional amount, or addition to the tax for periods after such date, and

"(3) the amount of any credit or refund.

"(b) SPECIAL RULES REGARDING PENSIONS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a disaster or action described in subsection (a), the Secretary may specify a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this title. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.

"(c) SPECIAL RULES FOR OVERPAYMENTS.—The rules of section 7508(b) shall apply for purposes of this section.".

(b) CLARIFICATION OF SCOPE OF ACTS SECRETARY MAY POSTPONE.—Section 7508(a)(1)(K) (relating to time to be disregarded) is amended by striking "in regulations prescribed under this section".

(c) CONFORMING AMENDMENTS TO ERISA.—

(1) Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"SEC. 518. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

"In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the Secretary may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.".

(2) Section 4002 of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1302) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULES REGARDING DISASTERS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the corporation may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.".

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 6404 is amended—

(A) by striking subsection (h),

(B) by redesignating subsection (i) as subsection (h), and

(C) by adding at the end the following new subsection:

"(i) CROSS REFERENCE.—

"For authority of the Secretary to abate certain amounts by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(2) Section 6081(c) is amended to read as follows:

"(c) CROSS REFERENCES.—

"For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(3) Section 6161(d) is amended by adding at the end the following new paragraph:

"(3) POSTPONEMENT OF CERTAIN ACTS.—

"For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(d) CLERICAL AMENDMENTS.—

(1) The item relating to section 7508A in the table of sections for chapter 77 is amended to read as follows:

"Sec. 7508A. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.".

(2) The table of contents for the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 517 the following new item:

"Sec. 518. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters and terroristic or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation occurring on or after the date of the enactment of this Act.

SEC. 203. INTERNAL REVENUE SERVICE DISASTER RESPONSE TEAM.

(a) IN GENERAL.—Section 7508A, as amended by section 202(a), is amended by adding at the end the following new subsection:

"(d) DUTIES OF DISASTER RESPONSE TEAM.—The Secretary shall establish as a permanent office in the national office of the Internal Revenue Service a disaster response team which, in coordination with the Federal Emergency Management Agency, shall assist taxpayers in clarifying and resolving Federal tax matters associated with or resulting from any Presidentially declared disaster (as defined in section 1033(h)(3)) or a terroristic or military action (as defined in section 692(c)(2)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 204. APPLICATION OF CERTAIN PROVISIONS TO TERRORISTIC OR MILITARY ACTIONS.

(a) EXCLUSION FOR DEATH BENEFITS.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

"(i) CERTAIN EMPLOYEE DEATH BENEFITS PAYABLE BY REASON OF DEATH FROM TERRORISTIC OR MILITARY ACTIONS.—

"(1) IN GENERAL.—Gross income does not include amounts which are received (whether in a single sum or otherwise) if such amounts are paid by an employer by reason of the death of an employee incurred as a result of a terroristic or military action (as defined in section 692(c)(2)).

"(2) NO RELIEF FOR CERTAIN INDIVIDUALS.—Paragraph (1) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.

"(3) TREATMENT OF SELF-EMPLOYED INDIVIDUALS.—For purposes of this subsection, the term 'employee' includes a self-employed person (as described in section 401(c)(1)).".

(b) DISABILITY INCOME.—Section 104(a)(5) (relating to compensation for injuries or sickness) is amended by striking "a violent attack" and all that follows through the period and inserting "a terroristic or military action (as defined in section 692(c)(2)).".

(c) EXEMPTION FROM INCOME TAX FOR CERTAIN MILITARY OR CIVILIAN EMPLOYEES.—Section 692(c) is amended—

(1) by striking "outside the United States" in paragraph (1), and

(2) by striking "SUSTAINED OVERSEAS" in the heading.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 205. CLARIFICATION OF DUE DATE FOR AIRLINE EXCISE TAX DEPOSITS.

(a) IN GENERAL.—Paragraph (3) of section 301(a) of the Air Transportation Safety and System Stabilization Act (Public Law 107–42) is amended to read as follows:

"(3) AIRLINE-RELATED DEPOSIT.—For purposes of this subsection, the term 'airline-related deposit' means any deposit of taxes imposed by subchapter C of chapter 33 of such Code (relating to transportation by air).".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 301 of the Air Transportation Safety and System Stabilization Act (Public Law 107–42).

SEC. 206. COORDINATION WITH AIR TRANSPORTATION SAFETY AND SYSTEM STABILIZATION ACT.

No reduction in Federal tax liability by reason of any provision of, or amendment made by, this Act shall be considered as being received from a collateral source for purposes of section 402(4) of the Air Transportation Safety and System Stabilization Act (Public Law 107–42).

TITLE III—DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS

SEC. 301. DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS.

(a) DISCLOSURE WITHOUT A REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Paragraph (3) of section 6103(i) (relating

to disclosure of return information to apprise appropriate officials of criminal activities or emergency circumstances) is amended by adding at the end the following new subparagraph:

"(C) TERRORIST ACTIVITIES, ETC.—

"(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may disclose in writing return information (other than taxpayer return information) that may be related to a terrorist incident, threat, or activity to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to such terrorist incident, threat, or activity.

The head of the agency may disclose such return information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

"(ii) DISCLOSURE TO THE DEPARTMENT OF JUSTICE.—Returns and taxpayer return information may also be disclosed to the Attorney General under clause (i) to the extent necessary for, and solely for use in preparing, an application under paragraph (7)(D).

"(iii) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

"(iv) TERMINATION.—No disclosure may be made under this subparagraph after December 31, 2003.".

(b) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Subsection (i) of section 6103 (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—

"(A) DISCLOSURE TO LAW ENFORCEMENT AGENCIES.—

"(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (iii), the Secretary may disclose return information (other than taxpayer return information) to officers and employees of any Federal law enforcement agency who are personally and directly engaged in the response to or investigation of any terrorist incident, threat, or activity.

"(ii) DISCLOSURE TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.—The head of any Federal law enforcement agency may disclose return information obtained under clause (i) to officers and employees of any State or local law enforcement agency but only if such agency is part of a team with the Federal law enforcement agency in such response or investigation and such information is disclosed only to officers and employees who are personally and directly engaged in such response or investigation.

"(iii) REQUIREMENTS.—A request meets the requirements of this clause if—

"(I) the request is made by the head of any Federal law enforcement agency (or his delegate) involved in the response to or investigation of any terrorist incident, threat, or activity, and

"(II) the request sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

"(iv) LIMITATION ON USE OF INFORMATION.—Information disclosed under this subparagraph shall be solely for the use of the officers and employees to whom such information is disclosed in such response or investigation.

"(B) DISCLOSURE TO INTELLIGENCE AGENCIES.—

"(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (ii), the Secretary may disclose return information (other than taxpayer return information) to those officers and employees of the Department of Justice, the Department of the Treasury, and other Federal intelligence agencies who are personally and directly engaged in the collection or analysis of intelligence and counterintelligence information or investigation concerning any terrorist incident, threat, or activity. For purposes of the preceding sentence, the information disclosed under the preceding sentence shall be solely for the use of such officers and employees in such investigation, collection, or analysis.

"(ii) REQUIREMENTS.—A request meets the requirements of this subparagraph if the request—

"(I) is made by an individual described in clause (iii), and

"(II) sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

"(iii) REQUESTING INDIVIDUALS.—An individual described in this subparagraph is an individual—

"(I) who is an officer or employee of the Department of Justice or the Department of the Treasury who is appointed by the President with the advice and consent of the Senate or who is the Director of the United States Secret Service, and

"(II) who is responsible for the collection and analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity.

"(iv) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

"(C) DISCLOSURE UNDER EX PARTE ORDERS.—

"(i) IN GENERAL.—Except as provided in paragraph (6), any return or return information with respect to any specified taxable period or periods shall, pursuant to and upon the grant of an ex parte order by a Federal district court judge or magistrate under clause (ii), be open (but only to the extent necessary as provided in such order) to inspection by, or disclosure to, officers and employees of any Federal law enforcement agency or Federal intelligence agency who are personally and directly engaged in any investigation, response to, or analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity. Return or return information opened pursuant to the preceding sentence shall be solely for the use of such officers and employees in the investigation, response, or analysis, and in any judicial, administrative, or grand jury proceedings, pertaining to such terrorist incident, threat, or activity..

"(ii) APPLICATION FOR ORDER.—The Attorney General, the Deputy Attorney General, the Associate Attorney General, any Assistant Attorney General, or any United States attorney may authorize an application to a Federal district court judge or magistrate for the order referred to in clause (i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that—

"(I) there is reasonable cause to believe, based upon information believed to be reliable, that the return or return information may be relevant to a matter relating to such terrorist incident, threat, or activity, and

"(II) the return or return information is sought exclusively for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

"(D) SPECIAL RULE FOR EX PARTE DISCLOSURE BY THE IRS.—

"(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may authorize an application to a Federal district court judge or magistrate for the order referred to in subparagraph (C)(i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that the requirements of subparagraph (C)(ii)(I) are met.

"(ii) LIMITATION ON USE OF INFORMATION.—Information disclosed under clause (i)—

"(I) may be disclosed only to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to a terrorist incident, threat, or activity, and

"(II) shall be solely for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

The head of such Federal agency may disclose such information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

"(E) TERMINATION.—No disclosure may be made under this paragraph after December 31, 2003.".

(c) CONFORMING AMENDMENTS.—

(1) Section 6103(a)(2) is amended by inserting "any local law enforcement agency receiving information under subsection (i)(7)(A)," after "State,".

(2) Section 6103(b) is amended by adding at the end the following new paragraph:

"(11) TERRORIST INCIDENT, THREAT, OR ACTIVITY.—The term 'terrorist incident, threat, or activity' means an incident, threat, or activity involving an act of domestic terrorism (as defined in section 2331(5) of title 18, United States Code) or international terrorism (as defined in section 2331(1) of such title).".

(3) The heading of section 6103(i)(3) is amended by inserting "OR TERRORIST" after "CRIMINAL".

(4) Paragraph (4) of section 6103(i) is amended—

(A) in subparagraph (A) by inserting "or (7)(C)" after "paragraph (1)", and

(B) in subparagraph (B) by striking "or (3)(A)" and inserting "(3)(A) or (C), or (7)".

(5) Paragraph (6) of section 6103(i) is amended—

(A) by striking "(3)(A)" and inserting "(3)(A) or (C)", and

(B) by striking "or (7)" and inserting "(7), or (8)".

(6) Section 6103(p)(3) is amended—

(A) in subparagraph (A) by striking "(7)(A)(ii)" and inserting "(8)(A)(ii)", and

(B) in subparagraph (C) by striking "(i)(3)(B)(i)" and inserting "(i)(3)(B)(i) or (7)(A)(ii)".

(7) Section 6103(p)(4) is amended—

(A) in the matter preceding subparagraph (A)—

(i) by striking "or (5)," the first place it appears and inserting "(5), or (7),", and

(ii) by striking "(i)(3)(B)(i)," and inserting "(i)(3)(B)(i) or (7)(A)(ii),", and

(B) in subparagraph (F)(ii) by striking "or (5)," the first place it appears and inserting "(5) or (7),".

(8) Section 6103(p)(6)(B)(i) is amended by striking "(i)(7)(A)(ii)" and inserting "(i)(8)(A)(ii)".

(9) Section 6105(b) is amended—

(A) by striking "or" at the end of paragraph (2),

(B) by striking "paragraphs (1) or (2)" in paragraph (3) and inserting "paragraph (1), (2), or (3)",

(C) by redesignating paragraph (3) as paragraph (4), and

(D) by inserting after paragraph (2) the following new paragraph:

"(3) to the disclosure of tax convention information on the same terms as return information may be disclosed under paragraph (3)(C) or (7)

of section 6103(i), except that in the case of tax convention information provided by a foreign government, no disclosure may be made under this paragraph without the written consent of the foreign government, or''.

(10) Section 7213(a)(2) is amended by striking ''(i)(3)(B)(i),'' and inserting ''(i)(3)(B)(i) or (7)(A)(ii),''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made on or after the date of the enactment of this Act.

Amend the title so as to read: ''An Act to amend the Internal Revenue Code of 1986 to provide tax relief for victims of the terrorist attacks against the United States, and for other purposes.''.

MOTION OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, pursuant to the order of the House, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. THOMAS moves that:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert the following:

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Victims of Terrorism Tax Relief Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—RELIEF PROVISIONS FOR VICTIMS OF TERRORIST ATTACKS

Sec. 101. Income taxes of victims of terrorist attacks.
Sec. 102. Exclusion of certain death benefits.
Sec. 103. Estate tax reduction.
Sec. 104. Payments by charitable organizations treated as exempt payments.

TITLE II—OTHER RELIEF PROVISIONS

Sec. 201. Exclusion for disaster relief payments.
Sec. 202. Authority to postpone certain deadlines and required actions.
Sec. 203. Application of certain provisions to terroristic or military actions.
Sec. 204. Clarification of due date for airline excise tax deposits.
Sec. 205. Treatment of certain structured settlement payments.
Sec. 206. Personal exemption deduction for certain disability trusts.

TITLE III—TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001

Sec. 301. Tax benefits for area of New York City damaged in terrorist attacks on September 11, 2001.

TITLE IV—DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS

Sec. 401. Disclosure of tax information in terrorism and national security investigations.

TITLE V—NO IMPACT ON SOCIAL SECURITY TRUST FUNDS

Sec. 501. No impact on social security trust funds.

TITLE I—RELIEF PROVISIONS FOR VICTIMS OF TERRORIST ATTACKS

SEC. 101. INCOME TAXES OF VICTIMS OF TERRORIST ATTACKS.

(a) IN GENERAL.—Section 692 (relating to income taxes of members of Armed Forces on death) is amended by adding at the end the following new subsection:

''(d) INDIVIDUALS DYING AS A RESULT OF CERTAIN ATTACKS.—

''(1) IN GENERAL.—In the case of a specified terrorist victim, any tax imposed by this chapter shall not apply—

''(A) with respect to the taxable year in which falls the date of death, and

''(B) with respect to any prior taxable year in the period beginning with the last taxable year ending before the taxable year in which the wounds, injury, or illness referred to in paragraph (2) were incurred.

''(2) SPECIFIED TERRORIST VICTIM.—For purposes of this subsection, the term 'specified terrorist victim' means any decedent—

''(A) who dies as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on April 19, 1995, or September 11, 2001, or

''(B) who dies as a result of illness incurred as a result of an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.

Such term shall not include any individual identified by the Attorney General to have been a participant or conspirator in any such attack or a representative of such an individual.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5(b)(1) is amended by inserting ''and victims of certain terrorist attacks'' before ''on death''.

(2) Section 6013(f)(2)(B) is amended by inserting ''and victims of certain terrorist attacks'' before ''on death''.

(c) CLERICAL AMENDMENTS.—

(1) The heading of section 692 is amended to read as follows:

''SEC. 692. INCOME TAXES OF MEMBERS OF ARMED FORCES AND VICTIMS OF CERTAIN TERRORIST ATTACKS ON DEATH.''.

(2) The item relating to section 692 in the table of sections for part II of subchapter J of chapter 1 is amended to read as follows:

''Sec. 692. Income taxes of members of Armed Forces and victims of certain terrorist attacks on death.''.

(d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending before, on, or after September 11, 2001.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 102. EXCLUSION OF CERTAIN DEATH BENEFITS.

(a) IN GENERAL.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

''(i) CERTAIN EMPLOYEE DEATH BENEFITS PAYABLE BY REASON OF DEATH OF CERTAIN TERRORIST VICTIMS.—

''(1) IN GENERAL.—Gross income does not include amounts (whether in a single sum or otherwise) paid by an employer by reason of the death of an employee who is a specified terrorist victim (as defined in section 692(d)(2)).

''(2) LIMITATION.—Subject to such rules as the Secretary may prescribe, paragraph (1) shall not apply to amounts which would have been payable if the individual had died other than as a specified terrorist victim (as so defined).

''(3) TREATMENT OF SELF-EMPLOYED INDIVIDUALS.—For purposes of paragraph (1), the term 'employee' includes a self-employed individual (as defined in section 401(c)(1)).''.

(b) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending before, on, or after September 11, 2001.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 103. ESTATE TAX REDUCTION.

(a) IN GENERAL.—Section 2201 is amended to read as follows:

''SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS OF THE ARMED FORCES AND DEATHS OF VICTIMS OF CERTAIN TERRORIST ATTACKS.

''(a) IN GENERAL.—Unless the executor elects not to have this section apply, in applying sections 2001 and 2101 to the estate of a qualified decedent, the rate schedule set forth in subsection (c) shall be deemed to be the rate schedule set forth in section 2001(c).

''(b) QUALIFIED DECEDENT.—For purposes of this section, the term 'qualified decedent' means—

''(1) any citizen or resident of the United States dying while in active service of the Armed Forces of the United States, if such decedent—

''(A) was killed in action while serving in a combat zone, as determined under section 112(c), or

''(B) died as a result of wounds, disease, or injury suffered while serving in a combat zone (as determined under section 112(c)), and while in the line of duty, by reason of a hazard to which such decedent was subjected as an incident of such service, and

''(2) any specified terrorist victim (as defined in section 692(d)(2)).

''(c) RATE SCHEDULE.—

''If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over $150,000	1 percent of the amount by which such amount exceeds $100,000.
Over $150,000 but not over $200,000.	$500 plus 2 percent of the excess over $150,000.
Over $200,000 but not over $300,000.	$1,500 plus 3 percent of the excess over $200,000.
Over $300,000 but not over $500,000.	$4,500 plus 4 percent of the excess over $300,000.
Over $500,000 but not over $700,000.	$12,500 plus 5 percent of the excess over $500,000.
Over $700,000 but not over $900,000.	$22,500 plus 6 percent of the excess over $700,000.
Over $900,000 but not over $1,100,000.	$34,500 plus 7 percent of the excess over $900,000.
Over $1,100,000 but not over $1,600,000.	$48,500 plus 8 percent of the excess over $1,100,000.
Over $1,600,000 but not over $2,100,000.	$88,500 plus 9 percent of the excess over $1,600,000.
Over $2,100,000 but not over $2,600,000.	$133,500 plus 10 percent of the excess over $2,100,000.

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Over $2,600,000 but not over $3,100,000.	$183,500 plus 11 percent of the excess over $2,600,000.
Over $3,100,000 but not over $3,600,000.	$238,500 plus 12 percent of the excess over $3,100,000.
Over $3,600,000 but not over $4,100,000.	$298,500 plus 13 percent of the excess over $3,600,000.
Over $4,100,000 but not over $5,100,000.	$363,500 plus 14 percent of the excess over $4,100,000.
Over $5,100,000 but not over $6,100,000.	$503,500 plus 15 percent of the excess over $5,100,000.
Over $6,100,000 but not over $7,100,000.	$653,500 plus 16 percent of the excess over $6,100,000.
Over $7,100,000 but not over $8,100,000.	$813,500 plus 17 percent of the excess over $7,100,000.
Over $8,100,000 but not over $9,100,000.	$983,500 plus 18 percent of the excess over $8,100,000.
Over $9,100,000 but not over $10,100,000.	$1,163,500 plus 19 percent of the excess over $9,100,000.
Over $10,100,000	$1,353,500 plus 20 percent of the excess over $10,100,000.

"(d) DETERMINATION OF UNIFIED CREDIT.—In the case of an estate to which this section applies, subsection (a) shall not apply in determining the credit under section 2010.".

(b) CONFORMING AMENDMENTS.—

(1) Section 2011 is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) Section 2053(d)(3)(B) is amended by striking "section 2011(e)" and inserting "section 2011(d)".

(3) Paragraph (9) of section 532(c) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

(c) CLERICAL AMENDMENT.—The item relating to section 2201 in the table of sections for subchapter C of chapter 11 is amended to read as follows:

"Sec. 2201. Combat zone-related deaths of members of the Armed Forces and deaths of victims of certain terrorist attacks.".

(d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents—

(A) dying on or after September 11, 2001, and

(B) in the case of individuals dying as a result of the April 19, 1995, terrorist attack, dying on or after April 19, 1995.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 104. PAYMENTS BY CHARITABLE ORGANIZATIONS TREATED AS EXEMPT PAYMENTS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) payments made by an organization described in section 501(c)(3) of such Code by reason of the death, injury, wounding, or illness of an individual incurred as the result of the terrorist attacks against the United States on September 11, 2001, or an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, shall be treated as related to the purpose or function constituting the basis for such organization's exemption under section 501 of such Code if such payments are made—

(A) in good faith using a reasonable and objective formula which is consistently applied, and

(B) in furtherance of public rather than private purposes, and

(2) in the case of a private foundation (as defined in section 509 of such Code), any payment described in paragraph (1) shall not be treated as made to a disqualified person for purposes of section 4941 of such Code.

(b) EFFECTIVE DATE.—This section shall apply to payments made on or after September 11, 2001.

TITLE II—OTHER RELIEF PROVISIONS

SEC. 201. EXCLUSION FOR DISASTER RELIEF PAYMENTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

"SEC. 139. DISASTER RELIEF PAYMENTS.

"(a) GENERAL RULE.—Gross income shall not include any amount received by an individual as a qualified disaster relief payment.

"(b) QUALIFIED DISASTER RELIEF PAYMENT DEFINED.—For purposes of this section, the term 'qualified disaster relief payment' means any amount paid to or for the benefit of an individual—

"(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster,

"(2) to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence or repair or replacement of its contents to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster,

"(3) by a person engaged in the furnishing or sale of transportation as a common carrier by reason of the death or personal physical injuries incurred as a result of a qualified disaster, or

"(4) if such amount is paid by a Federal, State, or local government, or agency or instrumentality thereof, in connection with a qualified disaster in order to promote the general welfare,

but only to the extent any expense compensated by such payment is not otherwise compensated for by insurance or otherwise.

"(c) QUALIFIED DISASTER DEFINED.—For purposes of this section, the term 'qualified disaster' means—

"(1) a disaster which results from a terroristic or military action (as defined in section 692(c)(2)),

"(2) a Presidentially declared disaster (as defined in section 1033(h)(3)),

"(3) a disaster which results from an accident involving a common carrier, or from any other event, which is determined by the Secretary to be of a catastrophic nature, or

"(4) with respect to amounts described in subsection (b)(4), a disaster which is determined by an applicable Federal, State, or local authority (as determined by the Secretary) to warrant assistance from the Federal, State, or local government or agency or instrumentality thereof.

"(d) COORDINATION WITH EMPLOYMENT TAXES.—For purposes of chapter 2 and subtitle C, a qualified disaster relief payment shall not be treated as net earnings from self-employment, wages, or compensation subject to tax.

"(e) NO RELIEF FOR CERTAIN INDIVIDUALS.—Subsections (a) and (f) shall not apply with respect to any individual identified by the Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.

"(f) EXCLUSION OF CERTAIN ADDITIONAL PAYMENTS.—Gross income shall not include any amount received as payment under section 406 of the Air Transportation Safety and System Stabilization Act."

(b) CONFORMING AMENDMENTS.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

"Sec. 139. Disaster relief payments.
"Sec. 140. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 202. AUTHORITY TO POSTPONE CERTAIN DEADLINES AND REQUIRED ACTIONS.

(a) EXPANSION OF AUTHORITY RELATING TO DISASTERS AND TERRORISTIC OR MILITARY ACTIONS.—Section 7508A is amended to read as follows:

"SEC. 7508A. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

"(a) IN GENERAL.—In the case of a taxpayer determined by the Secretary to be affected by a Presidentially declared disaster (as defined in section 1033(h)(3)) or a terroristic or military action (as defined in section 692(c)(2)), the Secretary may specify a period of up to one year that may be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such taxpayer—

"(1) whether any of the acts described in paragraph (1) of section 7508(a) were performed within the time prescribed therefor (determined without regard to extension under any other provision of this subtitle for periods after the date (determined by the Secretary) of such disaster or action),

"(2) the amount of any interest, penalty, additional amount, or addition to the tax for periods after such date, and

"(3) the amount of any credit or refund.

"(b) SPECIAL RULES REGARDING PENSIONS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a disaster or action described in subsection (a), the Secretary may specify a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this title. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.

"(c) SPECIAL RULES FOR OVERPAYMENTS.—The rules of section 7508(b) shall apply for purposes of this section.".

(b) CLARIFICATION OF SCOPE OF ACTS SECRETARY MAY POSTPONE.—Section 7508(a)(1)(K) (relating to time to be disregarded) is amended by striking "in regulations prescribed under this section".

(c) CONFORMING AMENDMENTS TO ERISA.—

(1) Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of

1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"SEC. 518. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF PRESIDENTIALLY DECLARED DISASTER OR TERRORISTIC OR MILITARY ACTIONS.

"In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the Secretary may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.".

(2) Section 4002 of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1302) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULES REGARDING DISASTERS, ETC.—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Presidentially declared disaster (as defined in section 1033(h)(3) of the Internal Revenue Code of 1986) or a terroristic or military action (as defined in section 692(c)(2) of such Code), the corporation may, notwithstanding any other provision of law, prescribe, by notice or otherwise, a period of up to one year which may be disregarded in determining the date by which any action is required or permitted to be completed under this Act. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.".

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 6404 is amended—

(A) by striking subsection (h),

(B) by redesignating subsection (i) as subsection (h), and

(C) by adding at the end the following new subsection:

"(i) CROSS REFERENCE.—

"For authority to suspend running of interest, etc. by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(2) Section 6081(c) is amended to read as follows:

"(c) CROSS REFERENCES.—

"For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(3) Section 6161(d) is amended by adding at the end the following new paragraph:

"(3) POSTPONEMENT OF CERTAIN ACTS.—

"For time for performing certain acts postponed by reason of war, see section 7508, and by reason of Presidentially declared disaster or terroristic or military action, see section 7508A.".

(d) CLERICAL AMENDMENTS.—

(1) The item relating to section 7508A in the table of sections for chapter 77 is amended to read as follows:

"Sec. 7508A. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.".

(2) The table of contents for the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 517 the following new item:

"Sec. 518. Authority to postpone certain deadlines by reason of Presidentially declared disaster or terroristic or military actions.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters and terroristic or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation occurring on or after the date of the enactment of this Act.

SEC. 203. APPLICATION OF CERTAIN PROVISIONS TO TERRORISTIC OR MILITARY ACTIONS.

(a) DISABILITY INCOME.—Section 104(a)(5) (relating to compensation for injuries or sickness) is amended by striking "a violent attack" and all that follows through the period and inserting "a terroristic or military action (as defined in section 692(c)(2)).".

(b) EXEMPTION FROM INCOME TAX FOR CERTAIN MILITARY OR CIVILIAN EMPLOYEES.—Section 692(c) is amended—

(1) by striking "outside the United States" in paragraph (1), and

(2) by striking "SUSTAINED OVERSEAS" in the heading.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after September 11, 2001.

SEC. 204. CLARIFICATION OF DUE DATE FOR AIRLINE EXCISE TAX DEPOSITS.

(a) IN GENERAL.—Paragraph (3) of section 301(a) of the Air Transportation Safety and System Stabilization Act (Public Law 107–42) is amended to read as follows:

"(3) AIRLINE-RELATED DEPOSIT.—For purposes of this subsection, the term 'airline-related deposit' means any deposit of taxes imposed by subchapter C of chapter 33 of such Code (relating to transportation by air).".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 301 of the Air Transportation Safety and System Stabilization Act (Public Law 107–42).

SEC. 205. TREATMENT OF CERTAIN STRUCTURED SETTLEMENT PAYMENTS.

(a) IN GENERAL.—Subtitle E is amended by adding at the end the following new chapter:

"CHAPTER 55—STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

"Sec. 5891. Structured settlement factoring transactions.

"SEC. 5891. STRUCTURED SETTLEMENT FACTORING TRANSACTIONS.

"(a) IMPOSITION OF TAX.—There is hereby imposed on any person who acquires directly or indirectly structured settlement payment rights in a structured settlement factoring transaction a tax equal to 40 percent of the factoring discount as determined under subsection (c)(4) with respect to such factoring transaction.

"(b) EXCEPTION FOR CERTAIN APPROVED TRANSACTIONS.—

"(1) IN GENERAL.—The tax under subsection (a) shall not apply in the case of a structured settlement factoring transaction in which the transfer of structured settlement payment rights is approved in advance in a qualified order.

"(2) QUALIFIED ORDER.—For purposes of this section, the term 'qualified order' means a final order, judgment, or decree which—

"(A) finds that the transfer described in paragraph (1)—

"(i) does not contravene any Federal or State statute or the order of any court or responsible administrative authority, and

"(ii) is in the best interest of the payee, taking into account the welfare and support of the payee's dependents, and

"(B) is issued—

"(i) under the authority of an applicable State statute by an applicable State court, or

"(ii) by the responsible administrative authority (if any) which has exclusive jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

"(3) APPLICABLE STATE STATUTE.—For purposes of this section, the term 'applicable State statute' means a statute providing for the entry of an order, judgment, or decree described in paragraph (2)(A) which is enacted by—

"(A) the State in which the payee of the structured settlement is domiciled, or

"(B) if there is no statute described in subparagraph (A), the State in which either the party to the structured settlement (including an assignee under a qualified assignment under section 130) or the person issuing the funding asset for the structured settlement is domiciled or has its principal place of business.

"(4) APPLICABLE STATE COURT.—For purposes of this section—

"(A) IN GENERAL.—The term 'applicable State court' means, with respect to any applicable State statute, a court of the State which enacted such statute.

"(B) SPECIAL RULE.—In the case of an applicable State statute described in paragraph (3)(B), such term also includes a court of the State in which the payee of the structured settlement is domiciled.

"(5) QUALIFIED ORDER DISPOSITIVE.—A qualified order shall be treated as dispositive for purposes of the exception under this subsection.

"(c) DEFINITIONS.—For purposes of this section—

"(1) STRUCTURED SETTLEMENT.—The term 'structured settlement' means an arrangement—

"(A) which is established by—

"(i) suit or agreement for the periodic payment of damages excludable from the gross income of the recipient under section 104(a)(2), or

"(ii) agreement for the periodic payment of compensation under any workers' compensation law excludable from the gross income of the recipient under section 104(a)(1), and

"(B) under which the periodic payments are—

"(i) of the character described in subparagraphs (A) and (B) of section 130(c)(2), and

"(ii) payable by a person who is a party to the suit or agreement or to the workers' compensation claim or by a person who has assumed the liability for such periodic payments under a qualified assignment in accordance with section 130.

"(2) STRUCTURED SETTLEMENT PAYMENT RIGHTS.—The term 'structured settlement payment rights' means rights to receive payments under a structured settlement.

"(3) STRUCTURED SETTLEMENT FACTORING TRANSACTION.—

"(A) IN GENERAL.—The term 'structured settlement factoring transaction' means a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration.

“(B) Exception.—Such term shall not include—

“(i) the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution in the absence of any action to redirect the structured settlement payments to such institution (or agent or successor thereof) or otherwise to enforce such blanket security interest as against the structured settlement payment rights, or

“(ii) a subsequent transfer of structured settlement payment rights acquired in a structured settlement factoring transaction.

“(4) Factoring discount.—The term ‘factoring discount’ means an amount equal to the excess of—

“(A) the aggregate undiscounted amount of structured settlement payments being acquired in the structured settlement factoring transaction, over

“(B) the total amount actually paid by the acquirer to the person from whom such structured settlement payments are acquired.

“(5) Responsible administrative authority.—The term ‘responsible administrative authority’ means the administrative authority which had jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

“(6) State.—The term ‘State’ includes the Commonwealth of Puerto Rico and any possession of the United States.

“(d) Coordination With Other Provisions.—

“(1) In general.—If the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

“(2) No withholding of tax.—The provisions of section 3405 regarding withholding of tax shall not apply to the person making the payments in the event of a structured settlement factoring transaction.”.

(b) Clerical Amendment.—The table of chapters for subtitle E is amended by adding at the end the following new item:

“Chapter 55. Structured settlement factoring transactions.”.

(c) Effective Dates.—

(1) In general.—The amendments made by this section (other than the provisions of section 5891(d) of the Internal Revenue Code of 1986, as added by this section) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after the 30th day following the date of the enactment of this Act.

(2) Clarification of existing law.—Section 5891(d) of such Code (as so added) shall apply to structured settlement factoring transactions (as defined in section 5891(c) of such Code (as so added)) entered into on or after such 30th day.

(3) Transition rule.—In the case of a structured settlement factoring transaction entered into during the period beginning on the 30th day following the date of the enactment of this Act and ending on July 1, 2002, no tax shall be imposed under section 5891(a) of such Code if—

(A) the structured settlement payee is domiciled in a State (or possession of the United States) which has not enacted a statute providing that the structured settlement factoring transaction is ineffective unless the transaction has been approved by an order, judgment, or decree of a court (or where applicable, a responsible administrative authority) which finds that such transaction—

(i) does not contravene any Federal or State statute or the order of any court (or responsible administrative authority), and

(ii) is in the best interest of the structured settlement payee or is appropriate in light of a hardship faced by the payee, and

(B) the person acquiring the structured settlement payment rights discloses to the structured settlement payee in advance of the structured settlement factoring transaction the amounts and due dates of the payments to be transferred, the aggregate amount to be transferred, the consideration to be received by the structured settlement payee for the transferred payments, the discounted present value of the transferred payments (including the present value as determined in the manner described in section 7520 of such Code), and the expenses required under the terms of the structured settlement factoring transaction to be paid by the structured settlement payee or deducted from the proceeds of such transaction.

SEC. 206. PERSONAL EXEMPTION DEDUCTION FOR CERTAIN DISABILITY TRUSTS.

(a) In General.—Subsection (b) of section 642 (relating to deduction for personal exemption) is amended to read as follows:

“(b) Deduction for Personal Exemption.—

“(1) Estates.—An estate shall be allowed a deduction of $600.

“(2) Trusts.—

“(A) In general.—Except as otherwise provided in this paragraph, a trust shall be allowed a deduction of $100.

“(B) Trusts distributing income currently.—A trust which, under its governing instrument, is required to distribute all of its income currently shall be allowed a deduction of $300.

“(C) Disability trusts.—

“(i) In general.—A qualified disability trust shall be allowed a deduction equal to the exemption amount under section 151(d), determined—

“(I) by treating such trust as an individual described in section 151(d)(3)(C)(iii), and

“(II) by applying section 67(e) (without the reference to section 642(b)) for purposes of determining the adjusted gross income of the trust.

“(ii) Qualified disability trust.—For purposes of clause (i), the term ‘qualified disability trust’ means any trust if—

“(I) such trust is a disability trust described in subsection (c)(2)(B)(iv), (d)(4)(A), or (d)(4)(C) of section 1917 of the Social Security Act (42 U.S.C. 1396p), and

“(II) all of the beneficiaries of the trust as of the close of the taxable year are determined to have been disabled (within the meaning of section 1614(a)(3) of the Social Security Act, 42 U.S.C. 1382c(a)(3)) for some portion of such year.

A trust shall not fail to meet the requirements of subclause (II) merely because the corpus of the trust may revert to a person who is not so disabled after the trust ceases to have any beneficiary who is so disabled.”

“(3) Deductions in lieu of personal exemption.—The deductions allowed by this subsection shall be in lieu of the deductions allowed under section 151 (relating to deduction for personal exemption).”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years ending on or after September 11, 2001.

TITLE III—TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001

SEC. 301. TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001.

(a) In General.—Chapter 1 is amended by adding at the end the following new subchapter:

“Subchapter Y—New York Liberty Zone Benefits

“Sec. 1400L. Tax benefits for New York Liberty Zone.

“SEC. 1400L. TAX BENEFITS FOR NEW YORK LIBERTY ZONE.

“(a) Special Allowance for Certain Property Acquired After September 10, 2001.—

“(1) Additional allowance.—In the case of any qualified New York Liberty Zone property—

“(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of such property, and

“(B) the adjusted basis of the qualified New York Liberty Zone property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

“(2) Qualified new york liberty zone property.—For purposes of this subsection—

“(A) In general.—The term ‘qualified New York Liberty Zone property’ means property—

“(i)(I) to which section 168 applies (other than railroad grading and tunnel bores), or

“(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

“(ii) substantially all of the use of which is in the New York Liberty Zone and is in the active conduct of a trade or business by the taxpayer in such Zone,

“(iii) the original use of which in the New York Liberty Zone commences with the taxpayer after September 10, 2001, and

“(iv) which is acquired by the taxpayer by purchase (as defined in section 179(d)) after September 10, 2001, and placed in service by the taxpayer on or before the termination date, but only if no written binding contract for the acquisition was in effect before September 11, 2001.

The term ‘termination date’ means December 31, 2006 (December 31, 2009, in the case of nonresidential real property and residential rental property).

“(B) Exceptions.—

“(i) Alternative depreciation property.—The term ‘qualified New York Liberty Zone property’ shall not include any property to which the alternative depreciation system under section 168(g) applies, determined—

“(I) without regard to paragraph (7) of section 168(g) (relating to election to have system apply), and

“(II) after application of section 280F(b) (relating to listed property with limited business use).

“(ii) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Such term shall not include qualified leasehold improvement property.

“(iii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

“(C) SPECIAL RULES RELATING TO ORIGINAL USE.—

“(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iv) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before the termination date.

“(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(iii), if property—

“(I) is originally placed in service after September 10, 2001, by a person, and

“(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

“(D) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—The deduction allowed by this subsection shall be allowed in determining alternative minimum taxable income under section 55.

“(b) 5-YEAR RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.—

“(1) IN GENERAL.—For purposes of section 168, the term ‘5-year property’ includes any qualified leasehold improvement property.

“(2) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—For purposes of this section—

“(A) IN GENERAL.—The term ‘qualified leasehold improvement property’ means any improvement to an interior portion of a building which is nonresidential real property if—

“(i) such building is located in the New York Liberty Zone,

“(ii) such improvement is made under or pursuant to a lease (as defined in section 168(h)(7))—

“(I) by the lessee (or any sublessee) of such portion, or

“(II) by the lessor of such portion,

“(iii) such portion is to be occupied exclusively by the lessee (or any sublessee) of such portion,

“(iv) such improvement is placed in service—

“(I) after September 10, 2001, and more than 3 years after the date the building was first placed in service, and

“(II) before January 1, 2007, and

“(v) no written binding contract for such improvement was in effect before September 11, 2001.

“(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

“(i) the enlargement of the building,

“(ii) any elevator or escalator,

“(iii) any structural component benefiting a common area, and

“(iv) the internal structural framework of the building.

“(C) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

“(i) COMMITMENT TO LEASE TREATED AS LEASE.—A commitment to enter into a lease shall be treated as a lease, and the parties to such commitment shall be treated as lessor and lessee, respectively.

“(ii) RELATED PERSONS.—A lease between related persons shall not be considered a lease. For purposes of the preceding sentence, the term ‘related persons’ means—

“(I) members of an affiliated group (as defined in section 1504), and

“(II) persons having a relationship described in subsection (b) of section 267; except that, for purposes of this clause, the phrase ‘80 percent or more’ shall be substituted for the phrase ‘more than 50 percent’ each place it appears in such subsection.

“(D) IMPROVEMENTS MADE BY LESSOR.—

“(i) IN GENERAL.—In the case of an improvement made by the person who was the lessor of such improvement when such improvement was placed in service, such improvement shall be qualified leasehold improvement property (if at all) only so long as such improvement is held by such person.

“(ii) EXCEPTION FOR CHANGES IN FORM OF BUSINESS.—Property shall not cease to be qualified leasehold improvement property under clause (i) by reason of—

“(I) death,

“(II) a transaction to which section 381(a) applies, or

“(III) a mere change in the form of conducting the trade or business so long as the property is retained in such trade or business as qualified leasehold improvement property and the taxpayer retains a substantial interest in such trade or business.

“(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—The applicable depreciation method under section 168 shall be the straight line method in the case of qualified leasehold improvement property.

“(4) 9-YEAR RECOVERY PERIOD UNDER ALTERNATIVE SYSTEM.—For purposes of section 168(g), the class life of qualified leasehold improvement property shall be 9 years.

“(c) INCREASE IN EXPENSING UNDER SECTION 179.—

“(1) IN GENERAL.—For purposes of section 179—

“(A) the limitation under section 179(b)(1) shall be increased by the lesser of—

“(i) $35,000, or

“(ii) the cost of section 179 property which is qualified New York Liberty Zone property placed in service during the taxable year, and

“(B) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified New York Liberty Zone property shall be 50 percent of the cost thereof.

“(2) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified New York Liberty Zone property which ceases to be used in the New York Liberty Zone.

“(d) TAX-EXEMPT BOND FINANCING.—

“(1) IN GENERAL.—For purposes of this title, any qualified New York Liberty Bond shall be treated as an exempt facility bond.

“(2) QUALIFIED NEW YORK LIBERTY BOND.—For purposes of this subsection, the term ‘qualified New York Liberty Bond’ means any bond issued as part of an issue if—

“(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of such issue are to be used for qualified project costs,

“(B) such bond is issued by the State of New York or any political subdivision thereof,

“(C) the Governor of New York designates such bond for purposes of this section, and

“(D) such bond is issued during calendar year 2002, 2003, or 2004.

“(3) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under this subsection shall not exceed $15,000,000,000.

“(4) QUALIFIED PROJECT COSTS.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified project costs’ means the cost of acquisition, construction, reconstruction, and renovation of—

“(i) nonresidential real property and residential rental property (including fixed tenant improvements associated with such property) located in the New York Liberty Zone, and

“(ii) public utility property located in the New York Liberty Zone.

“(B) COSTS FOR CERTAIN PROPERTY OUTSIDE ZONE INCLUDED.—Such term includes the cost of acquisition, construction, reconstruction, and renovation of nonresidential real property (including fixed tenant improvements associated with such property) located outside the New York Liberty Zone but within the City of New York, New York, if such property is part of a project which consists of at least 100,000 square feet of usable office or other commercial space located in a single building or multiple adjacent buildings.

“(C) LIMITATIONS.—Such term shall not include—

“(i) costs for property located outside the New York Liberty Zone to the extent such costs exceed $7,000,000,000,

“(ii) costs with respect to residential rental property to the extent such costs exceed $3,000,000,000, and

“(iii) costs with respect to property used for retail sales of tangible property to the extent such costs exceed $1,500,000,000.

“(D) MOVABLE FIXTURES AND EQUIPMENT.—Such term shall not include costs with respect to movable fixtures and equipment.

“(5) SPECIAL RULES.—In applying this title to any qualified New York Liberty Bond, the following modifications shall apply:

“(A) Section 146 (relating to volume cap) shall not apply.

“(B) Section 147(c) (relating to limitation on use for land acquisition) shall be determined by reference to the aggregate authorized face amount of all qualified New York Liberty Bonds rather than the net proceeds of each issue.

“(C) Section 147(d) (relating to acquisition of existing property not permitted) shall be applied by substituting ‘50 percent’ for ‘15 percent’ each place it appears.

“(D) Section 148(f)(4)(C) (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to construction proceeds of bonds issued under this section.

“(E) Financing provided by such a bond shall not be taken into account under section 168(g)(5)(A) with respect to property substantially all of the use of which is in the New York Liberty Zone and is in the active conduct of a trade or business by the taxpayer in such Zone.

“(F) Repayments of principal on financing provided by the issue—

“(i) may not be used to provide financing, and

“(ii) are used not later than the close of the 1st semiannual period beginning after the date of the repayment to redeem bonds which are part of such issue.

The requirement of clause (ii) shall be treated as met with respect to amounts received within 10 years after the date of issuance of the issue (or, in the case of refunding bond, the date of issuance of the original bond) if such amounts are used by the close of such 10 years to redeem bonds which are part of such issue.

"(G) Section 57(a)(5) shall not apply.

"(6) SEPARATE ISSUE TREATMENT OF PORTIONS OF AN ISSUE.—This subsection shall not apply to the portion of the proceeds of an issue which (if issued as a separate issue) would be treated as a qualified bond or as a bond that is not a private activity bond (determined without regard to subsection (a)), if the issuer elects to so treat such portion.

"(e) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Notwithstanding subsections (g) and (h) of section 1033, clause (i) of section 1033(a)(2)(B) shall be applied by substituting '5 years' for '2 years' with respect to property which is compulsorily or involuntarily converted as a result of the terrorist attacks on September 11, 2001, in the New York Liberty Zone but only if substantially all of the use of the replacement property is in the City of New York, New York.

"(f) NEW YORK LIBERTY ZONE.—For purposes of this section, the term 'New York Liberty Zone' means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter Y. New York Liberty Zone Benefits."

TITLE IV—DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS

SEC. 401. DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS.

(a) DISCLOSURE WITHOUT A REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Paragraph (3) of section 6103(i) (relating to disclosure of return information to apprise appropriate officials of criminal activities or emergency circumstances) is amended by adding at the end the following new subparagraph:

"(C) TERRORIST ACTIVITIES, ETC.—

"(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may disclose in writing return information (other than taxpayer return information) that may be related to a terrorist incident, threat, or activity to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to such terrorist incident, threat, or activity. The head of the agency may disclose such return information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

"(ii) DISCLOSURE TO THE DEPARTMENT OF JUSTICE.—Returns and taxpayer return information may also be disclosed to the Attorney General under clause (i) to the extent necessary for, and solely for use in preparing, an application under paragraph (7)(D).

"(iii) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

"(iv) TERMINATION.—No disclosure may be made under this subparagraph after December 31, 2003.".

(b) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—Subsection (i) of section 6103 (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES, ETC.—

"(A) DISCLOSURE TO LAW ENFORCEMENT AGENCIES.—

"(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (iii), the Secretary may disclose return information (other than taxpayer return information) to officers and employees of any Federal law enforcement agency who are personally and directly engaged in the response to or investigation of any terrorist incident, threat, or activity.

"(ii) DISCLOSURE TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.—The head of any Federal law enforcement agency may disclose return information obtained under clause (i) to officers and employees of any State or local law enforcement agency but only if such agency is part of a team with the Federal law enforcement agency in such response or investigation and such information is disclosed only to officers and employees who are personally and directly engaged in such response or investigation.

"(iii) REQUIREMENTS.—A request meets the requirements of this clause if—

"(I) the request is made by the head of any Federal law enforcement agency (or his delegate) involved in the response to or investigation of any terrorist incident, threat, or activity, and

"(II) the request sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

"(iv) LIMITATION ON USE OF INFORMATION.—Information disclosed under this subparagraph shall be solely for the use of the officers and employees to whom such information is disclosed in such response or investigation.

"(B) DISCLOSURE TO INTELLIGENCE AGENCIES.—

"(i) IN GENERAL.—Except as provided in paragraph (6), upon receipt by the Secretary of a written request which meets the requirements of clause (ii), the Secretary may disclose return information (other than taxpayer return information) to those officers and employees of the Department of Justice, the Department of the Treasury, and other Federal intelligence agencies who are personally and directly engaged in the collection or analysis of intelligence and counterintelligence information or investigation concerning any terrorist incident, threat, or activity. For purposes of the preceding sentence, the information disclosed under the preceding sentence shall be solely for the use of such officers and employees in such investigation, collection, or analysis.

"(ii) REQUIREMENTS.—A request meets the requirements of this subparagraph if the request—

"(I) is made by an individual described in clause (iii), and

"(II) sets forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity.

"(iii) REQUESTING INDIVIDUALS.—An individual described in this subparagraph is an individual—

"(I) who is an officer or employee of the Department of Justice or the Department of the Treasury who is appointed by the President with the advice and consent of the Senate or who is the Director of the United States Secret Service, and

"(II) who is responsible for the collection and analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity.

"(iv) TAXPAYER IDENTITY.—For purposes of this subparagraph, a taxpayer's identity shall not be treated as taxpayer return information.

"(C) DISCLOSURE UNDER EX PARTE ORDERS.—

"(i) IN GENERAL.—Except as provided in paragraph (6), any return or return information with respect to any specified taxable period or periods shall, pursuant to and upon the grant of an ex parte order by a Federal district court judge or magistrate under clause (ii), be open (but only to the extent necessary as provided in such order) to inspection by, or disclosure to, officers and employees of any Federal law enforcement agency or Federal intelligence agency who are personally and directly engaged in any investigation, response to, or analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity. Return or return information opened to inspection or disclosure pursuant to the preceding sentence shall be solely for the use of such officers and employees in the investigation, response, or analysis, and in any judicial, administrative, or grand jury proceedings, pertaining to such terrorist incident, threat, or activity.

"(ii) APPLICATION FOR ORDER.—The Attorney General, the Deputy Attorney General, the Associate Attorney General, any Assistant Attorney General, or any United States attorney may authorize an application to a Federal district court judge or magistrate for the order referred to in clause (i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that—

"(I) there is reasonable cause to believe, based upon information believed to be reliable, that the return or return information may be relevant to a matter relating to such terrorist incident, threat, or activity, and

"(II) the return or return information is sought exclusively for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

"(D) SPECIAL RULE FOR EX PARTE DISCLOSURE BY THE IRS.—

"(i) IN GENERAL.—Except as provided in paragraph (6), the Secretary may authorize an application to a Federal district court judge or magistrate for the order referred to in subparagraph (C)(i). Upon such application, such judge or magistrate may grant such order if he determines on the basis of the facts submitted by the applicant that the requirements of subparagraph (C)(ii)(I) are met.

"(ii) LIMITATION ON USE OF INFORMATION.—Information disclosed under clause (i)—

"(I) may be disclosed only to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to a terrorist incident, threat, or activity, and

"(II) shall be solely for use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

The head of such Federal agency may disclose such information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity.

"(E) TERMINATION.—No disclosure may be made under this paragraph after December 31, 2003.".

(c) CONFORMING AMENDMENTS.—

(1) Section 6103(a)(2) is amended by inserting "any local law enforcement agency receiving information under subsection (i)(7)(A)," after "State,".

(2) Section 6103(b) is amended by adding at the end the following new paragraph:

"(11) TERRORIST INCIDENT, THREAT, OR ACTIVITY.—The term 'terrorist incident, threat, or activity' means an incident, threat, or activity involving an act of domestic terrorism (as defined in section 2331(5) of title 18, United States Code) or international terrorism (as defined in section 2331(1) of such title).".

(3) The heading of section 6103(i)(3) is amended by inserting "OR TERRORIST" after "CRIMINAL".

(4) Paragraph (4) of section 6103(i) is amended—

(A) in subparagraph (A) by inserting "or (7)(C)" after "paragraph (1)", and

(B) in subparagraph (B) by striking "or (3)(A)" and inserting "(3)(A) or (C), or (7)".

(5) Paragraph (6) of section 6103(i) is amended—

(A) by striking "(3)(A)" and inserting "(3)(A) or (C)", and

(B) by striking "or (7)" and inserting "(7), or (8)".

(6) Section 6103(p)(3) is amended—

(A) in subparagraph (A) by striking "(7)(A)(ii)" and inserting "(8)(A)(ii)", and

(B) in subparagraph (C) by striking "(i)(3)(B)(i)" and inserting "(i)(3)(B)(i) or (7)(A)(ii)".

(7) Section 6103(p)(4) is amended—

(A) in the matter preceding subparagraph (A)—

(i) by striking "or (5)," the first place it appears and inserting "(5), or (7),", and

(ii) by striking "(i)(3)(B)(i)," and inserting "(i)(3)(B)(i) or (7)(A)(ii),", and

(B) in subparagraph (F)(ii) by striking "or (5)," the first place it appears and inserting "(5) or (7),".

(8) Section 6103(p)(6)(B)(i) is amended by striking "(i)(7)(A)(ii)" and inserting "(i)(8)(A)(ii)".

(9) Section 6105(b) is amended—

(A) by striking "or" at the end of paragraph (2),

(B) by striking "paragraphs (1) or (2)" in paragraph (3) and inserting "paragraph (1), (2), or (3)",

(C) by redesignating paragraph (3) as paragraph (4), and

(D) by inserting after paragraph (2) the following new paragraph:

"(3) to the disclosure of tax convention information on the same terms as return information may be disclosed under paragraph (3)(C) or (7) of section 6103(i), except that in the case of tax convention information provided by a foreign government, no disclosure may be made under this paragraph without the written consent of the foreign government, or".

(10) Section 7213(a)(2) is amended by striking "(i)(3)(B)(i)," and inserting "(i)(3)(B)(i) or (7)(A)(ii),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made on or after the date of the enactment of this Act.

TITLE V—NO IMPACT ON SOCIAL SECURITY TRUST FUNDS

SEC. 501. NO IMPACT ON SOCIAL SECURITY TRUST FUNDS.

(a) IN GENERAL.—Nothing in this Act (or an amendment made by this Act) shall be construed to alter or amend title II of the Social Security Act (or any regulation promulgated under that Act).

(b) TRANSFERS.—

(1) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this Act has on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401).

(2) TRANSFER OF FUNDS.—If, under paragraph (1), the Secretary of the Treasury estimates that the enactment of this Act has a negative impact on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401), the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from New York for his kind observation. The Tuesday event precipitated a need for rapid response. On Thursday, the House moved. Three months later this bill now presents itself to us. I find it ironic that if the gentleman says he has been closed out of participation in this particular piece of legislation, the last time I checked, his party controlled the Senate and I would expect that at some time over the 3 months that the Senate was mulling over what it was going to do with this bill, he would have an opportunity to examine various provisions.

It is my pleasure to yield to the ranking member, the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, let me say this, that as long as the gentleman and I have served in this House of Representatives, I am confident that we will treasure this jurisdiction of the Committee on Ways and Means and try to protect it the best we can, no matter which party is in charge of this House. But I would hope that any Member of this House serving on any committee that has any interest in legislation in his or her jurisdiction would never have to appeal to the other body to be heard. I thank the gentleman for yielding.

□ 1515

Mr. THOMAS. Mr. Speaker, I appreciate the gentleman's comments. That means, then, that perhaps he was closed out on the other side, and that I will be doubly sensitive to make sure that if the gentleman's own Members on the other side will not work with him, that we will continue to work with him.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), someone who has had a major impact on this legislation.

Mr. HOUGHTON. Mr. Speaker, I thank the gentleman for yielding time to me, and I thank the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) for their work.

Mr. Speaker, I am honored to stand here with several of my New York colleagues in introducing a bill which really is going to provide much needed tax incentives for businesses to rebuild in lower Manhattan after all the massive destruction caused by the terrorist attacks of September 11.

None of us will ever forget the terrible losses of that day, the loss of life, and the most tragic being the heartache to so many families. The World Trade Center was destroyed, other buildings were damaged or collapsed, and of course the price tag is horrendous, here.

This bill includes really five provisions. I know it may be a little tedious, but I want to go through them, because I think it is important.

First of all, it is to authorize New York State to issue up to $15 billion in tax-exempt private activity bonds over the next 3 years to help renovate and rebuild, commercial property, residential property, and also private utility infrastructure;

Second, it allows taxpayers to claim an additional 30 percent first-year depreciation deduction for property located in the liberty zone, including buildings and building improvements;

Third, it provides a 5-year life for depreciating certain leasehold improvements;

Fourth, next to the last, is to increase by $35,000 to $59,000 the amount that can be expensed by small businesses under section 179;

Lastly, it increases the replacement period for 2 to 5 years for property that was involuntarily converted in lower Manhattan so taxpayers would not have to recognize the gain.

Mr. Speaker, I know these are detailed and sometimes technical issues, but it is very important, and this bill can be the new lifeblood, the new hope, the expectancy of a rebuilt New York.

Therefore, I want to thank the gentleman from California (Chairman THOMAS), the gentleman from New York (Mr. RANGEL), and my colleagues for being able to work on this bill. Obviously, I urge everyone to support the bill.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the distinguished ranking member from the Committee on Ways and Means for yielding time to me.

Mr. Speaker, I rise in support of seeing that we provide full recognition in debt and tax relief for the surviving families from this terrible tragedy, this terrible event.

Mr. Speaker, the workers in the World Trade Center and the passengers on board these planes were targeted because they were Americans working in a symbolic building or on board American planes. They were victimized as much as if they were soldiers, and the surviving families have had the bottom yanked out from under their feet, under their lives.

I know that Americans, big-hearted in their generous support for these surviving families, want them to have tax relief: income, payroll, no taxability of debt, and credit card forgiveness. I know Americans, in their big-hearted generosity, want that for these people that they have reached out to.

Mr. Speaker, I hope that will be the result of this.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. FOSSELLA), someone who has been on top of this from day one, and I appreciate his advice and counsel.

Mr. FOSSELLA. Mr. Speaker, I thank the chairman for yielding time to me, and for his leadership on this matter. I thank my colleagues on both sides of the aisle for once again coming forward to assist New York in its time of need.

Mr. Speaker, we understand after September 11 that not only was New York and America attacked, but we have to come together as a country to help New York rebuild. Anybody who has been to downtown Manhattan, Ground Zero, as it has come to be known, has really witnessed devastation. We have seen the utter destruction, day in and day out. We have brave men and women who are still recovering the remains of those who were there and perished; but we also have just a scene out of a bad movie.

Simultaneously, what has happened is that a lot of businesses are hurting. A lot of businesses who employ thousands of people in downtown Manhattan are either going out of business or are on the brink of bankruptcy, with employees who perhaps have no health insurance.

A lot of different problems have resonated since September 11 above and beyond, if you will, the utter destruction that has taken place. What the gentleman from California (Chairman THOMAS) and the gentleman from New York (Mr. HOUGHTON) who have stood up before will do in this proposal is provide incentives for businesses to come back to New York, back to downtown Manhattan specifically in this newly-created zone, and to build, whether it is through accelerated small business expensing benefits or a 5-year recovery period for leasehold improvements; again, an incentive to come and to rebuild.

There is nothing we can do to ever turn back the clock to September 10, but what the Congress can do, in addition to the ongoing appropriations, which I believe is going to be a multiyear process, and I credit the President for fulfilling his commitment, this is another vehicle to help New York rebuild and to provide incentives.

Over and above this proposal, I think it is important to understand that the surest way to help New York and perhaps the best way to help New York is to implement significant tax relief for folks who are working in Manhattan and the other boroughs. That is the surest and, as I see it, is the long-term positive effect on rebuilding.

I want to thank the gentleman from California (Mr. THOMAS) for being so diligent, and the gentleman from New York (Mr. RANGEL) for bringing this forward. This is going to help New York and help New York City, and it is going to help the people that I represent in Staten Island and Brooklyn, many of whom worked in downtown Manhattan.

Again, it is just another boost, I think, from the Congress and from Washington that we are going to stand shoulder-to-shoulder with the people from New York.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I include for the RECORD, since there is no committee report, the Joint Committee on Taxation's technical explanation of the bill.

The material referred to is as follows:

TECHNICAL EXPLANATION OF H.R. 2884, THE "VICTIMS OF TERRORISM TAX RELIEF ACT OF 2001," AS CONSIDERED BY THE HOUSE ON DECEMBER 13, 2001

(Prepared by the staff of the Joint Committee on Taxation)

INTRODUCTION

This document, prepared by the staff of the Joint committee on Taxation, contains a technical explanation of H.R. 2884, the "Victims of Terrorism Tax Relief Act of 2001," as Considered by the House on December 13, 2002.

I. BACKGROUND

Historically, the Congress has provided Federal tax relief for members of the U.S. Armed Forces who serve in combat zones. In addition, the Congress has taken action on several occasions to provide Federal tax relief for service members and other individuals whose lives have been affected by particular instances of hostile action involving the United States. In 1970, the Congress enacted legislation that provided tax relief to individuals who had been removed from a U.S. vessel and dies while being illegally detained by the Democratic People's Republic of Korea during 1968. Specifically, the legislation treated these individuals as having served in a combat zone for purposes of tax provisions that apply only to individuals serving in designated combat zones. Thus, service personnel who were crewmembers of the U.S.S. *Pueblo* (which was illegally detained in 1968 by North Korea), and who died during the detention, were eligible for the income tax exclusion (and other special tax rules) available for service personnel who die in combat zones.

In 1980, the Congress enacted legislation concerning the American hostages who were held captive in Iran between November 4, 1979, and December 31, 1981, and who died as a result of injury or disease or physical or mental disability that was incurred or aggravated while in captive status. The legislation provided that no Federal income tax would be imposed with respect to the year in which the individual died or any prior year ending on or after the first day the individual was in captive status. This legislation applied to military and civilian personnel of the United States, as well as to certain other U.S. taxpayers taken captive outside Iran on or before December 31, 1981. Moreover, if there had been any unpaid income tax liability of such an individual from years prior to captivity, the liability was forgiven. This total income tax exemption for American hostages who died as a result of captive status was available only if death occurred within two years after the individual ceased to be in captive status.

In 1984, the Congress enacted legislation after hostile action occurred in Lebanon and Grenada involving U.S. military and civilian personnel. This legislation provided special Federal income tax rules for certain individuals who die while in active service as a member of the Armed Forces of the United States or while in the civilian employment of the United States. Under the legislation, if death occurs as a result of wounds or injuries incurred outside the United States in a terrorist or military action, then no Federal income tax applies with respect to income of the individual for the year of death or for any earlier year in the period beginning with the last year ending before the year in which the wounds or injuries were incurred (sec. 692(c)). The legislation only applies to injuries or wounds that are incurred in a terrorist or military action. Thus, for example, the legislation would not have applied with respect to a U.S. serviceperson stationed in Lebanon who died as a result of an accidental fall because, if not caused by hostile forces, such an injury was not incurred in a terrorist or military action. In order to apply the special tax rules provided by the legislation to other hostile actions that occurred before the date of enactment (such as the attempt to rescue the American hostages in Iran), the legislation was made effective with respect to all taxable years of individuals dying as a result of wounds or injuries incurred after December 31, 1979.

The 1984 legislation applies to the year preceding the year in which the wounds or injuries were incurred because the Congress determined that forgiveness of income tax only for the period from the year of the injuries or wounds to the year of death would have inequitable results in certain circumstances. Under such a limitation, a soldier who is killed in a terrorist attack on a U.S. base in a foreign country on January 31 would be exempt from income tax only on one month's income, while a soldier who is killed in an attack on December 31 would be exempt from income tax on an entire year's income. Accordingly, the Congress concluded that it is more equitable to extend the tax forgiveness under the provision to income for the year preceding the year of injury.

In 1990, the Congress enacted legislation providing limited income tax benefits to victims of the terrorist attack that resulted in the downing of Pan American Airways Flight 103 over Lockerie, Scotland on December 21, 1988. The legislation provided that, in the case of any individual whose death was a direct result of the terrorist attack involving Flight 103, the income tax provisions of subtitle A of the Internal Revenue Code did not apply with respect to: (1) the taxable year that included December 21, 1988; and (2) the prior taxable year. However, the income tax benefit in each taxable year was limited to an amount equal to 28 percent of the annual rate of basic pay at Level V of the U.S. Executive Schedule as of December 21, 1988. This limitation was intended to limit the amount of tax relief to that which was provided to personnel of the United States who were on Flight 103, thus providing equal relief to all of the victims who were on Flight 103. In addition, the legislation required the President to submit recommendations to Congress concerning whether future legislation should be enacted to authorize the United States to provide monetary and tax relief as compensation to U.S. citizens who are victims of terrorism. The legislation also authorized the President to establish a board to develop criteria for compensation and to recommend changes to existing laws to establish a single comprehensive approach to victim compensation for terrorist acts.

In 1991, the Congress enacted legislation extending the benefits of the suspension of time provisions under section 7508 to any individual (and the spouse of such an individual) who performed certain services that preceded the designation of a combat zone with regard to Operation Desert Shield. The individuals eligible for such benefits included individuals who provided services in the Armed Forces of the United States (or in support of the Armed Services) if such services were performed in the area designated by the President as the "Persian Gulf Desert, Shield Area" and such services were performed during the period beginning August 2, 1990, and ending on the date on which any portion of the area was designated by the President as a combat zone. After January 17, 1991 (the date on which the Persian Gulf Desert Shield Area became designated as a combat zone by the President), individuals performing such services became eligible for the benefits of the present-law tax provisions applicable to service in a designated combat zone. An Executive Order terminating the designation of the Persian Gulf Desert Shield Area as a combat zone has not been issued.

In 1996, the Congress enacted legislation concerning certain individuals serving in portions of former Yugoslavia (i.e., Bosnia and Herzegovina, Croatia, and Macedonai) as part of Operation Joint Endeavor and Operation Able Sentry. This legislation provided that such service is treated in the same manner as if it were performed in a designated combat zone for purposes of the tax provisions, applicable to service in a designated combat zone. The legislation also made the suspension of time provisions of section 7508 applicable to certain other individuals participating in Operation Joint Endeavor. In addition, the legislation increased the maximum officer combat pay exclusion from $500 per month to the highest rate of pay applicable to enlisted personnel plus the amount of hostile fire/imminent danger pay received by the officer.

In 1997, the Congress enacted legislation authorizing procedural tax benefits with regard to Presidentially declared disasters in general. The legislation provided that the Secretary of the Treasury may prescribe regulations under which a period of up to 90 days may be disregarded for performing various acts under the Internal Revenue Code, such as filing tax returns, paying taxes, or filing a claim for credit or refund of tax, for any taxpayer determined by the Secretary to be affected by a Presidentially declared disaster (sec. 7508A). In 2001, the Congress amended section 7508A to extend from 90 to 120 the authorized period of days that may be disregarded by the Secretary.

II. Description of H.R. 2884, The "Victims of Terrorism Tax Relief Act of 2001"

A. RELIEF PROVISIONS FOR VICTIMS OF SPECIFIC TERRORIST ATTACKS

1. Income taxes of victims of terrorist attacks (sec. 101 of the bill and sec. 692 of the Code)

Present Law

An individual in active service as a member of the Armed Forces who dies while serving in a combat zone (or as result of wounds, disease, or injury received while serving in a combat zone) is not subject to income tax or self-employment tax for the year of death (as well as for any prior taxable year ending on or after the first day the individual served in the combat zone) (sec. 6929a)(1)). Special computational rules apply in the case of joint returns. Military and civilian employees of the United States are entitled to a similar exemption if they die as a result of wounds or injury which was incurred outside the United States in terrorist or military action (sec. 692(c)).

The exemption applies not only to the tax liability of the individual attributable to income received before the date of death and reported on the decedent's final return. The exemption applies also to the liability of another person to the extent the liability is attributable to an amount received after the individual's death which would have been includible in the individual's income for the taxable year in which the date of death falls (determined as if the individual had survived). For example, the individual's final wage payment, or interest or dividends payable in the year of death with respect to the individual's assets, are exempt from income tax when paid to another person or the individual's estate after the date of death but before the end of the taxable year of the decedent (determined without regard to the death).

This exemption is available for the year of death and for prior taxable years beginning with the taxable year prior to the taxable year in which the wounds or injury were incurred. Thus, for example, if someone is injured and dies in the year the injury occurred, the exemption applies for the year of death and the prior taxable year. Similarly, if someone is injured and dies two years later, this exemption is available for the taxable year of death as well as the three prior taxable years (i.e., the year preceding the injury, the year of the injury, and the two years following the year of the injury).

Explanation of Provision

Application of relief to victims of September 11, 2001, April 19, 1995, and anthrax attacks. The bill extends relief similar to the present-law treatment of military or civilian employees of the United States who die as a result of terrorist or military activity outside the United States to individuals who die as a result of wounds or injury which were incurred as a result of the terrorist attacks that occurred on September 11, 2001, or April 19, 1995, and individuals who die as a result of illness incurred due to an attack involving anthrax that occurs on or after September 11, 2001, and before January 1, 2002. Under the bill, such individuals generally are exempt from income tax for the year of death and for prior taxable years beginning with the taxable year prior to the taxable year in which the wounds or injury occurred. The exemption applies to these individuals whether killed in an attack (e.g., in the case of the September 11, 2001, attack in one of the four airplanes or on the ground) or in rescue or recovery operations.

The provision does not apply to any individual identified by the Attorney General to have been a participant or conspirator in any terrorist attack to which the provision applies, or a representative of such individual.

Simplified refund procedures. It is intended that the Secretary will establish procedures to simplify refunds of these amounts, including expanding the directions in Revenue Procedure 85–35 to include specific instructions for Form 1041.

Effective Date

The provision is effective for taxable years ending before, on, or after September 11, 2001.

A special rule extends the period of limitations to permit the filing of a claim for refund resulting from this provision until one year after the date of enactment, if that period would otherwise have expired before that date.

2. Exclusion of certain death benefits (sec. 102 of the bill and sec. 101 of the Code)

Present Law

In general, gross income includes income from whatever source derived (sec. 61), including payments made as a result of the death of an individual. Certain exceptions to this general rule of inclusion may apply to such payments in certain cases.

For example, gross income generally does not include the amount of any damages (other than punitive damages) received (whether by suit or agreement and whether as lump sums or as periodic payments) on account of personal physical injury (including death) or sickness (sec. 104(a)(2)). Further, gross income does not include amounts received (whether in a single sum or otherwise) under a life insurance contract if such amounts are paid by reason of the death of the insured (sec. 101(a)).

In addition, gifts are not includible in gross income (sec. 102). However, with very limited exceptions, payments made by an employer to, or for the benefit of, an employee are not excluded from gross income as gifts (sec. 102(c)). In business contexts in which section 102(c) does not apply, payments are excludable as gifts only if objective inquiry demonstrates that the payments were made out of "detached and disinterested generosity" and not in return for past or future services or from motives of anticipated benefit.

Explanation of Provision

The bill generally provides an exclusion from gross income for amounts received if such amounts are paid by an employer (whether in a single sum or otherwise) by reason of the death of an employee who dies as a result of wounds or injury which were incurred as a result of the terrorist attacks that occurred on September 11, 2001, or April 19, 1995, or as a result of illness incurred due to an attack involving anthrax that occurs on or after September 11, 2001, and before January 1, 2002. Subject to rules prescribed by the Secretary, the exclusion does not apply to amounts that would have been payable if the individual had died for a reason other than the attack. For example, the provision does not apply to payments by an employer under a nonqualified deferred compensation plan to the extent that the amounts would have been payable if the death had occurred for another reason.

For purposes of the exclusion, self-employed individuals are treated as employees. Thus, for example, payments by a partnership to the surviving spouse of a partner who died as a result of the September 11, 2001, attacks may be excludable under the provision.

The provision does not apply to any individual identified by the Attorney General to have been a participant or conspirator in any terrorist attack to which the provision applies, or a representative of such individual.

No change to present law is intended as to the deductibility of death benefits paid by the employer or otherwise merely because the payments are excludable by the recipient. Thus, it is intended that payments excludable from income under the provision are deductible to the same extent they would be if they were includible in income.

The bill is not intended to narrow the scope of any applicable exclusion under present law. Accordingly, payments that are not specifically excludable under the bill remain excludable to the same extent provided under present law.

In connection with the September 11, 2001, terrorist attacks, insurance companies may pay death benefits under a life insurance contract even if the contract terms provide for an exclusion for death occurring as a result of an act of terrorism or act of war. It is understood that such a death payment would fall within the present-law exclusion (under sec. 101(a)) for payments made under the contract if it otherwise meets the requirements of the present-law exclusion.

Effective Date

The provision is effective for taxable years ending before, on, or after September 11, 2001.

A special rule extends the period of limitations to permit the filing of a claim for refund resulting from this provision until one year after the date of enactment, if that period would otherwise have expired before that date.

3. Estate tax reduction (sec. 103 of the bill and sec. 2201 of the Code)

Present Law

Present law provides a reduction in Federal estate tax for taxable estates of U.S. citizens or residents who are active members of the U.S. Armed Forces and who are killed in action while serving in a combat zone (sec. 2201). This provision also applies to active service members who die as a result of wound, disease, or injury suffered while serving in a combat zone by reason of a hazard to which the service member was subjected as an incident of such service.

In general, the effect of section 2201 is to replace the Federal estate tax that would otherwise be imposed with a Federal estate tax equal to 125 percent of the maximum State death tax credit determined under section 2011(b). Credits against the tax, including the unified credit of section 2010 and the State death tax credit of section 2011, then apply to reduce (or eliminate) the amount of the estate tax payable.

The reduction in Federal estate taxes under section 2201 is equal in amount to the "additional estate tax" with respect to the estates of decedents dying before January 1, 2005. The additional estate tax is the difference between the Federal estate tax imposed by section 2001 and 125 percent of the maximum State death tax credit determined under section 2011(b). With respect to the estates of decedents dying after December 31, 2004, section 2001 provides that the additional estate tax is the difference between the Federal estate tax imposed by section 2001 and 125 percent of the maximum state death tax credit determined under section 2011(b) as in effect prior to its repeal by the Economic Growth and Tax Relief Reconciliation Act of 2001.

Explanation of Provision

The bill generally treats individuals who die from wounds or injury incurred as a result of the terrorist attacks that occurred on September 11, 2001, or April 19, 1995, as a result of illness incurred due to an attack involving anthrax that occurs on or after September 11, 2001, and before January 1, 2002, in the same manner as if they were active members of the U.S. Armed Forces killed in action while serving in a combat zone or dying as a result of wounds or injury suffered while serving in a combat zone for purposes of section 2201. Consequently, the estates of these individuals are eligible for the reduction in Federal estate tax provided by section 2201. The provision applies regardless of whether the individual was killed in the attack itself (e.g., in the case of the September 11, 2001, attack, in one of the four airplanes or on the ground) or in rescue or recovery operations. The provision does not apply to any individual identified by the Attorney General to have been a participant or conspirator in any terrorist attack to which the provision applies, or a representative or such individual.

The bill also changes the general operation of section 2201, as it applies to both the estates of service members who qualify for special estate tax treatment under present law and to the estates of individuals who qualify for the special treatment under the bill. Under the bill, the Federal estate tax is determined in the same manner for all estates that are eligible for Federal estate tax reduction under section 2201. In addition, the executor of an estate that is eligible for special estate tax treatment under section 2201 may elect not to have section 2201 apply to the estate. Thus, in the event that an estate may receive more favorable treatment without the application of section 2201 in the year of death than it would under section 2201, the executor may elect not to apply the provisions of section 2201, and the estate tax owed (if any) would be determined pursuant to the generally applicable rules.

Under the bill, section 2201 no longer reduces Federal estate tax by the amount of the additional estate tax. Instead, the bill provides that the Federal estate tax liability of eligible estates is determined under section 2001, using a rate schedule that is equal to 125 percent of the present-law maximum State death tax credit amount. This rate schedule is used to compute the tax under section 2001(b) (i.e., both the tentative tax under section 2001(b)(1) and the hypothetical gift tax under section 2201(b)(2) is computed using this rate schedule). As a result of this provision, the estate tax is unified with the gift tax for purposes of section 2201 so that a single graduated (but reduced) rate schedule applies to transfers made by the individual at death, based upon the cumulative taxable transfers made both during lifetime and at death.

In addition, while the bill provides an alternative reduced rate table for purposes of determining the tax under section 2201(b), the amount of the unified credit nevertheless is determined as if section 2201 did not apply, based upon the unified credit as in effect on the date of death. For example, in the case of victims of the September 11, 2001, terrorist attack, the applicable unified credit amount under section 2010(c) would be determined by reference to the actual section 2001(c) rate table.

As a conforming amendment, the bill repeals section 2011(d) because it no longer will have any application to taxpayers.

Effective Date

The provision applies to estates of decedents dying on or after September 11, 2001, or, in the case of victims of the Oklahoma City terrorist attack, estates of decedents dying on or after April 19, 1995.

A special rule extends the period of limitations to permit the filing of a claim for refund resulting from this provision until one year after the date of enactment, if that period would otherwise have expired before that date.

4. Payments by charitable organizations treated as exempt payments (sec. 104 of the bill and secs. 501 and 4941 of the Code)

Present Law

In general, organizations described in section 501(c)(3) of the Code are exempt from taxation. Contributions to such organizations generally are tax deductible (sec. 170). Section 501(c)(3) organizations must be organized and operated exclusively for exempt purposes and no part of the net earnings of such organizations may inure to the benefit of any private shareholder or individual. An organization is not organized or operated exclusively for one or more exempt purposes unless the organization serves a public rather than a private interest. Thus, an organization described in section 501(c)(3) generally must serve a charitable class of persons that is indefinite or of sufficient size.

Tax-exempt private foundations are a type of organization described in section 501(c)(3) and are subject to special rules. Private foundations are subject to excise taxes on acts of self-dealing between the private foundation and a disqualified person with respect to the foundation (sec. 4941). For example, it is self-dealing if the income or assets of a private foundation are transferred to, or used by or for the benefit of a disqualified person, such as a substantial contributor to the foundation or a person in control of the foundation, and the benefit is not incidental or tenuous.

Explanation of Provision

In light of the extraordinary distress caused by the attacks on the United States of September 11, 2001, and the subsequent attacks involving anthrax, the bill provides that organizations described in section 501(c)(3) that make payments by reason of the death, injury, wounding, or illness of an individual incurred as a result of the September 11, 2001, attacks, or as a result of an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002, are not required to make a specific assessment of need for the payments to be related to the purpose of function constituting the basis for the organization's exemption. This rule applies provided that the organization makes the payments in good faith using a reasonable and objective formula which is consistently applied and the payments further a public rather than a private interest. Therefore, as under present law, payments must serve a charitable class. For example, under this standard, a charitable organization that assists families of firefighters killed in the line of duty could make a pro-rata distribution to the families of firefighters killed in the attacks, even though the specific financial needs of each family are not directly considered. Similarly, if the amount of a distribution is based on the number of dependents of a charitable class of persons killed in the attacks and this standard is applied consistently among distributions, the specific needs of each recipient do not have to be taken into account. However, it would not be appropriate for a charity to make pro-rata payments based on the recipients' living expenses before September 11 if the result generally is to provide significantly greater assistance to person in a better position to provide for themselves than to persons with fewer financial resources. Although such a distribution might be based on objective criteria, it would not, under the statutory standard, be a reasonable formula for distributing assistance in an equitable manner. Similarly, although specific assessments of need are not required, payments that do not further public purposes are not permitted. The bill does not change the substantive standards for exemption under section 501(c)(3), including the prohibition on private inurement. It is impossible to list or anticipate the kinds of payments that meet the statutory test, but, in general, charitable that make distributions in good faith using a reasonable and objective formula will be treated as acting consistently with exempt purposes. A charity that makes payments subject to this provision should indicate clearly on the charity's information return, for example by notation at the top of the relevant page of the return, that the charity relied on this provision in making distributions. The bill also provides that if a private foundation makes payments under the conditions described above, the payment is not treated as made to a disqualified person for purposes of section 4941.

For charities making payments in connection with the September 11 attacks or attacks involving anthrax, but not in reliance on this provision, present law rules apply. It is expected that, because of the severity of distress arising out of the September 11 and anthrax attacks and the extensive variety of needs that the thousands of victims and their family members may have, a wide array of expenses will be consistent with operation for exclusively charitable purposes. For instance, payments to permit a surviving spouse with young children to remain at home with the children rather than being forced to enter the workplace seem to be appropriate to maintain the psychological well-being of the entire family. Similarly, assistance with elementary and secondary school tuition to permit a child to remain in the same educational environment seems to be appropriate, as does assistance needed for higher education. Assistance with rent or mortgage payments for the family's principal resident or car loans also seems to be appropriate to forestall losses of a home or transportation that would cause additional trauma to families already suffering. Other types of assistance that the scope of the tragedy makes it difficult to anticipate may also serve a charitable purpose.

Effective Date

The provision applies to payments made on or after September 11, 2001.

B. GENERAL RELIEF FOR VICTIMS OF DISASTERS AND TERRORISTIC OR MILITARY ACTIONS

1. Exclusion of disaster relief payments (sec. 201 of the bill and new sec. 139 of the Code)

Present Law

Taxation of disaster relief payments. Gross income includes all income from whatever source derived unless a specific exception applies (sec. 61). There is no specific statutory exclusion from income for disaster payments. However, various types of disaster payments made to individuals have been excluded from gross income under a general welfare exception. The exception has been held to exclude from income payments made under legislatively provided social benefit programs for the promotion of the general welfare. The general welfare exception generally applies if the payments (1) are made from a governmental general welfare fund, (2) are for the promotion of the general welfare (on the basis of need and not to all residents), and (3) are made without respect to services rendered by the recipient. The exclusion generally applies to payments for food, medical, housing, personal property, transportation, and funeral expenses.

The general welfare exception generally does not apply to payments in the nature of income replacement, such as payments to individuals for lost wages or unemployment compensation or payments in the nature of income replacement to businesses. Income replacement payments are includable in gross income, unless another exception applies.

Disaster relief payments may be excludable under other provisions. For example, payments made by charitable relief organizations may be excluded from the gross income of the recipients as gifts. Payments made in a business context generally are not treated as gifts. Factual issues may arise as to whether a payment in the context of a business relationship is a gift or taxable compensation for services. In general, payments made by an employer to, or for the benefit of, an employee are not excluded from gross income as gifts (sec. 102(c)).

Under present law, gross income generally does not include payments received as damages (other than punitive damages) on account of personal physical injury (including death) or sickness (sec. 104(a)(2)). Such payments are excluded from gross income regardless of whether received by suit or agreement and whether received as a lump sum or as periodic payments.

Section 406 of the Air Transportation Safety and System Stabilization Act provides for the payment of compensation for eligible individuals who suffered physical harm or death as a result of the terrorist-related aircraft crashes of September 11, 2001. There is no statutory provision specifically addressing the taxation of such compensation; however, such compensation may be excludable from income under generally applicable Code provisions (e.g., section 104).

Rules relating to charitable organizations. In general, organizations described in section 501(c)(3) of the Code are exempt from taxation. Contributions to such organizations generally are tax deductible (sec. 170). Section 501(c)(3) organizations must be organized and operated exclusively for exempt purposes and no part of the net earnings of such organizations may inure to the benefit of any private shareholder or individual. An organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, an organization described in section 501(c)(3) generally must serve a charitable class of persons that is indefinite or of sufficient size.

Tax-exempt private foundations are a type of organization described in section 501(c)(3) and are subject to special rules. Private foundations are subject to excise taxes on acts of self-dealing between the private foundation and a disqualified person with respect to the foundation (sec. 4941). For example, it is self-dealing if the income or assets of a private foundation are transferred to, or used by or for the benefit of a disqualified person, such as a substantial contributor to the foundation or a person in control of the foundation, and the benefit is not incidental or tenuous. Private foundations also are subject to excise taxes on taxable expenditures (sec. 4945). For example, it is a taxable expenditure if a private foundation pays an amount that does not further certain charitable purposes, or makes a grant to an individual for educational or other similar purposes without following certain procedures.

Explanation of Provision

Taxation of disaster relief payments. The bill clarifies that any amount received as payment under section 406 of the Air Transportation Safety and System Stabilization Act is excludable from gross income. In addition, the bill provides a specific exclusion from income for qualified disaster relief payments. No inference is intended as to the taxability of such payments under present law. In addition, the provision is not intended to preclude the exclusion of other types of payments under the general welfare exception or other Code provisions.

Qualified disaster relief payments include payments, from any source, to, or for the benefit of, an individual to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster. Personal, family, and living expenses are intended to have the same meaning as when used in section 262.

Qualified disaster relief payments also include payments, from any source, to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence, or for the repair or replacement of its contents, to the extent that the need for the repair, rehabilitation, or replacement is attributable to a qualified disaster. For purposes of determining the tax basis of a rehabilitated residence, it is intended that qualified disaster relief payments be treated in the same manner as amounts received on an involuntary conversion of a principal residence under section 121(d)(5) and sections 1033(b) and (h). A residence is not precluded from being a personal residence solely because the taxpayer does not own the residence; a rented residence can qualify as a personal residence.

Qualified disaster relief payments also include payments by a person engaged in the furnishing or sale of transportation as a common carrier on account of death or personal physical injuries incurred as a result of a qualified disaster. Thus, for example, payments made by commercial airlines to families of passengers killed as a result of a qualified disaster would be excluded from gross income.

Qualified disaster relief payments also include amounts paid by a Federal, State or local government in connection with a qualified disaster in order to promote the general welfare. As under the present law general welfare exception, the exclusion does not apply to payments in the nature of income replacement, such as payments to individuals of lost wages, unemployment compensation, or payments in the nature of business income replacement.

Qualified disaster relief payments do not include payments for any expenses compensated for by insurance or otherwise. No change from present law in intended as to the deductibility of qualified disaster relief payments, made by an employer or otherwise, merely because the payments are excludable by the recipients. In addition, in light of the extraordinary circumstances surrounding a qualified disaster, it is anticipated that individuals will not be required to account for actual expenses in order to qualify for the exclusion, provided that the amount of the payments can be reasonably expected to be commensurate with the expenses incurred.

Particular payments may come within more than one category of qualified disaster relief payments; the categories are not intended to be mutually exclusive. Qualified disaster relief payments also are excludable for purposes of self-employment taxes and employment taxes. Thus, no withholding applies to qualified disaster relief payments.

Under the bill, a qualified disaster includes a disaster which results from a terroristic or military action (as defined in section 692(c)(2), as amended by the bill), a Presidentially declared disaster, a disaster which results from an accident involving a common carrier or from any other event which would be determined by the Secretary to be of a catastrophic nature, or, for purposes of payments made by a Federal, State or local government, a disaster designated by Federal, State or local authorities to warrant assistance.

The exclusion from income under section 139 does not apply to any individual identified by the Attorney General to have been a participant or conspirator in the terrorist-related aircraft crashes of September 11, 2001, or any other terrorist attack, or to a representative of such individual.

Rules applicable to charitable organizations making disaster relief payments. Recognizing that employers and employees may also contribute to section 501(c)(3) organizations that make disaster relief payments, clarification of the type of disaster relief grants such organizations may make consistent with exempt purposes to assist individuals in distress as a result of the September 11 attacks, and more generally, may be helpful. Because the bill provides a special rule for certain payments made by reason of death, injury, wounding, or illness of an individual as a result of the September 11 attacks, and certain attacks involving anthrax, the following discussion relates to disaster relief generally.

Generally speaking a charitable organization must serve a public rather than a private interest. Providing assistance to relieve distress for individuals suffering the effects of a disaster generally serves a public rather than a private interest if the assistance benefits the community as a whole, or if the recipients otherwise lack the resources to meet their physical, mental and emotional needs. Such assistance could include cash grants to provide for food, clothing, housing, medical care, federal costs, transportation, education and other needs. All such grants must be need-based, taking into account the family's financial resources and their physical, mental and emotional well-being.

Charitable organizations generally are in the best position to determine the type and amount of, and appropriate beneficiaries for, disaster relief. Accordingly, it is expected that the Secretary will presume that a charity providing cash assistance in good faith to victims (and their family members) of a qualified disaster is acting consistent with the requirements of section 501(c)(3) if the class of beneficiaries is sufficiently large or indefinite and the charity can demonstrate that it is applying consistent, objective criteria for assessing need.

In addition to the rules described above that are applicable to all charities, special rules apply with respect to disaster relief provided by private foundations controlled by an employer. In such cases, clarification of the appropriate treatment of the foundation and the payments may be helpful. In general, a private foundation that is established and controlled by an employer violates the requirements of section 501(c)(3) if it provides benefits to a class of beneficiaries composed exclusively of the employer's employees, and such benefits are a form of compensation. The IRS recently held in a private letter ruling, and in similar rulings, that a private foundation that is established, funded and controlled by a particular employer for the purpose of providing disaster relief for employees of a particular employer does not qualify as a charitable organization under section 501(c)(3), because the foundation is not operated solely for charitable purposes and is providing a benefit on behalf of the employer in violation of the prohibition on private inurement. Although private letter rulings do not constitute precedent for other taxpayers, considerable uncertainty exists regarding IRS' position relating to employer-controlled private foundations making disaster relief payments to employee-beneficiaries.

If payments in connection with a qualified disaster are made by a private foundation to employees (and their family members) of an employer that controls the foundation, the presumption that the charity acts consistently with the requirements of section 501(c)(3) applies if the class of beneficiaries is large or indefinite and if recipients are selected based on an objective determination of need by an independent committee of the private foundation, a majority of the members of which are persons other than persons who are in a position to exercise substantial influence over the affairs of the controlling employer (determined under principles similar to those in effect under section 4958). The presumption does not apply to grants made to, or for the benefit of, a disqualified person or member of the selection committee. However, the absence of an independent selection committee does not necessarily mean that a foundation violates the requirements of section 501(c)(3). Other procedures and standards may be adequate substitutes to ensure that any benefit to the employer is incidental and tenuous. Similarly, providing need-based payments to employees and their survivors in response to a disaster other than a qualified disaster may well further charitable purposes consistent with the requirements of section 501(c)(3).

It is intended that an employer-controlled private foundation is not providing an inappropriate benefit and is not disqualified from exemption under section 501(c)(3) if it makes a payment to an employee or a family member of an employee (who is employed by an employer who controls the foundation) relieves distress caused by a qualified disaster as defined under section 139, provided that it awards grants based on an objective determination of need using either an independent selection committee or adequate substitute procedures, as described above. It is further intended that section 102(c) of the Code, which provides that a transfer from an employer to, or for the benefit of, an employee generally is not excludable from income as a gift, does not apply to such payments. It is further expected that the Service will reconsider the ruling position it has taken to ensure that private foundations established and controlled by employers will have appropriate guidance, consistent with the principles outlined above, on the circumstances under which they may provide disaster assistance in connection with a qualified disaster specifically to the employers' employees.

It is intended that the making by a private foundation of disaster relief payments that qualify for the presumption stated above (1) will not be treated as an act of self-dealing under section 4941 merely because the recipient is an employee (or family member of an employee) of a disqualified person with respect to the foundation, (2) will be treated as in furtherance of section 170(c)(2)(B) purposes, and (3) will be considered to meet the requirements of section 4945(g) to the extent that they apply. Moreover, contributions to a section 501(c)(3) organization administering relief in a manner outlined above (including those made by employers and any of their employees) are deductible under the generally applicable rules of section 170. Finally, it is confirmed that need-based payments made by an employer-controlled foundation to an individual for exclusive charitable purposes generally are excludable from the recipients' income as gifts. Thus, such payments made by a foundation to relieve distress caused by a qualified disaster are excludable from the recipients' income regardless of whether they fall within the scope of section 139, or any other such provision of the Code providing for an exclusion. The IRS is directed to issue prompt guidance to taxpayers relating to the requirements applicable to private foundations making disaster assistance payments. The principles discussed above should apply to foundations and public charities providing relief in response to both the September 11, 2001, disaster and future qualified disasters.

Effective Date

The provision applies to taxable years ending on or after September 11, 2001.

2. Authority to postpone certain deadlines and required actions (sec. 202 of the bill, sec. 7508A of the Code, and new sec. 518 and sec. 4002 of the Employee Retirement Income Security Act of 1974)

Present Law

In general. In general, the Secretary of the Treasury may prescribe regulations under which a period of up to 120 days may be disregarded for performing various acts under the Internal Revenue Code, such as filing tax returns, paying taxes, or filing a claim for credit or refund of tax, for any taxpayer determined by the Secretary to be affected by a Presidentially declared disaster (sec. 7508A).

The suspension of time may apply to the following acts: (1) Filing any return of income, estate, or gift tax (except employment and withholding taxes); (2) payment of any income, estate, or gift tax (except employment and withholding taxes); (3) filing a petition with the Tax Court for redetermination of a deficiency, or for review of a decision rendered by the Tax Court; (4) allowance of a credit or refund of any tax; (5) filing a claim for credit or refund of any tax; (6) bringing suit upon any such claim for credit or refund; (7) assessment of any tax; (8) giving or making any notice or demand for the payment of any tax: or with respect to any liability to the United States in respect of any tax; (9) collection of the amount of any liability in respect of any tax; (10) bringing suit by the United States in respect of any liability in respect of any tax; and (11) any other act required or permitted under the internal revenue laws specified in regulations prescribed by the Secretary of the Treasury.

Individuals may, if they choose, perform any of these acts during the period of suspension.

On September 13, 2001, the IRS issued Notice 2001-61 providing relief to taxpayers affected by the September 11, 2001, terrorist attack. Prior to issuance of this notice, the President had declared certain affected areas to be disaster areas. In addition, on September 14, 2001, the IRS issued Notice 2001-63 providing additional tax relief to taxpayers who found it difficult to meet their tax filing and payment obligations.

Employee benefit plans. Questions have arisen about the scope of section 7508A in relation to employee benefit plans. Some acts related to employee benefit plans are not clearly covered by the suspension. For example, a plan sponsor or plan administrator may be required to provide a notice to plan participants or to make a plan contribution, or a plan participant may be required to make a benefit election or take a distribution under the plan. In addition, some acts related to employee benefit plans may be required or provided for under the Employee Retirement Income Security Act ("ERISA") or under the terms of the plan, rather than under the Internal Revenue Code. For example, on September 14, 2001, the Department of Labor issued News Release No. 01-36, announcing that the Pension and Welfare Benefits Administration, the Internal Revenue Service, and the Pension Benefit Guaranty Corporation were extending the deadline for filing Form 5500 and Form 5500-EZ.

Explanation of Provision

In general. The bill redrafts section 7508A to expand its scope and to clarify its application. Specifically, the bill permits the Secretary to suspend the period of time under this provision for up to one year (increased from up to 120 days). The bill also clarifies that interest on underpayments may be waived or abated pursuant to section 7508A with respect to either a declared disaster or a terroristic or military action. The bill clarifies that the Secretary of the Treasury has the authority to postpone actions pursuant to section 7508A in response to a terroristic or military action, regardless of whether a disaster area has been declared by the President in connection with the action. The bill facilitates the prompt issuance of guidance by the Secretary of the Treasury with respect to section 7508A by removing the requirement that regulations be published listing the scope of additional actions that may be postponed pursuant to section 7508(a)(1)(K); accordingly, the Secretary may provide authoritative guidance via a notice or other mechanism of the Secretary's choice that may be issued more rapidly. It is intended that the Secretary construe this authority as broadly as is necessary and appropriate to respond to specific disasters or terroristic or military actions. The authority to postpone "any ... act" is sufficiently broad to encompass, for example, specific deadlines enumerated in the Code, such as those in section 1031 (relating to the exchange of property held for productive use or investment). Similarly, it is intended that the Secretary utilize this authority to address issues that arise from the discovery of tax information subsequent to the filing of a tax return that would affect the tax liability reported on that return.

Employee benefit plans. The bill expands and clarifies the scope of the deadlines and required actions that may be postponed pursuant to section 7508A. The bill provides that the Secretary of the Treasury may prescribe a period of up to one year which may be disregarded in determining the date by which any action by a pension or other employee benefit plan, or by a plan sponsor, administrator, participant, beneficiary or other person would be required or permitted to be completed. The bill provides similar authority to the Secretary of Labor and the Pension Benefit Guaranty Corporation with respect to actions within their respective jurisdictions.

The bill is not limited to actions under the Internal Revenue Code. Accordingly, actions under ERISA or under the terms of the plan come within the scope of this provision. Acts performed within the extended period are considered timely under the Internal Revenue Code, ERISA, and the plan. In addition, a plan is not treated as operating in a manner inconsistent with its terms or in violation of its terms merely because acts provided for under the plan are performed during the extended period.

Examples of acts covered by the provision include (1) the filing of a form with the IRS, Department of Labor or the pension Benefit Guaranty Corporation, (2) an employer's contribution to the plan of required quarterly amounts for the current year or the prior year minimum funding amounts, (3) the filing of an application for a waiver of the minimum funding standard, (4) the payment of premiums to the Pension Benefit Guarantee Corporation, (5) a participant's election of a form of benefits under a plan, (6) the plan administrator's distribution of benefits in accordance with a participant's election, (7) notice to an employee of eligibility for continuation coverage under a group health plan, and (8) an employee's election of continuation coverage.

Effective Date

The provision applies to disasters and terroristic or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation on or after the date of the enactment.

3. Application of certain provisions to terroristic or military actions (sec. 203 of the bill and secs. 104 and 692 of the Code)

Present Law

Taxation of disability income of U.S. employees related to terrorist activity outside the United States. Gross income does not include amounts received by an individual as disability income attributable to injuries incurred as a direct result of a terrorist attack (as determined by the Secretary of State) which occurred while the individual was performing official duties as an employee of the United States outside the United States (sec. 104(a)(5)).

Income tax relief for military and civilian U.S. employees who die as a result of terrorist activity outside the United States. Military and civilian employees of the United States who die as a result of wounds or injury incurred outside the United States in a terroristic or military action are not subject to income tax for the year of death and for prior taxable years beginning with the taxable year prior to the taxable year in which the wounds or injury were incurred. Accordingly, if such an individual is injured and dies in the same taxable year, this exemption from income tax is available for the taxable year of death as well as the prior taxable year.

Explanation of Provision

Taxation of disability income related to terrorist activity. The bill expands the present-law exclusion from gross income for disability income of U.S. civilian employees attributable to a terrorist attack outside the United States to apply to disability income received by any individual attributable to a terroristic or military action. The bill is not intended to apply to amounts that would have been payable even if the individual had not become disabled as a result of a terrorist or military action.

Income tax relief for individuals who die as a result of terrorist activity. The bill extends the income tax relief provided under present law to U.S. military and civilian personnel who die as a result of terroristic activity or military action outside the United States to such personnel regardless of where the terroristic activity or military action occurred.

Effective Date

The provision is effective for taxable years ending on or after September 11, 2001.

4. Clarification of due date for airline excise tax deposits (sec. 204 of the bill and sec. 301 of the Air Transportation Safety And Stabilization Act)

Present Law

Section 301 of the Air Transportation Safety and System Stabilization Act provides a special rule for the deposit of certain taxes. If a deposit of these taxes was required to be made after September 10, 2001, and before November 15, 2001, they are treated as timely made if deposited by November 15, 2001. The Secretary of the Treasury is given the authority to extend this deadline further, but no later than January 15, 2002. For eligible air carriers, the special deposit rules are applicable to the excise taxes imposed on air travel. The special deposit rules were also applied inadvertently to the deposit of the following employment taxes: both the employer and employee portions of FICA, railroad retirement taxes, and income taxes withheld by employers from employees.

Explanation of Provision

The applicability of these special deposit rules to employment taxes is repealed. The applicability of these special deposit rules to excise taxes is unaffected. It is intended that no penalties be imposed with respect to taxes that were not deposited timely in reliance on the provisions of the Air Transportation Safety and System Stabilization Act prior to the enactment of this provision.

Effective Date

The provision is effective as if included in section 301 of the Air Transportation Safety and System Stabilization Act.

5. Treatment of purchase of structured settlements (sec. 205 of the bill and new sec. 5891 of the Code)

Present Law

Present law provides tax-favored treatment for structured settlement arrangements for the payment of damages on account of personal injury or sickness.

Under present law, an exclusion from gross income is provided for amounts received for agreeing to a qualified assignment to the extent that the amount received does not exceed the aggregate cost of any qualified funding asset (sec. 130). A qualified assignment means any assignment of a liability to make periodic payments as damages (whether by suit or agreement) on account of a personal injury or sickness (in a case involving physical injury or physical sickness), provided the liability is assumed from a person who is a party to the suit or agreement, and the terms of the assignment satisfy certain requirements. Generally, these requirements are that (1) the periodic payments are fixed as to amount and time; (2) the payments cannot be accelerated, deferred, increased, or decreased by the recipient; (3) the assignee's obligation is no greater than that of the assignor; and (4) the payments are excludable by the recipient under section 104(a)(1) or (2) as workmen's compensation for personal injuries or sickness, or as damages on account of personal physical injuries or physical sickness.

A qualified funding asset means an annuity contract issued by an insurance company licensed in the U.S., or any obligation of the United States, provided the annuity contract or obligation meets statutory requirements. Ann annuity that is a qualified funding asset is not subject to the rule requiring current inclusion of the income on the contract which generally applies to annuity contract holders that are not natural persons (e.g., corporations) (sec. 72(u)(3)(C)). In addition, when the payments on the annuity are received by the structured settlement company and included in income, the company generally may deduct the corresponding payments to the injured person, who, in turn, excludes the payments from his or her income (sec. 104). Thus, neither the amount received for agreeing to the qualified assignment of the liability to pay damages, nor the income on the annuity that funds the liability to pay damages, generally is subject to tax.

The exclusion for recipients of the periodic payments received under a structured settlement arrangement as damages for personal physical injuries or physical sickness can be contrasted with the treatment of investment earnings that are not paid as damages. If a recipient of damages chooses to receive a lump sum payment (excludable from income under sec. 104), and then to invest it himself, generally the earnings on the investment are includable in income. For example, if he recipient uses the lump sum to purchase an annuity contract providing for periodic payments, then a portion of each payment under the annuity contract is includable in income, and the balance is excludable under present-law rules based on the ratio of the individual's investment in the contract to the expected return on the contract (sec. 72(b)).

Present law provides that the payments to the injured person under the qualified assignment cannot be accelerated, deferred, increased, or decreased by the recipient (sec. 130). Consistent with these requirements, it is understood that contracts under structured settlement arrangements generally contain anti-assignment clauses. It is understood, however, that injured persons may nonetheless be willing to accept discounted lump sum payments from certain "factoring" companies in exchange for their payment streams. The tax effect on the parties of these transactions may not be completely clear under present law.

Explanation of Provision

The bill generally imposes an excise tax on any person who acquires certain payment rights under a structured settlement arrangement from a structured settlement recipient for consideration. The amount of the excise tax is 40 percent of the excess of (1) the undiscounted amount of the payments being acquired, over (2) the total amount actually paid to acquire them.

The 40-percent excise tax does not apply, however, if the transfer is approved in advance in a final order, judgment or decree that: (1) finds that the transfer does not contravene any Federal or State statute or the order of any court or responsible administrative authority; (2) finds that the transfer is in the best interest of the payee, taking into account the welfare and support of the payee's dependents; and (3) is issued under an applicable State statute by a court or is issued by the responsible administrative authority. Rules are provided for determining the applicable State statute.

The provision also provides that the acquisition transaction does not affect the application of certain present-law rules, if those rules were satisfied at the time the structured settlement was entered into. The rules are section 130 (relating to an exclusion from gross income for personal injury liability assignments), section 72 (relating to annuities), sections 104(a)(1) and (2) (relating to an exclusion for amounts received under workers' compensation acts and for damages on account of personal physical injuries or physical sickness), and section 461(h) (relating to the time of economic performance in determining the taxable year of a deduction).

Effective Date

The provision generally is effective for acquisition transactions entered into on or after 30 days following enactment. A transition rule applies during the period from that date to July 1, 2002. Under the transition rule, if no applicable State law (relating to the best interest of the payee) applies to a transfer during that period, then the exception from the 40 percent excise tax is available without the otherwise required court (or administrative) order, provided certain disclosure requirements are met. Under the transition rule, the person acquiring the structured settlement payments is required to disclose in advance to the payee: (1) the amounts and due dates of the payments to be transferred; (2) the aggregate amount to be transferred; (3) the consideration to be received by the payee; (4) the discounted present value of the transferred payments; and (5) the expenses to be paid by the payee or deducted from the payees's proceeds.

The provision providing that the acquisition transaction does not affect the application of certain present-law rules is effective for transactions entered into on or after the 30th day following enactment.

6. Personal exemption deduction for certain disability trusts (sec. 206 of the bill and sec. 642 of the Code)

Present Law

Present law provides a $300 personal exemption for trusts that are required by their governing instruments to currently distribute all of their income. For other trusts, present law provides a $100 personal exemption. These deductions are in lieu of the personal exemption that generally is provided under section 151 for individuals (sec. 642(b)).

Under present law, a grantor who transfers property to a trust while retaining certain powers or interests over the trust is treated as the owner of the trust for income tax purposes under the so-called "grantor trust rules" (secs. 671–677). Similarly, a third party who is not adverse to the grantor is treated as the owner of the trust under these rules to the extent that the third party is granted certain powers over the trust. If a grantor or third party is treated as the owner of a trust (a "grantor trust"), the income and deductions of the trust are included directly in the taxable income of the grantor or third party. Because the personal exemption under section 642(b) applies to income that is taxable to a trust (rather than a grantor or third party), the personal exemption under section 642(b) does not apply to grantor trusts.

Explanation of Provision

The bill provides that certain disability trusts may claim a personal exemption in an amount that is based upon the personal exemption provided for individuals under section 151(d), rather than the $300 or $100 personal exemption provided under present law. The provision applies to disability trusts described in certain subsections of 42 U.S.C. sec. 1396p (relating to liens, adjustments, transfers of assets, and the treatment of trust amounts for purposes of determining eligibility for benefits under Medicaid State plans).

The provision only applies to disability trusts the beneficiaries of which are disabled (other than holders of a remainder or reversionary interest in the trust), within the meaning of 42 U.S.C. sec. 1382c(a)(3) (relating to the definition of a "disabled individual" for purposes of determining eligibility for Supplemental Security Income), and only if such beneficiaries are receiving government disability benefits based upon a determination of disability under 42 U.S.C. sec. 1382c(a)(3).

The provision applies if all of the beneficiaries of the trust at the end of the taxable year are determined under 42 U.S.C. sec. 1382c(a)(3) to be disabled for some portion of such year. Thus, a disability trust may claim the personal exemption under the provision even if one or more of the beneficiaries becomes no longer disabled during the taxable year. However, the trust may claim the personal exemption for the following taxable year only if such individual or individuals are no longer beneficiaries of the trust at the end of the following taxable year (i.e., all remaining beneficiaries of the trust at the end of the following taxable year are disabled or were disabled during some portion of such year). In the case of a disability trust with a single beneficiary, the trust may claim the personal exemption under the provision for the taxable year during which the beneficiary becomes no longer disabled, but not for subsequent taxable years.

The personal exemption provided for disability trusts under the provision is equal in amount to the section 151(d) personal exemption for unmarried individuals with no dependents and is subject to a phaseout, which is determined by reference to the phaseout of the personal exemption for such individuals under sec. 151(d)(3)(C)(iii). For purposes of computing the phaseout of the personal exemption under the provision, the adjusted gross income of the trust is determined by reference to section 67(e) (relating to the determination of adjusted gross income of estates and trusts for purposes of computing the 2-percent floor on miscellaneous itemized deductions).

The provision does not affect the determination of whether a disability trust is treated as a grantor trust under the present-law grantor trust rules, and does not change the inapplicability of the personal exemption under section 642(b) to grantor trusts. Thus, the provision does not apply to disability trusts that are treated as grantor trusts.

Effective Date

The provision applies to taxable years of disability trusts ending on or after September 11, 2001.

C. TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001

1. Special depreciation allowance for certain property (sec. 301(a) of the bill and new sec. 1400L of the Code)

Present Law

Depreciation deductions. A taxpayer is allowed to recover, through annual depreciation deductions, the cost of certain property used in a trade or business or for the production of income. The amount of the depreciation deduction allowed with respect to tangible property for a taxable year is determined under the modified accelerated cost recovery system ("MACRS"). Under MACRS, different types of property generally are assigned applicable recovery periods and depreciation methods. The recovery periods applicable to most tangible personal property (generally tangible property other than residential rental property and nonresidential real property) range from 3 to 25 years. The depreciation methods generally applicable to tangible personal property are the 200-percent and 150-percent declining balance methods, switching to the straight-line method for the taxable year in which the depreciation deduction would be maximized. In lieu of depreciation, a taxpayer with a sufficiently small amount of annual investment may elect to deduct up to $24,000 (for taxable years beginning in 2001 or 2002) of the cost of qualifying property placed in service for the taxable year (sec. 179). For taxable years beginning in 2003 and thereafter, the amount deductible under section 179 is increased to $25,000.

Section 167(f)(1) provides that capitalized computer software costs, other than computer software to which section 197 applies, are recovered ratably over 36 months.

Explanation of Provision

The provision allows an additional first-year depreciation deduction equal to 30 percent of the adjusted basis of qualified New York Liberty Zone ("Liberty Zone") property. The additional depreciation deduction is allowed for both regular tax and alternative minimum tax purposes for the taxable year in which the property is placed in service. The basis of the property and the depreciation allowances in the year of purchase and later years are appropriately adjusted to reflect the additional first-year depreciation deduction. A taxpayer is allowed to elect out of the additional first-year depreciation for any class of property for any taxable year.

Property qualifies for the additional first-year depreciation deduction if the property is (1) property to which MACRS applies except qualified leasehold improvement property and any railroad grading or tunnel bore, or (2) computer software other than computer software covered by section 197 and, substantially all of the use of such property is in the Liberty Zone. In order to be qualified Liberty Zone property, the original use of the property in the Liberty Zone must commence with the taxpayer on or after September 11, 2001. A special rule precludes the additional first-year depreciation deduction for property that is required to be depreciated under the alternative depreciation system of MACRS.

In addition, property qualifies only if acquired by purchase by the taxpayer (1) after September 10, 2001 and placed in service on or before December 31, 2006, and no binding written contract for the acquisition is in effect before September 11, 2001. For nonresidential real property and residential rental property the property must be placed in service on or before December 31, 2009 in lieu of December 31, 2006. Finally, property that is manufactured, constructed, or produced by the taxpayer for use by the taxpayer qualifies if the taxpayer begins the manufacture, construction, or production of the property after September 10, 2001, and the property is placed in service on or before December 31, 2006 (and all other requirements are met). Property that is manufactured, constructed, or produced for the taxpayer by another person under a contract that is entered into prior to the manufacture, construction, or production of the property is considered to be manufactured, constructed, or produced by the taxpayer.

The Liberty Zone means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

The following examples illustrate the operation of the provision.

Example 1.—Assume that on March 1, 2002, a calendar year taxpayer acquires and places in service qualified property in the Liberty Zone that costs $1 million. Under the provision, the taxpayer is allowed an additional first-year depreciation deduction of $300,000. The remaining $700,000 of adjusted basis is recovered in 2002 and subsequent years pursuant to the depreciation rules of present law.

Example 2.—Assume that on March 1, 2002, a calendar year taxpayer acquires and places in service qualified property in the Liberty Zone that costs $100,000. In addition, assume that the property qualifies for the expensing election under section 179. Under the provision, the taxpayer is first allowed a $59,000 deduction under section 179. The taxpayer then is allowed an additional first-year depreciation deduction of $12,300 based on $41,000 ($100,000 original cost less the section 179 deduction of $59,000) of adjusted basis. Finally, the remaining adjusted basis of $28,700 ($41,000 adjusted basis less $12,300 additional first-year depreciation) is to be recovered in 2002 and subsequent years pursuant to the depreciation rules of present law.

2. Treatment of qualified leasehold improvement property (sec. 301(b) of the bill and new sec. 1400L of the Code)

Present Law

Depreciation of leasehold improvements. Depreciation allowances for property used in a trade or business generally are determined under the modified Accelerated Cost Recovery System ("MACRS") of section 168. Depreciation allowances for improvements made on leased property are determined under MACRS, even if the MACRS recovery period assigned to the property is longer than the term of the lease (sec. 168(i)(8)). This rule applies regardless whether the lessor or lessee places the leasehold improvements in service. If a leasehold improvement constitutes an addition or improvement to nonresidential real property already placed in service, the improvement is depreciated using the straight-line method over a 39-year recovery period, beginning in the month the addition or improvement was placed in service (secs. 168(b)(3), (c)(1), (d)(2), and (i)(6)).

Treatment of dispositions of leasehold improvements. A lessor of leased property that disposes of a leasehold improvement which was made by the lessor for the lessee of the property may take the adjusted basis of the improvement into account for purposes of determining gain or loss if the improvement is irrevocably disposed of or abandoned by the lessor at the termination of the lease. This rule conforms the treatment of lessors and lessees with respect to leasehold improvements disposed of at the end of a term or lease. For purposes of applying this rule, it is expected that a lessor must be able to separately account for the adjusted basis of the leasehold improvement that is irrevocably disposed of or abandoned. This rule does not apply to the extent section 280B applies to the demolition of a structure, a portion of which may include leasehold improvements.

Explanation of Provision

The provision provides that 5-year property for purposes of the depreciation rules of section 168 includes qualified leasehold improvement property place in service after September 10, 2001 and before January 1, 2007. The straight-line method is required to be used with respect to qualified leasehold improvement property.

Qualified leasehold improvement property is any improvement to an interior portion of a building that is nonresidential real property if such building is located in the New York Liberty Zone, provided certain requirements are met. The improvement must be made under or pursuant to a lease either by the lessee (or sublessee) of that portion of the building, or by the lessor of that portion of the building. That portion of the building is to be occupied exclusively by the lessee (or any sublessee). The improvement must be placed in service more than three years after the date the building was first placed in service.

Qualified leasehold improvement property does not include any improvement for which the expenditure is attributable to the enlargement of the building, any elevator or escalator, any structural component benefiting a common area, or the internal structural framework of the building.

A 9-year period is specified as the class life of qualified leasehold improvement property for purposes of the alternative depreciation system. Therefore, the general rule that the class life for nonresidential real and residential rental property is 40 years does not apply to qualified leasehold improvement property.

For purposes of the provision, a commitment to enter into a lease is treated as a lease, and the parties to the commitment are treated as lessor and lessee. A lease between related persons is not considered a lease for this purpose.

Under the provision, an improvement made by the person who was the lessor of the improvement when it was placed in service generally is treated as qualified leasehold improvement property only so long as the improvement is held by that person. Exceptions are provided under this rule in the case of certain changes in form of business. Under these exceptions, property does not cease to be qualified leasehold improvement property under the provision by reason of (1) death, (2) a transaction to which section 381 (relating to carryovers in certain corporate acquisitions) applies, or (3) a mere change in the form of conducting the trade or business so long as the property is retained in the business as qualified leasehold improvement property and the taxpayer retains a substantial interest in the business.

3. Increase in expensing treatment for business property used in the New York Liberty Zone (sec. 301(c) of the bill and new sec. 1400L of the Code)

Present Law

Present law provides that, in lieu of depreciation, a taxpayer with a sufficiently small amount of annual investment may elect to deduct up to $24,000 (for taxable years beginning in 2001 or 2002) of the cost of qualifying property placed in service for the taxable year (sec. 179). This amount is increased to $25,000 of the cost of qualified property placed in service for taxable years beginning in 2003 and thereafter. The $24,000 ($25,000 for taxable years beginning in 2003 and thereafter) amount is phased-out (but not below zero) by the amount by which the cost of qualifying property placed in service during the taxable year exceeds $200,000.

Additional section 179 incentives are provided with respect to a qualified zone property used by a business in an empowerment zone (sec. 1397A). Such a business may elect to deduct an additional $20,000 (i.e., a total of $44,000) of the cost of qualified zone property placed in service in year 2001. The $20,000 amount is increased to $35,000 for taxable years beginning in 2002 and thereafter. In addition, the phase-out range is applied by taking into account only 50 percent of the cost of qualified zone property that is section 179 property.

The amount eligible to be expensed for a taxable year may not exceed the taxable income for a taxable year that is derived from the active conduct of a trade or business (determined without regard to this provision). Any amount that is not allowed as a deduction because of the taxable income limitation may be carried forward to succeeding taxable years (subject to similar limitations). No general business credit under section 38 is allowed with respect to any amount for which a deduction is allowed under section 179.

Explanation of Provision

The provision increases the amount a taxpayer can deduct under section 179 for qualifying property used in the New York Liberty Zone. Specifically, the provision increases the maximum dollar amount that may be deducted under section 179 by the lesser of (1) $35,000 or (2) the cost of qualifying property placed in service during the taxable year. This amount is in addition to the amount otherwise deductible under the present-law rules of section 179.

Qualifying property means section 179 property purchased and placed in service by the taxpayer after September 10, 2001 and before January 1, 2007, where (1) substantially all of its use in the New York Liberty Zone in the active conduct of a trade or business by the taxpayer in the zone, and (2) the original use of which in the New York Liberty Zone commences with the taxpayer after September 10, 2001.

As under present law with respect to empowerment zones, the phase-out range for the section 179 deduction attributable to New York Liberty Zone property is applied by taking into account only 50 percent of the cost of New York Liberty Zone property that is section 179 property. Also, no general business credit under section 38 is allowed with respect to any amount for which a deduction is allowed under section 179.

4. Authorize issuance of tax-exempt private activity bonds for rebuilding the portion of New York City damaged in the September 11, 2001, terrorist attack (sec. 301(d) of the bill and new sec. 1400L of the Code)

Present Law

Rules governing issuance of tax-exempt bonds

In general

Interest on debt incurred by States or local governments is excluded from income if the proceeds of the borrowing are used to carry out governmental functions of those entities or the debt is repaid with governmental funds (sec. 103). Interest on bonds that nominally are issued by States or local governments, but the proceeds of which are used (directly or indirectly) by a private person and payment of which is derived from funds of such a private person is taxable unless the purpose of the borrowing is approved specifically in the Code or in a non-Code provision of a revenue Act. These bonds are called "private activity bonds." The term "private person" includes the Federal Government and all other individuals and entities other than States or local governments.

Private activities eligible for financing with tax-exempt private activity bonds

Present law includes several exceptions permitting States or local governments to act as conduits providing tax-exempt financing for private activities. Both capital expenditures and limited working capital expenditures of charitable organizations described in section 501(c)(3) of the Code ("qualified 501(c)(3) bonds") may be financed with tax-exempt bonds.

States or local governments may issue tax-exempt "exempt-facility bonds" to finance property for certain private businesses. Business facilities eligible for this financing include transportation (airports, ports, local mass commuting, and high speed intercity rail facilities); privately owned and/or privately operated public works facilities (sewage, solid waste disposal, local district heating or cooling, and hazardous waste disposal facilities); privately owned and/or operated low-income rental housing; and certain private facilites for the local furnishing of electricity or gas. A further provision allows tax-exempt financing for "environmental enhancements of hydro-electric generating facilities." Tax-exempt financing also is authorized for capital expenditures for small manufacturing facilities and land and equipment for first-time farmers ("qualified small-issue bonds"), local redevelopment activities ("qualified redevelopment bonds"), and eligible empowerment zone and enterprise community businesses.

Tax-exempt private activity bonds also may be issued to finance limited non-business purposes: certain student loans and mortgage loans for owner-occupied housing ("qualified mortgage bonds" and "qualified veterans' mortgage bonds"). Purchasers of houses financed with qualified mortgage bonds must be first-time homebuyers satisfying prescribed income limits, the purchase prices of the houses is limited, the amount by which interest rates charged to homebuyers may exceed the interest paid by issuers is restricted, and a recapture provision applies to target the benefit to purchasers having longer-term need for the subsidy provided by the bonds. Qualified veterans' mortgage bonds are not subject to these limitations, but these bonds may only be issued by five States and may only be used to finance mortgage loans to veterans who served on active duty before January 1, 1977.

With the exception of qualified 501(c)(3) bonds, private activity bonds may not be issued to finance working capital requirements of private businesses.

In most cases, the aggregate volume of tax-exempt private activity bonds that may be issued in a State is restricted by annual volume limits. These annual volume limits are equal to $62.50 per resident of the State, or $187.5 million of greater. The volume limits are scheduled to increase to the greater of $75 per resident of the State or $225 million in calendar year 2002. After 2002, the volume limits will be indexed annually for inflation.

Arbitrage restrictions on tax-exempt bonds

The Federal income tax does not apply to the income of States and local governments that is derived from the exercise of an essential governmental function. To prevent these tax-exempt entities from issuing more Federally subsidized tax-exempt bonds than is necessary for the activity being financed or from issuing such bonds earlier than needed for the purpose of the borrowing, the Code includes arbitrage restrictions limiting the ability to profit from investment of tax-exempt bond proceeds. In general, arbitrage profits may be earned only during specified periods (e.g., defined "temporary periods" before funds are needed for the purpose of the borrowing) or on specified types of investments (e.g. "reasonably required reserve or replacement funds"). Subject to limited exceptions, profits that are earned during these periods or on such investments must be rebated to the Federal Government. Governmental bonds are subject to less restrictive arbitrage rules than most private activity bonds.

Miscellaneous additional restrictions on tax-exempt bonds

Several additional restrictions apply to the issuance of tax-exempt bonds. First, private activity bonds (other than qualified 501(c)(3) bonds) may not be advance refunded. Governmental bonds and qualified 501(c)(3) bonds may be advance refunded one time. An advance refunding occurs when the refunded bonds are not retired within 90 days of issuance of the refunding bonds.

Issuance of private activity bonds is subject to restrictions on use of proceeds for the acquisition of land and existing property, use of proceeds to finance certain specified facilities, (e.g., airplanes, skyboxes, other luxury boxes, health club facilities, gambling facilities, and liquor stores) and use of proceeds to pay costs of issuance (e.g., bond counsel and underwriter fees). Additionally, the term of the bonds generally may not exceed 120 percent of the economic life of the property being financed and certain public approval requirements (similar to requirements that typically apply under State law to issuance of governmental debt) apply under Federal law to issuance of private activity bonds. Present law precludes substantial users of property financed with private activity bonds from owning the bonds to prevent their deducting tax-exempt interest paid to themselves. Finally, owners of most private-activity-bond-financed property are subject to special "change-in-use" penalties if the use of the bond-financed property changes to a use that is not eligible for tax-exempt financing while the bonds are outstanding.

Explanation of Provision

The provision authorizes issuance of $15 billion of tax-exempt private activity bonds to finance the construction and rehabilitation of commercial and residential rental real property in a newly designated Liberty Zone ("Zone") of New York City. Property eligible for financing with these bonds includes buildings and their structural components, fixed tenant improvements, and public utility property (e.g., gas, water, electric and telecommunication lines), all as designated by the Governor of New York. Bonds authorized under the provision for the Zone may be issued during the period January 1, 2002 through December 31, 2004. The Zone is defined as the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan.

If the Governor determines that it is not feasible to use all of the authorized bond proceeds for property located in the Zone, up to $7 billion of bond proceeds may be used for the construction and rehabilitation of nonresidential real property (including fixed tenant improvements) located outside the Zone and within New York City. Bond-financed property located outside the Zone is required to meet the additional requirement that the project have at least 100,000 square feet of usable office or other commercial space in a single building or multiple adjacent buildings.

Subject to the following exceptions and modifications, issuance of these tax-exempt bonds is subject to the general rules applicable to issuance of exempt-facility private activity bonds: (1) Issuance of the bonds is not subject to the aggregate annual State private activity bond volume limits (sec. 146); (2) the restriction on use of private activity bond proceeds to finance land acquisition is determined by reference to the $15 billion amount of bonds authorized under the provision rather than by reference to individual bond issues (sec. 147(c)); (3) the restriction on acquisition of existing property is applied using a minimum requirement of 50 percent of the cost of acquiring the building being devoted to rehabilitation (sec. 147(d)); (4) the special arbitrage expenditure rules for certain construction bond proceeds apply to construction proceeds of the bonds (sec. 148(f)(4)(C)); (5) loan repayments may not be used to originate new loans; (6) interest on the bonds is not a preference item for purposes of the alternative minimum tax preference for private activity bond interest (sec. 57(a)(5)); and (7) property located within the Zone that is financed with proceeds of these bonds (but not such property that is located outside the Zone) is not considered tax-exempt bond financed property to the extent of such financing and is eligible for cost recovery deductions computed under the general MACRS system and the bonus depreciation provided under the provision (to the extent that the property otherwise qualifies for these benefits).

Effective Date

The provision is effective for bonds issued during the period January 1, 2002 through December 31, 2004.

5. Extension of replacement period for certain property involuntarily converted in the New York Liberty Zone (sec. 301(e) of the bill and new sec. 1400L of the Code)

Present Law

A taxpayer may elect not to recognize gain with respect to property that is involuntarily converted if the taxpayer acquires within an applicable period (the "replacement period") property similar or related in service or use (sec. 1033). If the taxpayer does not replace the converted property with property similar or related in service or use, then gain generally is recognized. If the taxpayer elects to apply the rules of section 1033, gain on the converted property is recognized only to the extent that the amount realized on the conversion exceeds the cost of the replacement property. In general, the replacement period begins with the date of the disposition of the converted property and ends two years after the close of the first taxable year in which any part of the gain upon conversion is realized. The replacement period is extended to three years if the converted property is real property held for the productive use in a trade business or for investment.

Special rules apply for property converted in a Presidentially declared disaster. With respect to a principal residence that is converted in a Presidentially declared disaster, no gain is recognized by reason of the receipt of insurance proceeds for unscheduled personal property that was part of the contents of such residence. In addition, the replacement period for the replacement of such a principal residence is extended to four years after the close of the first taxable year in which any part of the gain upon conversion is realized. With respect to investment or business property that is converted in a Presidentially declared disaster, any tangible property acquired and held for productive use in a business is treated as similar or related in service or use to the converted property.

Explanation of Provision

The provision extends the replacement period to five years for a taxpayer to purchase property to replace property that was involuntarily converted within the New York Liberty Zone as a result of the terrorist attacks that occurred on September 11, 2001. However, the five-year period is available but only if substantially all of the use of the replacement property is in New York City. In all other cases, the present-law replacement period rules continue to apply.

Effective Date

The provision is effective for property in the New York Liberty Zone involuntarily converted as a result of the terrorist attacks occurring on September 11, 2001.

D. DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS

(SEC. 401 OF THE BILL AND SEC. 6103 OF THE CODE)

Present Law

In general. Returns and return information are confidential (sec. 6103). A "return" is any tax return, information return, declaration of estimated tax, or claim for refund filed under the Code on behalf of or with respect to any person. The term return also includes any amendment or supplement, including supporting schedules, attachments, or lists, which are supplemental to or are part of a filed return. Return information is defined broadly. It includes the following information: A taxpayer's identity, the nature, source or amount of income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments; whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing; any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense; any part of any written determination or any background file document relating to such written determination which is not open to public inspection under section 6110; Any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to the agreement or any application for an advance pricing agreement; and any agreement under section 7121 (relating to closing agreements), and any similar agreement, and any background information related to such agreement or request for such agreement (sec. 6103(b)(2)).

The term "return information" does not include data in a form that cannot be associated with or otherwise identify, directly or indirectly, a particular taxpayer. "Taxpayer return information" means return information which is filed with,or furnished to, the Internal Revenue Service by or on behalf of the taxpayer to whom such return information relates.

Section 6103 provides that returns and return information may not be disclosed by the IRS, other Federal employees, State employees, and certain others having access to the information except as provided in the Internal Revenue Code. Section 6103 contains a number of exceptions to this general rule of nondisclosure that authorize disclosure in specially identified circumstances (including nontax criminal investigations) when certain conditions are satisfied.

Recordkeeping and safeguard requirements also are imposed. These requirements establish a system of records to keep track of disclosure requests and disclosures and to ensure that the information is securely stored and that access to the information is restricted to authorized persons. These conditions and safeguards are intended to ensure that an individual's right to privacy is not unduly compromised and the information is not misused or improperly disclosed. The IRS also must submit reports to the Joint Committee on Taxation and to the public regarding requests for and disclosures made of returns and return information 90 days after the close of the calendar year (sec. 6103(p)(3)). Criminal and civil sanctions apply to the unauthorized disclosure or inspection of returns and return information (secs. 7213, 7213A, and 7431).

Disclosure of returns and return information for use in nontax criminal investgations—by ex parte court order

A Federal agency enforcing a nontax criminal law must obtain an ex parte court order to receive a return or taxpayer return information (i.e., that information submitted by or on behalf of a taxpayer to the IRS) (sec. 6103(i)(1)). Only the Attorney General, Deputy Attorney General, Assistant Attorney Generals, United States Attorneys, Independent Counsels, or an attorney in charge of an organized crime strike force may authorize an application for the order.

For a judge or magistrate to grant such an order, the application must demonstrate that: There is reasonable cause to believe, based upon information believed to be reliable, that a specific criminal act has been committed; there is reasonable cause to believe that the return or return information is or may be relevant to a matter relating to the commission of such act; the return or return information is sought exclusively for use in a Federal criminal investigation or proceeding concerning such act; and the information sought reasonably cannot be obtained, under the circumstances, from another source.

Pursuant to the ex parte order, the information may be disclosed to officers and employees of the Federal agency who are personally and directly engaged in (1) the preparation for any judicial or administrative proceeding pertaining to the enforcement of a specifically designated Federal criminal statute (not involving tax administration) to which the United States or such agency is a party, (2) any investigation which may result in such a proceeding, or (3) any Federal grand jury proceeding pertaining to enforcement of such a criminal statute to which the United States or such agency is or may be a party.

A Federal agency may obtain, by ex parte court order, the return and return information of a fugitive from justice for purposes of locating such individual (sec. 6103(i)(5)). The application for an ex parte order must establish that (1) a Federal felony arrest warrant has been issued and taxpayer is a fugitive from justice, (2) the return or return information is sought exclusively for locating the fugitive taxpayer, and (3) reasonable cause exists to believe the information may be relevant in determining the location of the fugitive. Only the Attorney General, Deputy

Attorney General, Assistant Attorney Generals, United States Attorneys, Independent Counsels, or an attorney in charge of an organized crime strike force may authorize an application for this order. Once a court grants the application for an ex parte order, the return or return information may be disclosed to any Federal agency exclusively for purposes of locating the fugitive individual.

Agency request procedure for disclosure of return information other than taxpayer return information to the IRS for use in criminal investigations

For nontax criminal investigations, Federal agencies can obtain return information, other than taxpayer return information, without a court order. For nontax criminal purposes, the head of a Federal agency and other persons specifically identified by section 6103 may make a written request for return information that was not provided to the IRS by the taxpayer or his representative (sec. 6103(i)(2)). The written request must contain: The taxpayer's name, and address; the taxable period for which the information is sought; the statutory authority under which the criminal investigation or judicial, administrative or grand jury proceeding is being conducted; and the reasons why such disclosure is or may be relevant to the investigation or proceeding. Unlike the requirements for an ex parte order, the requesting agency does not have to demonstrate that the information sought is not reasonably available elsewhere.

Disclosure of return information to apprise appropriate officials of criminal activities or emergency circumstances

Criminal activities

Section 6103 permits the IRS to disclose return information (other than taxpayer return information) that may be evidence of a crime (sec. 6103(i)(3)(A)). The IRS may make the disclosure in writing to the head of a Federal agency charged with enforcing the laws to which the crime relates. Return information also may be disclosed to apprise Federal law enforcement of the imminent flight of any individual from Federal prosecution. The IRS may not disclose returns under this provision.

Emergency circumstances

In cases of imminent danger of death or physical injury to an individual, the IRS may disclose return information to Federal and State law enforcement agencies (sec. 6103(i)(3)(B)). The statute does not grant authority, however, to disclose return information to local law enforcement, such as city, county, or town police. The statute does not permit the IRS to disclose return information concerning terrorist activities, if there is no imminent danger of death or physical injury to an individual.

Tax convention information. With limited exceptions, the Code prohibits the disclosure of tax convention information (sec. 6105). A tax convention is any: (1) income tax or gift and estate tax convention, or (2) other convention or bilateral agreement (including multilateral conventions and agreements and any agreement with a possession of the United States) providing for the avoidance of double taxation, the prevention of fiscal evasion, nondiscrimination with respect to taxes, the exchange of tax relevant information with the United States, or mutual assistance in tax matters. Tax convention information is any: (1) agreement entered into with the competent authority of one or more foreign governments pursuant to a tax convention; (2) application for relief under a tax convention; (3) background information related to such agreement or application; (4) document implementing such agreement; and (5) other information exchanged pursuant to a tax convention which is treated as confidential or secret under the tax convention.

The general rule that tax convention information cannot be disclosed does not apply to the disclosure of tax convention information to persons or authorities (including courts and administrative bodies) that are entitled to disclosure under the tax convention and any generally applicable procedural rules regarding applications for relief under a tax convention. It also does not apply to the disclosure of tax convention information not relating to a particular taxpayer if the IRS determines, after consultation with the parties to the tax convention, that such disclosure would not impair tax administration.

Explanation of Provision

In general. The bill expands the availability of returns and return information for purposes of investigating terrorist incidents, threats, or activities, and for analyzing intelligence concerning terrorist incidents, threats, or activities. In general, under the bill, returns and taxpayer return information must be obtained pursuant to an ex parte court order. Return information, other than taxpayer return information, generally is available upon a written request meeting specific requirements. Present-law safeguards, recordkeeping, reporting requirements, and civil and criminal penalties for unauthorized disclosures apply to disclosures made pursuant to the bill. The bill also permits the disclosure of tax convention information for the same purposes and in the same manner that return information is made available under the bill. No disclosures may be made under the bill after December 31, 2003.

Disclosure of returns and return information taxpayer return information—by ex parte court order

Ex parte court orders sought by Federal law enforcement and Federal intelligence agencies.—The bill permits, pursuant to an ex parte court order, the disclosure of returns and return information (including taxpayer return information) to certain officers and employees of a Federal law enforcement agency or Federal intelligence agency. These officers and employees are required to be personally and directly engaged in any investigation of, response to, or analysis of intelligence and counterintelligence information concerning any terrorist incident, threat, or activity. These officers and employees are permitted to use this information solely for their use in the investigation, response, or analysis, and in any judicial, administrative, or grand jury proceeding, pertaining to any such terrorist incident, threat, or activity.

The Attorney General, Deputy Attorney General, Associate Attorney General, an Assistant Attorney General, or a United States attorney, may authorize the application for the ex parte court order to be submitted to a Federal district court judge or magistrate. The Federal district court judge or magistrate would grant the order if based on the facts submitted he or she determines that: There is reasonable cause to believe, based upon information believed to be reliable, that the return or return information may be relevant to a matter relating to such terrorist incident, threat, or activity; and the return or return information is sought exclusively for the use in a Federal investigation, analysis, or proceeding concerning any terrorist incident, threat, or activity.

Special rule for ex parte court ordered disclosure initiated by the IRS.—If the Secretary of Treasury possesses returns or return information that may be related to a terrorist incident, threat or activity, the Secretary of the Treasury (or his delegate), may on his own initiative, authorize an application for an ex parte court order to permit disclosure to Federal law enforcement. In order to grant the order, the Federal district court judge or magistrate must determine that there is reasonable cause to believe, based upon information believed to be reliable, that the return or return information may be relevant to a matter relating to such terrorist incident, threat, or activity. Under the bill, the information may be disclosed only to the extent necessary to apprise the appropriate federal law enforcement agency responsible for investigating or responding to a terrorist incident, threat, or activity and for officers and employees of that agency to investigate or respond to such terrorist incident, threat, or activity. Further, use of the information is limited to use in a Federal investigation, analysis, or proceeding concerning a terrorist incident, threat, or activity. Because the Department of Justice represents the Secretary of the Treasury in Federal district court, the Secretary is permitted to disclose returns and return information to the Department of Justice as necessary and solely for the purpose of obtaining the special IRS ex parte court order.

Disclosure of return information other than taxpayer return information

Disclosure by the IRS without a request.—The bill permits the IRS to disclose return information, other than taxpayer return information, related to a terrorist incident, threat, or activity to the extent necessary to apprise the head of the appropriate Federal law enforcement agency responsible for investigating or responding to such terrorist incident, threat or activity. As under present law Code section 6103(i)(3)(A), the IRS on its own initiative and without a written request may make this disclosure. The head of the Federal law enforcement agency may disclose information to officers and employees of such agency to the extent necessary to investigate or respond to such terrorist incident, threat, or activity. A taxpayer's identity is not treated as return information supplied by the taxpayer or his or her representative.

Disclosure upon written request of a Federal law enforcement agency.—The bill permits the IRS to disclose return information, other than taxpayer return information, to officers, and employees of Federal law enforcement upon a written request satisfying certain requirements. The request must: (1) be made by the head of the Federal law enforcement agency (or his delegate) involved in the response to or investigation of terrorist incidents, threats, or activities, and (2) set forth the specific reason or reasons why such disclosure may be relevant to a terrorist incident, threat, or activity. The information is to be disclosed to officers and employees of the Federal law enforcement agency who would be personally and directly involved in the response to or investigation of terrorist incidents, threats, or activities. The information is to be used by such officers and employees solely for such response or investigation.

The bill permits the redisclosure by a Federal law enforcement agency to officers and employees of State and local law enforcement personally and directly engaged in the response to or investigation of the terrorist incident, threat, or activity. The State or local law enforcement agency must be part of an investigative or response team with the Federal law enforcement agency for these disclosures to be made.

Disclosure upon request from the Departments of Justice or Treasury for intelligence analysis of terrorist activity.—Upon written request satisfying certain requirements discussed below, the IRS is to disclose return information (other than taxpayer return information) to officers and employees of the Department of Justice, Department of Treasury, and other Federal intelligence agencies, who are personally and directly engaged in the collection or analysis of intelligence and counterintelligence or investigation concerning terrorist incidents, threats, or activities. Use of the information is limited to use by such officers and employees in such investigation, collection, or analysis.

The written request is to set forth the specific reasons why the information to be disclosed is relevant to a terrorist incident, threat, or activity. The request is to be made by an individual who is (1) an officer or employee of the Department of Justice or the Department of Treasury, (2) appointed by the President with the advice and consent of the Senate, and (3) responsible for the collection, and analysis of intelligence and counterintelligence information concerning terrorist incidents, threats, or activities. The Director of the United States Secret Service also is an authorized requester under the bill.

Tax convention information. The bill permits the disclosure of tax convention information on the same terms as return information may be disclosed under the bill, except that in the case of tax convention information provided by a foreign government, no disclosure may be made under this paragraph without the written consent of the foreign government.

Definitions. The term "terrorist incident threat, or activity" is statutorily defined to mean an incident, threat, or activity involving an act of domestic terrorism or international terrorism, as both of those terms were defined in the recently enacted USA PATRIOT Act.

Effective Date

The provision is effective for disclosures made on or after the date of enactment.

E. NO IMPACT ON SOCIAL SECURITY TRUST FUNDS (SEC. 501 OF THE BILL)

Present Law

Present law provides for the transfer of Social Security taxes and certain self-employment taxes to the Social Security trust fund. In addition, the income tax collected with respect to a portion of Social Security benefits included in gross income is transferred to the Social Security trust fund.

Explanation Provision

The bill provides that the Secretary is to annually estimate the impact of the bill on the income and balances of the Social Security trust fund. If the Secretary determines that the bill has a negative impact on the income and balances of the fund, then the Secretary is to transfer from the general revenues of the Federal government an amount sufficient so as to ensure that the income and balances of the Social Security trust funds are not reduced as a result of the bill. Such transfers are to be made not less frequently than quarterly.

The bill provides that the provisions of the bill are not to be construed as an amendment of title II of the Social Security Act.

Effective Date

The provision is effective on the date of enactment.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, I met with many of the families of the victims of September 11. I have attended funeral masses and funerals, and I have met personally, as other Members have from our area, with some of the widows of the victims of these attacks when they visited Capitol Hill on December 5. They need our help and they need it now. Many are from home towns in my district and throughout the State of New Jersey and New York and Connecticut and Virginia and Pennsylvania.

As one of the widows recently recounted to me, the charities have helped with the immediate aftermath, but this tax relief bill will help some of their present concerns, and the victims' compensation fund will help them as they move forward into the future.

While we can never replace their loss, we can help alleviate some of the pain for these victims as they think about their immediate and future financial needs, and about how they will provide for their families in the coming years. We do so with this bill.

In this bill, we waive income tax liability for 2 years for the victims. We provide relief from the State tax, and make sure that charitable relief and other forms of financial assistance remain tax-free.

On behalf of the victims from New Jersey and the other States, Mr. Speaker, I want to thank the Speaker, the gentleman from Illinois (Mr. HASTERT), the majority leader, and particular, the chairman of the Committee on Ways and Means, for bringing up this bill expeditiously.

Our hearts go out to these families, and I want to thank my congressional colleagues for moving on this bill.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from New York (Mr. REYNOLDS), a member of the New York delegation.

Mr. REYNOLDS. Mr. Speaker, I thank the gentleman for yielding time to me, and I want to thank him for his leadership in moving this legislation before we end this week's work, with the hope of continuing and getting a resolve before we end the session.

I thank him for his leadership, along with that of our ranking member, the gentleman from New York (Mr. RANGEL), and particularly the gentleman from New York (Mr. FOSSELLA), who has worked diligently, as well as the New York City representative helping our conference understand clearly some of the agenda needed.

Then also we must turn to the gentleman from New York (Mr. HOUGHTON), who has the very, very important ingredient of his expertise so he was able to work with the gentleman from California (Mr. THOMAS) in helping him in this legislation. That comes from listening to our Governor and mayor on the agendas of what it is going to take to rebuild tens of millions of lost square footage of space in those 15 blocks of lower Manhattan, let alone the countless loss of jobs that have occurred in that tragedy.

Mr. Speaker, this is part of a working, fundamental solution to bring that to fruition. I salute all for bringing it to the floor today.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New Jersey (Mr. FERGUSON).

Mr. FERGUSON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to thank the chairman of the Committee on Ways and Means, the ranking member, and members on both sides of the aisle for working on this important legislation.

On September 11, our Nation and the world was struck with tragedy. But for 81 families in the district that I represent in New Jersey, it also meant the loss of a loved one in their own family. They have been struggling for 3 months to put their lives back together. People, Americans across the Nation and people around the world have stepped up to help them in many different ways: People have donated their time, their energy, their blood, their money. They have been assisted in many ways.

But as we know, as time goes on, the attention begins to wane and the realities of life, of mortgage payments, of credit card payments, of tuition bills and other commitments, long-term real-life commitments, begin to build up. We have to make sure that we do not forget those who have experienced this tragedy firsthand.

As my colleague, the gentleman from New Jersey (Mr. FRELINGHUYSEN) mentioned a moment ago, we have had an opportunity to meet with scores of, unfortunately, mostly widows from our districts, from New Jersey and from around our region, who are now dealing with the aftermath. They are not only dealing with the emotional and the physical excruciating pain of the loss of a loved one, but they are also struggling to rebuild their lives, to help their kids to think about the future and not simply to think about these tragedies of the recent past.

We need to do our part in this Congress, and that is why I am delighted and proud that we worked so hard and so quickly 2 days after this tragedy to pass this important legislation out of this Chamber and to send it to the other body, and am pleased now that the other body has done their work and that we have brought this back.

I am pleased that now, today, we will be able to say to these families that we have not failed them, we continue to stand by them, and we will be here with them today and tomorrow and next month and next year to help them. Whether it is tax relief or education relief or simply being a friend and neighbor, we are there to support them and support their work in rebuilding their lives. I thank this Congress for working.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. NADLER), in whose district the Twin Towers once stood high.

Mr. NADLER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, lower Manhattan, as we all know, is devastated by the attacks on the World Trade Center. Over 20 million square feet of office was destroyed and another 15 million rendered unusable, and 125,000 jobs out of the 300,000 private sector jobs in lower Manhattan were destroyed. It will take a strong private-public partnership to revive lower Manhattan economically. A package of tax incentives, intelligently arranged, would stimulate private investment in the area.

The Houghton bill and the proposals by Senator SCHUMER and CLINTON, with the gentleman from New York (Mr. RANGEL), should be seen in tandem.

The Houghton bill is important and constructive for the long-term economic strength of New York, but does little, if anything, for our immediate critical needs. The Schumer-Clinton-Rangel package contains measures that are vital for the immediate survival of small businesses in lower Manhattan.

□ 1530

The Houghton package represents an important element of the package. We need to nurse lower Manhattan back to health, but before businesses will return to lower Manhattan, we must rebuild the neighborhood's infrastructure in utilities and transportation. We must rebuild power lines, phone systems, sewers and water mains. We have to restore public transportation. This will take time. Utility facilities are so badly damaged that now cables guarded by police over land are the only facilities bringing power to downtown. We are literally one snowplow away from a blackout in lower Manhattan.

Small businesses are in critical shape and need an immediate boost. The Houghton boost will not help the small businesses survive the transitional period until the neighborhood is rebuilt and their sales recover. We must ease the period of transition until larger businesses return to the area.

Small businesses in lower Manhattan will lose an estimated $5 billion in sales in the last quarter of 2001 alone. Many have seen their sales decline by up to 80 percent because of disruption and damage to the area. Mr. Speaker, 10,000 of the 14,000 small businesses in lower Manhattan are at risk of failure within the next several months as a direct result of the attack. If we do not give them help to enable them to survive, the longer-term proposals in the Houghton bill will come too late to revive lower Manhattan, because if 10,000 small businesses fail in lower Manhattan, the larger businesses will not want to return and residents will not want to return.

The elements of the Houghton bill are excellent and important for our long-term needs, but must be supplemented by the provisions for short-term aid, especially long-term grants, especially business grants to our small businesses and the other elements of the Rangel-Clinton-Schumer package. That package could provide immediate assistance for these businesses through expansion of the work opportunity tax credit. The work opportunity tax credit expansion and the cash grants are the two things we need immediately.

So I urge the House to adopt the Houghton bill, but to be under no illusion that the Houghton bill, absent the work opportunity tax credit of the Rangel bill and absent large and immediate infusion of cash grants to small businesses, will save the situation.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 3373, the New York Liberty Zone Tax Relief Act of 2000. I urge my colleagues to join in supporting this vitally needed legislation which provides a number of tax provisions that are designed to help the city and State of New York to recover economically from the devastating barbaric attack of September 11, and I commend my colleagues, the gentleman from California (Mr. THOMAS), the gentleman from New York (Mr. RANGEL) and the gentleman from New York (Mr. HOUGHTON) for their diligent work on this measure.

New York City, and particularly lower Manhattan, was devastated by the terrorist attacks of September 11. Over 25 million square feet of office space has been destroyed, 15,000 jobs have been displaced in lower Manhattan, representing 2 percent of all the private sector jobs in New York City. Not only do we need to rebuild the economy in lower Manhattan, we also need to rebuild its infrastructure, power lines, water mains, public transportation and sewer lines.

Small businesses in lower Manhattan are fighting for their very survival.

This bill includes five key provisions which create some liberty zones, encouraging investment and includes issuing tax exempt liberty bonds to finance liberty zone commercial, residential rental and public utility property.

It also includes allowance of a first year 30 percent depreciation and a 5-year recovery period for leasehold improvements and a small business first year depreciation of $35,000.

This victim tax relief bill also increases the replacement period for reinvesting insurance proceeds.

Mr. Speaker, I am pleased to stand with my New York colleagues in supporting this legislation which will help rebuild a key portion of the economy of New York City and help our State. Accordingly, I urge my colleagues to join in passing this very urgently needed bill.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me the time. I thank him also for staying, true to his word. He said he would have this bill on the floor in three days. Actually, he had the bill on the floor just a few days after the horrific event of 9/11. We want to thank him, all of us from New Jersey, for bringing this very important legislation back to the floor with the Senate changes.

Passage of this bill, Mr. Speaker, will provide immediate and substantial tax rebates to the spouses and children of nearly 3,500 victims who met tragic deaths in the horrific attacks on September 11.

Seven hundred New Jersey residents, more than 50 from my own District, never came home on September 11. They were the first victims and the first heroes of America's war on terrorism.

There are additional heroes, Mr. Speaker, namely, the wives, the widows of those who were murdered on September 11. Over the last several weeks, both my wife, Marie, and I and members of my staff have met many of the widows, and we have been moved greatly by their loss as well as by their courage. Last week, my wife and I, as well as other members of the New Jersey delegation, joined with several of those widows from our State in a meeting with Speaker HASTERT, and he, too, was moved by what they had to say.

These brave women courageously reminded Congress of the heartbreaking burdens that they have faced since the shock of 9/11. They made it very clear that this tax relief is a matter of survival to them. Much of the money has run out that they had saved personally. For many of them, the assistance they got from charitable contributions ran out on December 1. The Victims Compensation Fund has not kicked in yet. There had to be something to provide very real money a bridge for these individuals.

The Victims Tax Relief Bill will help to do that.

Among the more moving remarks, and there were many that we have heard over the last several months, were the comments of Sheila Martello, who lost her husband Jim in the World Trade Center. Last week Mrs. Martello said "we do not want to be here in Washington fighting for this benefit. We would rather be doing what we do best, raising our children."

Again, I want to thank the chairman for his leadership on this. I thank the Speaker for his personal commitment. Both Mr. THOMAS and Speaker HASTERT moved very quickly right after this tragedy, along with the gentleman from New York (Mr. RANGEL). This is a good, bipartisan bill and will help these people through this very, very difficult time. It could not come at a more important time for them.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. GRUCCI), actually Long Island.

Mr. GRUCCI. Mr. Speaker, I would like to thank the distinguished gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, and the gentleman from New York (Mr. RANGEL), the ranking member, for their commitment and their work on this program to help restore economic viability to New York and to our country as a whole. I think this bill, the Houghton bill, is an excellent tool to accomplish that.

When we look back at the tragedy that has happened, nothing can ever replace the loss of life and the ache in the people's hearts that are experiencing that loss of life. In my district alone, I went to a number of various funerals and memorial services for where there was no funeral able to be given.

And you can see, the pain in the hearts and in the face of people, the children, the surviving spouses, the friends, the neighbors, and they will always have that pain.

There is a secondary pain that is out there, Mr. Speaker. There is a pain that is being experienced by many who worked all of their life to try to build a business, to try to create something for their family, for their children, to allow them to have something for future generations, and that was wiped out on September 11, gone completely. Devastation has set in and the only way to help them restore that kind of dream once again, the dream to be a small business entrepreneur in this country, which is something that people come here for.

I know my family, my family had migrated to this country for that very purpose, to raise their children, to raise a business and to have something. Well, this bill will put $6.1 billion into our economy and it will enable people to do that. It will give them their hopes and their dreams back and it will enable them to build the more than 25 million square feet of space that was lost, spaces like delicatessens and boutiques and haberdasheries, and, yes, the major conglomerates and businesses of our country where hundreds of thousands people were employed.

This bill is a good bill. It is a bipartisan bill, and I urge my colleagues in this House to support it and to help America get back on their feet and help New York get back on its feet.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. SWEENEY) who, without his involvement and active participation in structuring work with the governmental officials in New York, we would not have been able to move with the haste with which we did.

Mr. SWEENEY. Mr. Speaker, I am proud and happy to be here on the floor today.

On September 11 all of America suffered losses. Some of us suffered more direct losses. And certainly in the last 3 months it has been an extreme struggle trying to figure out the right process, the right way to help make New Yorkers and the victims of those attacks whole again.

I want to salute the ranking member, the gentleman from New York (Mr. RANGEL) for working hard in a bipartisan fashion on this. I want to especially salute the gentleman from New York (Mr. HOUGHTON) from the Committee on Ways and Means, a fellow New Yorker and a colleague who has dedicated every ounce of energy he has had to this effort and to this particular bill.

I especially want to recognize the chairman of the Committee on Ways and Means who made commitments repeatedly the day after the attacks and repeatedly throughout this that he was going to work with us in New York to get this done. He has worked diligently. He has done it at breakneck speed getting the bill to the floor in 3 days. I am extremely gratified.

The fact is, Mr. Speaker, the change in New York will be incremental. The rebuilding efforts will be incremental. This is an important step in the right direction. This is one of the reasons that I have been so outspoken from this side of the aisle for the need for us to pay attention and keep focused and the gentleman from California (Chairman THOMAS) kept focus and kept us focused in bringing this bill, and I am deeply grateful for that.

I would urge our friends and colleagues in the other body to move their bill. They have had it for 3 months. It is time that we move on each of these pieces as expeditiously as we can so we can ensure New Yorkers suffer no greater damage than they already have. Indeed, the rebuilding efforts are going to take time but the commitment and the moral obligation on the part of this body and this Congress is going to be longstanding and must be abided by.

I support this bill. I will urge my colleagues to support it, and once again I thank the chairman for his support.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. THOMAS) has 1 minute remaining. The gentleman from New York (Mr. RANGEL) has 16 minutes remaining.

Mr. RANGEL. Mr. Speaker, I want to join with my colleagues from New York in supporting the concept of this bill and especially the gentleman from New York (Mr. HOUGHTON) who has been really a great pleasure working with over the years and especially as relates to restoring life, both economic life to our great city and our great State.

We do not know whether this is going to come back from the other side, but we do know that there is other legislation that has not passed over there, and working closely with the gentleman from California (Mr. THOMAS), I do hope that we can bring the best ideas that have come out of both Houses and do the best that we can this year by the city of New York.

I would like to say on behalf of delegation once again how grateful we are for the groundswell of support that we have received from this House of Representatives. If ever we thought that we were not a part of the Nation, all over the country and the world stood with us and we are deeply appreciative. We have a long way to go. We have had some legislative setbacks. But I am confident that as the President moves forward to remove this type of risk from other congressional districts, other parts of the country, that we would realize more that the Americans who lost their lives on September 11 are the same type of courageous Americans that lost their lives at Pearl Harbor or at any beachhead that we have had in the United States.

We can never restore the lives to these great people or the heroes that went there to save lives at the risk of their own. But we can let friend and foe alike know that when you strike one part of our great country, you have struck all parts of it. And regardless of our backgrounds or party labels, we do come together as a Nation. And in that spirit, I hope we move forward with this legislation and join with our colleagues on the other side to see what more we can do to repair the harm that has been done.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) has 1 minute remaining.

Mr. THOMAS. Mr. Speaker, Mr. Speaker, I yield myself my remaining time.

Mr. Speaker, I do want to thank my colleague from New York for the kind courtesies and generosities that he has displayed and, most importantly, the House's willingness to move as quickly as we did and recognize that these individuals were, in fact, victims in war and deserve to be focussed on, not just in terms of the symbolism because, clearly, although there were tragedies elsewhere in the United States on that same day, it is not unfair to say that New York City took it on the chin for the rest of the country. And that I, too, have been pleased with the outpouring of response.

We now know that those who died did not die in vain in terms of the symbolism, the rallying of the moral fiber of this country. But at the same time, we have to address the very real physical and material needs of these people who, after all, lost loved ones and had lives devastated.

In that regard, I am very pleased to say that this is not the end of our continued focus on the need of these individuals in New York City and elsewhere.

Mrs. McCARTHY of New York. Mr. Speaker, I rise in support of H.R. 2884, the Victims of Terrorism Relief Act, which I am a proud cosponsor.

This legislation provides much needed tax relief to the victims of the September 11th terrorist attacks. The terrorist attacks on the World Trade Center, the Pentagon, and Pennsylvania directly affected 25,000 families, and left 15,000 children without a parent. Figures show that 35% of those who died were between the ages of 35 and 45, and 85% were 25–55 years old. Not only did these families lose an important part of their lives, but they lost a source of financial support they need and deserve.

I am overcome by the outpouring of support during this difficult time. However, spouses who lost a loved one in the attack are still enduring financial hardships. Even though many charitable organizations have provided some form of relief, the Federal government must do more. Easing their federal tax liability is a step in the right direction.

In addition, this legislation addresses some of the recovery concerns within the New York City area damaged by the terrorist attacks. The creation of the New York Liberty Zone provides numerous tax benefits for qualified property. In order to rebuild, we must also help those businesses that were impacted by the senseless acts of terrorism.

September 11th will forever be synonymous with other historical events that Americans have endured. It will serve as yet another reminder of how Americans come together during difficult times, as well as send a simple message to those who hide behind terrorism—America Will Never Fear You and We Will Always Take Care Of Our Own.

Mr. THOMAS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant the order of the House of today, the motion is agreed to.

A motion to reconsider was laid on the table.

□ 1545

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of H.R. 2884, the bill just passed.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRIBUTE TO SCOTT BROSIUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WU) is recognized for 5 minutes.

Mr. WU. Mr. Speaker, I rise today to pay tribute to Scott Brosius, the starting third baseman for the New York Yankees and a resident of McMinnville, Oregon. Scott announced his retirement from major league baseball on November 27.

Born and raised in Oregon, Scott played baseball at Rex Putnam High School in Milwaukee and then at Linfield College in McMinnville. In 1987, during his junior year in college, he was drafted by the Oakland Athletics.

During his 11 seasons of major league baseball, first with the A's and later with the New York Yankees, Scott was known as a solid hitter and outstanding defensive third baseman, for which he won the Gold Glove award in 1999.

His best season came in 1998. That year, he batted 300, with 98 RBIs and was named to the American League All Star team. But his career highlight came later that year. During the World Series, in a 4-game sweep of the San Diego Padres, Scott batted 471, hit two home runs, and had six RBIs. He was the clear choice for the World Series' Most Valuable Player. He accomplished all of these post-season feats while his father was undergoing cancer surgery and chemotherapy.

Scott's flare for the dramatic resurfaced during this year's seven-game World Series between the Yankees and the Arizona Diamondbacks, which many have called the most exciting World Series ever. In game five, with the Yankees trailing 2 to 0 in the ninth inning, Scott came to the plate with two outs and a runner on second base. Scott crushed a 1–0 slider from Arizona closer Byung-Hyun Kim to tie the score and send the game into extra innings. Ultimately, the Yankees went on to win the game 3 to 2 in 12 innings.

As an All Star, a Gold Glove winner, a World Series MVP, and a member of three world championship teams, Scott has a lifetime's worth of baseball memoirs. But, Mr. Speaker, I rise today not only to recognize Scott Brosius for his outstanding baseball career but also because I believe he embodies the best of Oregon, and American values.

This year, Scott finished his contract with the New York Yankees and became eligible for free agency. At 35 years of age, and as an 11-year major league veteran, he could easily fetch millions of dollars as a free agent. But Scott turned down the money and the limelight so that he could return to McMinnville to raise his three young children. He has reenrolled at Linfield College to finish his college degree and has offered to help coach the Linfield varsity baseball team.

The example set by people like Scott Brosius reminds us of what is most important in life: values, family, and community.

I wish Scott and his family well, and I thank him for being such a positive role model. Scott, you have the admiration of us all, and personally I envy you for all the time that you will have in Oregon with your family.

TRIBUTE TO VICTIMS OF SEPTEMBER 11, 2001

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, I want to continue reading from the list of names that my colleague, the gentlewoman from Virginia (Mrs. JO ANN DAVIS), has been reading into the RECORD, those who fell in the September 11 tragedy:

John P. O'Neill; Peter J. O'Neill; Sean Gordon Corbet O'Neill; Ken O'Reilly; Kevin M. O'Rourke; Robert W. O'Shea; Patrick J. O'Shea; Timothy F. O'Sullivan; James A. Oakley; Dennis Oberg; Jefferson Ocampo; Douglas Oelschlager; Takashi Ogawa; Albert Ogletree; Philip Paul Ognibene; John Ogonowski; Joseph J. Ogren; Samuel Oitice; Gerald M. Olcott; Christine Ann Olender; Linda Mary Oliva; Elsy Carolina Osorio Oliva; Edward K. Oliver; Leah Oliver; Eric Olsen; Jeffrey James Olsen; Steven John Olson; Barbara Olson; Marueen "Rene" L. Olson; Toshihiro Onda; Betty Ong; Michael C. Opperman; Christopher Orgielewicz; Margaret Q. Orloske; Virginia "Ginger" Ormiston-Kenworthy; Ruben Ornedo; Juan Romero Orozco; Ronald Orsini; Peter K. Ortale; Jane Orth; Paul Ortiz; Sonia Ortiz; David Ortiz; Emilio "Peter" Ortiz, Jr.; Alexander Ortiz; Pablo Ortiz; Masaru Ose; Elsi Carolina Osorio; James Robert Ostrowski; Jason Douglas Oswald; Michael Otten; Isidro Ottenwalder; Michael Ou; Todd Joseph Ouida; Jesus Ovalles; Peter J. Owens; Adianes Oyola; Angel "Chic" Pabon; Israel Pabon; Roland Pacheco; Michael Benjamin Packer; Diana B. Padro; Chin

Sun Pak; Deepa K. Pakkala; Thomas Anthony Palazzo; Jeffrey Palazzo; Richard Palazzolo; Orio Joseph Palmer; Frank Palombo; Lynn Paltrow; Alan Palumbo; Christopher Panatier; Diominique Lisa Pandolfo; Jonas Martin Panik; Paul Pansini; John Paolillo; Edward J. Papa; Salvatore Papasso; James Pappageorge; Marie Pappalardo; Vinod K. Parakat; Vijayashanker Paramsothy; Nitin Ramesh Parandker; Hardai "Casey" Parbhu; James W. Parham; Debra "Debbie" Paris; George Paris; Gye-Hyong Park; Philip L. Parker; Michael A. Parkes; Robert Emmett Parks, Jr.; Hashmukhrai C. Parmar; Robert Parro; Diane Parsons; Leobardo Lopez Pascual; Michael Pascuma; Jerrold Paskins; Horace Robert Passananti; Suzanne Passaro; Victor Antonio Martinez Pastrana; Dipti Patel; Manish K. Patel; Avnish Ramanbhai Patel; Steven B. Paterson; James M. Patrick; Lawrence Patrick; Manuel Patrocino; Clifford L. Patterson; Bernard E. "Bernie" Patterson; Cira Marie Patti; James Robert Paul; Patrice Sobin Paz; Sharon Cristina Millan Paz; Victor Paz-Gutierrez; Stacey Lynn Peak; Richard Pearlman; Durrell Pearsall; Thomas Pecorelli; Thomas E. Pedicini; Todd D. Pelino; Michel Adrian Pelletier; Anthony Peluso; Angel Ramon Pena; Jose D. Pena; Robert Penniger; Richard A. Penny; Salvatore Pepe; Carl Allen Peralta; Robert David Peraza; Marie Vola Percoco; Jon Anthony Perconti; Ivan A. Perez; Nancy E. Perez; Anthony Perez; Alejo Perez; Angela Susan Perez; Angel Perez; Berry Berenson Perkins; Joseph Perroncino; Edward Joseph Perrotta; John William Perry; Glenn C. Perry; Emelda Perry; Franklin Allan Pershep; Danny Pesce; Michael J. Pescherine; Donald A. Peterson; Jean Hoadley Peterson; William Russel Peterson; Davin Peterson.

NATIONAL AFFORDABLE HOUSING TRUST FUND ACT, H.R. 2394

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. SANDERS) IS RECOGNIZED FOR 5 MINUTES.

Mr. SANDERS. Mr. Speaker, I am pleased to announce today that over 1,700 local, State, and national organizations from throughout this country have endorsed H.R. 2394, legislation that I introduced last June, to create a National Affordable Housing Trust Fund. And I especially want to thank for their organizing efforts the National Low-Income Housing Coalition for all of their help in bringing these organizations together around this terribly important issue.

It is almost unprecedented to have such an outpouring of support from such a broad array of groups representing working people through their unions, business leaders, different religious affiliations, bankers, environmentalists, and, of course, affordable-housing advocates. This is perhaps one of the most significant grass roots campaigns to support legislation at one time and has helped us generate our already 126 bipartisan cosponsors. I am here today on the floor of the House to thank all of the groups that have endorsed this legislation and to ask my colleagues to cosponsor this important and much-needed bill. We have come a long way in a short time; but obviously, we need to go further.

A complete list of all of the groups that have endorsed this legislation can be found at the National Housing Trust Fund Campaign's Web site at www.nhtf.org. That is www.nhtf.org, for a complete list of all of the organizations that have endorsed the National Affordable Housing Trust Fund legislation.

Mr. Speaker, experts from across the country have acknowledged that the issue of affordable housing has rapidly become a major national problem. That is true in my State of Vermont, and it is true all across this country. It is an issue in which millions of low-income seniors, the elderly, disabled, and families with children are increasingly unable to afford decent housing.

According to HUD, about 5.4 million Americans today are paying more than half of their limited incomes, more than half of their limited incomes, on housing, or are living in severely substandard housing. Since 1990, the number of families who have "worst case housing needs" has increased by 12 percent. That is 600,000 more Americans who cannot afford a decent and safe place to live.

□ 1600

For these families living paycheck to paycheck, one unforeseen circumstance, a sick child, a needed car repair or a large utility bill can send them into homelessness.

This crisis must be addressed. Every American must be entitled to decent, affordable housing. The question is where do we begin? According to the accounting firm of Deloitte & Touche, profits generated by the Federal Housing Administration are expected to exceed $26 billion over the next 7 years. H.R. 2394 would use the surplus to increase affordable housing by creating an affordable housing trust fund. According to housing experts, if the FHA surplus was used to build affordable housing, we could more than triple affordable housing construction next year and provide accommodations to more than 200,000 families.

Mr. Speaker, not only would a national affordable housing trust fund help solve the affordable housing crisis in the United States, it would also generate 1.8 million decent paying new jobs and nearly $50 billion in wages according to a recent study. As today's economy continues to sputter with layoffs up over 600 percent from last year, and as millions of Americans are paying 40 to 50 percent of their limited incomes on housing, the creation of a national affordable housing trust fund is needed more than it has ever been needed.

Mr. Speaker, the bottom line here is that we can put Americans to work building the affordable housing that millions of our fellow Americans need, and we can accomplish two important goals at the same time. Number one, combatting the recession by putting people to work; and second of all, providing decent housing to the families that need it. This is a very important piece of legislation, and I am very proud that 1,700 different organizations, religious organizations, grassroots organizations, are supporting it. I ask my colleagues to support it as well.

COVER-UP OF SALVATI STORY

The SPEAKER pro tempore (Mr. THORNBERRY). Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, I spent 7½ years just prior to coming to Congress as a criminal court judge in Tennessee trying the felony criminal cases, the murders, the armed robberies, the rapes. I tried the attempted murder of James Earl Ray, many leading cases, but I can tell Members that I do not think that in my years of law practice or in my years as a judge that I have ever seen a worse miscarriage of justice than that done to Joseph Salvati in Massachusetts where he was made to stay in prison for over 30 years. Even the FBI knew he had not committed the crime for which he had been convicted. Sometimes we read about people who have been wrongly convicted, but almost always in those cases the prosecutors or the law enforcement people honestly thought the people were guilty, and only found out later that they were not.

But in the Salvati case, the FBI knew apparently for 30 years that this man was not guilty of the crime he had been convicted of, and yet they made him stay in prison for more than 30 years.

I can tell Members that the gentleman from Indiana (Mr. BURTON) of the Committee on Government Reform has tried to call attention to this miscarriage of justice and see that nothing like this ever happens again. He held one hearing and he attempted to hold another hearing today about it, but today the Department of Justice refused to release or submit the documents that the gentleman from Indiana (Mr. BURTON) had requested in a continuing cover-up of the original cover-up.

I think it is shameful. In fact, I think it is fair to say that I have never seen the gentleman from Indiana (Mr. BURTON) as angry as he was today, and he said that he is going to told hearings until the Department of Justice has the decency to come forward and do what they can to correct this horrible miscarriage of justice.

I remember reading a cover story in Forbes magazine, certainly a very conservative magazine, in 1993 in which they reported that the Department of Justice had more than quadrupled its budget since 1980, and that there were U.S. attorneys falling all over themselves trying to find cases to prosecute. The article discussed how Federal prosecutors were cherry-picking local cases, taking the best or easiest cases away from local prosecutors so they could have something to do.

This quadrupling of the budget and size of the Department of Justice was being done, even though 94 percent of all crimes were being handled and prosecuted by local and State law enforcement personnel and prosecutors. Even though their work was not going up, their budget and number of employees was.

This article in Forbes said too often in Federal law enforcement the name of the game is publicity, not a reduction in the amount of crime. The article in Forbes said that the Department of Justice was proving that Parkinson's law of bureaucracy was true, that work expands so as to fill the time available for its completion. As the real or imagined work expands, the bureaucrats ask for more bureaucrats to do it.

Since then, we have expanded the Department of Justice even more. Now here we are giving them more power. Last week Joseph Califano, a former top assistant to President Johnson and a former Secretary of Health and Human Services under President Carter, wrote in The Washington Post last week that in all of our concerns about terrorism, we "are missing an even more troubling danger, the extraordinary increase in Federal police personnel and power."

Mr. Speaker, for the FBI to keep a man in prison for 30 years for a crime that they knew he did not commit, that should be criminal in and of itself. I described it at this hearing as saying that the arrogance of the Federal bureaucracy seems to grow with each passing year. The gentleman from Massachusetts (Mr. DELAHUNT) said I was mild in describing things in that way. It seems that we now have a government of, by and for the bureaucrats instead of one that is of, by and for the people.

I salute the gentleman from Indiana (Mr. BURTON) and commend him for continuing to try to call attention to the miscarriage of justice in the Joseph Salvati case, and to say if we keep expanding the Department of Justice and the FBI, then the abuse of the American people is going to continue to grow, and we are going to have much of our freedom taken away from us, and the American people are going to have problems that they never dreamed of. We need to bring these people under some type of control because they are certainly out of control at this time.

ACHIEVEMENTS OF THE FIRST SESSION OF THE 107TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from New Mexico (Mrs. WILSON) is recognized for 60 minutes as the designee of the majority leader.

Mrs. WILSON. Mr. Speaker, during the next hour, I want to talk about some of the wonderful things that this House has achieved in this first session of the 107th Congress; but in my view, probably one of the most important things we have achieved, we finished today here on the floor of the House, and that is the President's education bill.

Going back almost 2 years ago before the last Presidential election, and before even the primaries were finished, I was looking at the people who were putting themselves forward as potential candidates in the Republican Party, which is my party.

There was a governor from neighboring State of Texas, which being a New Mexican, is sometimes a disqualification in itself, who seemed to be saying some things that I liked to hear. Not only just saying them, but obviously deeply believing them and passionate about them.

George W. Bush was talking about no child should be left behind. There was a commitment that he made in his State of Texas, and it was not just some kind of a campaign slogan, it was something that he passionately believed, that there was a subtle bigotry of low expectations, and that, in itself, condemned children to a life of underachievement. He believed it was possible for a public school system to reform itself and to commit itself to excellence, and that every child is entitled to a great education, and that education is the next civil right.

I listened to him for several months and I decided that I liked this guy, and that I was going to back him as my preferred choice as President of the United States. After he was elected, both in his inaugural address on the steps of the west front of this Capitol and in this body in this room, when he made his first State of the Union speech, he asked us as Members of Congress to join him to ensure that no child is left behind, to reform the Federal laws on education, to make a commitment to reading, not just in the schools where all of us who are middle class have moved to, but to the schools that maybe all of us do not want our children to go to.

I believe that every parent wants a great school in their neighborhood that their kids can walk to. But even more as a community and as a society, we need to have a great school system so that a kid who gets himself up for breakfast and gets his little brother and sister up and makes their lunches and gets them out the door and walks with them to school, those are the kids that this education bill we passed is for. For the kids whose parents are not there and do not care, but that kid who still has a dream, that in America he is part of the American dream.

The bill that we passed today is a landmark piece of legislation, something that required work in both bodies and on both sides of the aisle. It is the most important Federal education bill that we have passed in 20 years. We would not have done it without the leadership of the President of the United States.

Why does it matter? Why should we care so much about education? I represent Albuquerque, New Mexico. A third of our kids in Albuquerque do not graduate from high school. For our parents and certainly for our grandparents, that was probably okay because there were still jobs that somebody could get and be able to support a family that you could do without a high school education. But in the 21st century, those jobs do not exist anymore. What was good enough for our parents and grandparents is not good enough for our children. Every child has to graduate from high school being able to read and write and work together and hold a good job. That is what this bill is about.

The No Child Left Behind Act of 2001 significantly increases Federal aid to education. Last year we had about $18 billion in the budget for Federal aid to education, mostly to schools that serve poor communities and for special ed. The bill that we just passed authorizes $26.5 billion in the next year for Federal aid to education. That is almost a 40 percent increase. In the last 5 years, we have close to doubled Federal aid to education. But this also includes the elements of reform, which I think will help get those dollars to the classroom where they can matter in the lives of children.

This new legislation requires annual testing in reading and mathematics for every child from grades 3–8. Some States, like New Mexico, have already moved toward annual testing and accountability for results. But if we let kids fall through the cracks, if we move them on from one grade to another grade without demanding and giving them an opportunity to master the subject matter in first grade, they are not going to make it in fourth grade.

Before I was elected to Congress, I was the cabinet secretary in the State of New Mexico for children. We had the delinquent children, the abused and neglected children, the children that were mentally ill, early childhood education. We had all of the children that nobody wanted.

When I looked at the kids that we had in our juvenile justice system, on average they were 16 years old. At that point in their lives when they first came to our juvenile prisons, they had, on average, nine prior felonies. It was very rare to have one of those kids who could read at grade level. It was very rare to see a father in their life. Very often there was drug and alcohol abuse in the family.

But the number one indicator that a kid is going to be in trouble as a teenager is their third grade reading score. Education is the way up and out for all kinds of kids. Poor kids, kids that come from broken homes, kids with fathers who are not there or who come home drunk. The public school system and the ability to read is the ticket to a dream. This Federal legislation emphasizes the importance of reading, particularly kindergarten, first, second and third grade. We must make sure that children are able to read by the third grade.

□ 1615

This bill requires all students to be proficient at reading and math within the next 12 years. We do not just set a lofty goal, we set a goal, we provide resources, we provide the tools to achieve that goal, and then there will be accountability for results.

It also requires that we narrow the gap between the rich kids and the poor kids, between the Anglo kids and the minority kids. The truth is since we started the title I program to help schools that are in neighborhoods that do not have as much money to put in from the outside, we started that Federal program and in some areas, the gap between rich and poor, Anglo and minority, has widened rather than narrowed. The whole purpose of Federal aid to education for poor schools is so we can narrow the gap, not so that it can be widened. We must narrow that gap.

There is $1 billion a year in this bill for the next 5 years to improve reading, three times as much as this year, with a goal of making sure every child can read by the third grade.

This bill also consolidates programs. There are wonderful ideas that legislators and the administration comes up with over the years and often those are put into law or into program documents, and you end up with small pots of money and 20,000 school districts across the country with grant writers and administrators chasing after a little piece of those pots of funds. As a result, we have all of these programs that take so much to administer and compete and award that 65 cents on the dollar even gets to the school district level, let alone down to the classroom.

We needed to consolidate those programs and get the money down to the local level, to give some flexibility to local school districts and principals so that you do not say, well, we have got this pot of money and you can use it for middle school math and science instruction and another pot of money that you can use for software for elementary schools; but what we really need is to send some money back for continuing education in how to teach reading in a particular school. We do not have any money for that even though that is the need. We have got to give some flexibility to move funds around at the local level, because the challenges that we face in Estancia, New Mexico, are not the same challenges we face on Long Island, New York. Let us give some flexibility to local school districts, to parents and teachers and principals; and then let us look at results. Let us let America surprise us by their ingenuity.

It is a wonderful bill. It took a great deal of work and bipartisan work and bicameral work. But we have achieved it. I hope that before Christmas it will be on the desk of the President of the United States and we can begin both to celebrate it and to implement it. But we also have much more work to do.

I want to talk for a little bit about the state of the economy and jobs. In November, consumer confidence fell, plummeted really, for the fifth consecutive month. In June, July, and August when we passed the first stimulus bill, we were all hoping and we thought it was quite likely that the recession that we were on the cusp of would have a soft landing, that if it turned into a recession at all, it would be very shallow and very short. September 11 changed all that. When we saw those planes crash into the towers in New York and we saw the plane crash in Pennsylvania and here in Washington, D.C., we saw and felt a shudder through the American economy. It was not only travel and tourism that were hurt, it was consumer confidence that was hurt. We need to pass another economic stimulus bill. The President called for it in October and the House of Representatives responded.

Our economic stimulus bill in the House is not perfect. There are things about it I did not like as an individual legislator. There is almost no bill here that everybody can say, By gosh, that's something that I can support a hundred percent. There's not a word that I would change. It is not the nature of this body.

But we moved it forward. We moved the process along for a good reason. Since September 11, 700,000 Americans have lost their jobs. We have 700,000 families who are worried about where the next paycheck is coming from. Unemployment has spiked, particularly on the east coast, in the New York and down to the mid-Atlantic region. All of those families are worried about their health insurance. What happens if they do not get another job before that COBRA runs out? What happens if the unemployment benefits run out? What happens if we do not get back to growing jobs in this country? Those families are hurting. We need to help them. We have passed an economic stimulus bill in the House. I think we may end up having to pass another one next week without any additional action because things have not moved forward.

What do we want to see in an economic stimulus bill? Certainly first and foremost, we need to be able to extend health care benefits and unemployment benefits so that people who have lost their jobs due to the slowdown in the economy can make it through. All of us know neighbors who are worried about losing their job sometime this year and all of us are willing to say, "Look, we're going to help you over the hump. We're going to make sure that this awful time for you is not made worse because you can't feed your family or that you lost your health insurance." So we must have health care coverage and unemployment insurance extenders in any economic stimulus bill.

The second thing we are going to need to do is to restore confidence. We are in the Christmas season. About two-thirds of the American economy is consumer spending. There are retail outlets and companies where half of their sales are in the Christmas period. We need to restore confidence in our consumers so that we do not have a further collapse in retail sales. We have got to restore confidence in consumers, and we have to restore confidence in the markets. If you talk to anybody around town about their retirement plans, most Americans now have 401(k)s or IRAs or pension plans. We are now investors in the stock market. One hundred million Americans own stocks, mostly in IRAs and 401(k)s, pension plans through work or Thrift Savings accounts. All of us have seen the value of our retirement savings go way down because of the economic slowdown. We have got to restore confidence in the stock market that our economy is back and turned around. We have to pass an economic stimulus bill that does that.

The third thing our economic stimulus bill has to do is to create capital to create jobs. Most of our jobs created in this country are created by small business. That is where the real job growth is. That means we have to do things like accelerate depreciation. I was a small business owner for 3 or 4 years before I went into State government. One of the things that was amazing to me is that when I did my books at the end of the year on what my profit was and my loss and how much corporate tax I had to pay, if I bought new computers as I did one year for the whole office, the whole company, new computers, upgrade everything, all at one time, at that time I could only say that I spent $10,000 that year on what they call section 179. So even though I had to pay as a small businessperson 20 or $30,000 out of our bank account to buy the things, as far as telling the government what I owed on taxes, I could only say it was $10,000. That did not seem right, that did not seem fair, and it certainly discouraged me the next time from getting $35,000 worth of computers at one time. Certainly one of the things we need to do for small business is to raise those limits so that a small business looking at buying equipment, going and doing some construction, expanding their computer setup, can do so, and that will stimulate our economy.

Mr. Speaker, the gentleman from Illinois (Mr. WELLER) has joined me, who is a member of the Committee on Ways and Means and is someone who has worked very, very hard on economic stimulus and particularly looking at small business and what can we do to get back to growing jobs in this economy.

Mr. WELLER. I want to thank the gentlewoman from New Mexico for yielding and also commend her for her leadership, particularly in technology and research, which is so important to the future of the economy of our country.

Our country has a great challenge before us. Obviously, we are working to win this war against terrorism as a result of the terrorist attack, this horrible attack on our country on September 11; but also a key part of our effort in the war on terrorism is to address the economic impact of the terrorist act on September 11.

President Bush inherited a weakening economy. Economists point out it was in the spring and summer of 2000 that the economy began to turn. When he was sworn in as President in January of this year, the economy was already starting to weaken. Unfortunately, there was a psychological impact of September 11, a terrible day when our Nation was attacked by terrorists on our own soil.

Of course, as a result of that, many things happened. One of those is there was a psychological impact on our economy. Business decision-makers and consumers who had previously made decisions to move forward on investments and purchases stepped back from those investments and decisions to spend money. Of course, now we have seen the result. Thousands if not tens of thousands of residents of the State of Illinois where I live as well as New Mexico and all across our country have lost their jobs as a result of the downturn in our economy. In fact, today there are hundreds of steelworkers in the south suburbs that I represent that are here in town expressing their concern and calling on the Congress and the President to work together to find a way to get this economy moving again.

I want to point out that the House has been doing its job. Seven weeks ago, the House of Representatives passed legislation to revitalize this economy, the Economic Security and Recovery Act, legislation designed to encourage investment by business decision-makers, to create capital for investment as well as to reward investment and the creation of jobs and also to put more money in the pocketbooks of consumers to spend. I would note that some of the key provisions of the legislation that we passed and sent to the Senate obtained strong bipartisan support here in the House. I have been very, very disappointed in the other body and particularly in the leadership of the other body and their failure to move forward on economic security and economic stimulus.

I particularly want to point to one of the provisions in the legislation that the gentlewoman from New Mexico and I have been working together on, as have many other Members of this House.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PLATTS). The Chair will remind Members that it is not in order in debate to characterize Senate action or inaction. This prohibition includes debate that specifically urges the Senate to take certain action.

The Chair would ask the gentleman to be conscious of that.

Mr. WELLER. I certainly will, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. WELLER. That is, legislation to draw attention to the expensing provision that is in the Economic Security and Recovery Act of 2001. When you think about it, we are looking for ways to encourage investment and the creation of jobs. If we can encourage an employer or a business to invest in a personal computer or hardware, a pickup truck, a car, we have to remember that there are American workers who produce those products. So if we encourage business to buy them, there is a worker who is at the other end where they are being produced who is going to keep their job. We also have to realize that when someone purchases that pickup truck or that car or that other piece of equipment, there is going to be a worker that is going to operate it as well. So really any incentive that is going to attract investment is going to help create jobs.

I would note that the 30 percent expensing provision that is in this legislation which means that a business would buy a personal computer, for example, and they would be able to deduct 30 percent of the purchase price of that asset in the first year. Currently they have to, of course, depreciate a computer over 5 years. This is much more attractive. It will encourage business to purchase hardware.

I would also note, as my colleague from New Mexico pointed out, in the Economic Security and Recovery Act that the House of Representatives passed that we also provided for an increase in expensing for small business, which means that small business would have the opportunity to deduct 100 percent of the purchase of capital assets. Currently it is $24,000. We increase that to $35,000, a significant increase, to help small business, allowing them to deduct more from their taxable income, freeing up capital that they can then turn right around and invest in the creation of jobs.

When it comes to real estate, businesses are out there, they are working in real estate that employs the building trades, carpenters and plasterers and others. When they make improvements in their buildings, we call that buildout or tenant improvements, we change the depreciation schedule for that in this legislation as well. Currently it is 39 years, a ridiculous period of time. We reduce it to 15 years for inside buildout of a business.

The bottom line is we have accelerated cost recovery and we have expensing as well as depreciation reform in this legislation, 30 percent expensing. We increase the small business allowance up to $35,000, and we reform how we depreciate inside improvements in buildings, providing jobs. That is the bottom line.

I would particularly note from the technology sector's perspective that in our legislation that the House passed 6 weeks ago, we also recognize there are companies losing money this year. These companies losing money are looking for capital so they can reinvest and, of course, create jobs and preserve the jobs of their workers today. Under our legislation, we allow a company that is losing money this year to carry back for 5 years. What that means is they can take this year's loss and credit it against a previous profitable year sometime in the last 5 years, essentially get a tax refund, and they can use that money to reinvest in the creation of jobs. The accelerated cost recovery, the expensing and depreciation reform, helping companies that are losing money this year, is going to create jobs.

I would also note in the Economic Security and Recovery Act that we also help the middle class. We have to remember, the vast majority of Americans are middle class.

□ 1630

In the legislation we passed out of the House, the middle class tax rate is the 28 percent tax rate. That affects folks who make $60,000 a year. That is average middle class in the district that I represent in the south suburbs and South Side of Chicago. We lower their tax rate, which is currently 28 percent, effective immediately of January of 2002 we lower it to 25 percent that is going to lower taxes, giving more spending money to middle-class taxpayers.

We also want to help low income and working families too, those who probably never pay income taxes today and may not have benefitted directly and received a tax rebate this year from the President's tax cut that we all worked together to pass earlier this year. I would note that 24 million Americans will receive a $300 dollar stimulus payment under the legislation we passed, extra spending money. I am one of those who believes that low income families when they receive that stimulus payment check, they are going to tax it and they are going to spend it. That is going to help the economy, creating jobs and demand for goods and services.

Now, one thing I noted as we discussed this economy, unfortunately, hundreds of thousands of Americans have lost their jobs, tens of thousands in the Chicago area that I represent. I would note that in the Economic Security and Recovery Act, legislation we passed 6 weeks ago in the House, that we provide help for those who are unemployed, and we provide help for those who may have lost their health insurance coverage. In fact, we provide $12 billion in assistance for the unemployment benefits, as well as covering the cost of health care. So we put together a pretty good package.

I would note the Economic Security and Recovery Act, legislation that passed this House of Representatives with a bipartisan support, was passed by the House of Representatives 6 weeks ago. When you think about it, when Americans are in jeopardy of losing their jobs, I am one who believes that Congress needs to act very, very quickly and put on President Bush's desk legislation to get this economy moving again.

One of the most important reasons is not only to provide incentives to invest and give consumers more money to spend, but also to give the psychological confidence to business investors and consumers that it is okay to invest again, that it is okay to spend money on their family's needs, and that their job is not going to be in jeopardy.

So my hope is we can work things out with the Senate quickly and get on President Bush's desk as soon as possible legislation to revitalize and stimulate this economy. The bottom line is we want to provide economic security for all Americans. We want to protect those who have jobs, and those who recently lost their jobs, we want to give them the opportunity to go back to work and provide a safety net while they are out of work.

Mrs. WILSON. Mr. Speaker, I thank the gentleman from Illinois, particularly for his expertise on what we need to do with respect to the economy.

There are two other areas of the economy where the House has taken very important action and we need to get a bill to the President's desk without any further delay. One is energy, and the other is Trade Promotion Authority, so that we can promote international trade. I would like to maybe take those in reverse order. The one we passed most recently was the Bipartisan Trade Promotion Authority Act which we passed last week.

Now, international trade is not something that people usually get excited about, unless it is your job that depends upon being able to sell American products abroad.

There are about 130 trade agreements that exist in the world internationally. America is party to only three of them. What that really means is that when we try to sell our products to Latin America or Asia or Europe, our companies are more heavily taxed than our competitors in Canada or Europe.

I have a little company in my district called SEMCO, and they make rock crushers. These are big barrels and drums that crush rock for the mining industry, to be able to get the minerals out of rock. It is not a very high-tech business. It is a family firm.

But I was talking last week to the owner, and he said, you know, they do not even bother to bid on jobs in Chile any more, because their competitors are Canadian and European countries, and Chile has a free trade agreement with them, and there is only a 2 percent duty on a crusher that is made in Europe or in Canada, a 2 percent tax if a Chilean mining company imports a piece of equipment. But for him, it is about 17 percent.

You cannot under sell somebody by 15 percent, 15 cents on the dollar, so he does not even bother bidding on those jobs any more. He employs maybe 30, 35, 40 people in his operation in Albuquerque, New Mexico. I would like to be able to see him building more rock crushers and selling them to mining operations, whether they are in Australia or Canada or Latin America or Chile.

But unless we give the President the authority to negotiate tough trade agreements that reduce the tariffs on American goods abroad, we do not have a fair shot, and neither does he. To me, that is part of what it will take to get our economy back to growing jobs, and that is what this is all about.

America now is disadvantaged. On any kind of fair playing field, American companies and American workers can beat the best. We are the most productive workers in the world. We have the best technology, we have well-trained workers, and we can compete head-to-head and we can win, but we need a fair chance, and right now we do not have the fair chance.

Mr. WELLER. If the gentlewoman will yield, I absolutely agree with you. If you think about it, the globe's population, billions of people, 96 percent of the consumers on the Earth today live outside the boarders of the United States. So if we want to increase the opportunity to find new markets for American farm products, for technology, for manufactured goods, for entertainment, we have to increase our access to international markets. Ninety six percent of the globe's population.

Trade Promotion Authority, it is kind of a funny name, but the bottom line is all it means is that we give President Bush the full negotiating power he needs to break down trade barriers. Without the full negotiating power, our trading partners and competitors and those who are trying to open up markets into their markets are not going to take us seriously, unless the Congress gives President Bush the full negotiating power that he needs.

I was so very, very pleased that we passed out of the House this past week with bipartisan support legislation giving President Bush what he needs. I think it is a shame there is almost 130 bilateral trade agreements, and bilateral means a trade agreement between two different countries; but out of 130 bilateral trade agreements, only about three involve the United States.

Something is wrong when the globe's greatest economy, our country, is unable to negotiate the kind of trade agreements we need to break down barriers and reduce tariff barriers and other barriers that stand in the way of markets for American manufactured goods, for farm products, for technology. That is why it is so very, very important to give the President what he needs, and that is the full negotiating power that Trade Promotion Authority gives to the President.

Mrs. WILSON. Our American farmers feed the world. In my State of New Mexico, most folks would not suspect this, but New Mexico is the tenth largest dairy producing State in the country. It is a very fast growing dairy industry. Of course, our cattle industry in the West has always been really strong. Our New Mexico cattleman, I was talking to a rancher, and he said we really want free trade, because most people outside the United States do not eat as much beef as people inside, and we want to introduce them to the wonders of beef.

There are things that we can do to promote trade, but we have to give trade authority to do it. As you can see by this chart here, the House has passed the economic stimulus bill. We did that on October 24. We have passed now bipartisan trade authority, which would give the President the power to promote international trade and promote international business and get business for American companies abroad.

We also passed something way back actually the second of August, before the August break, the Energy Security Act. When we talk about jobs, we have lost 700,000 jobs in this country since the 11th of September. The estimates are that this energy bill, and this kind of just surprised me when I saw these two numbers, went back and looked at my notes from August, the estimate is it would create 700,000 jobs in domestic energy suppliers.

We are more dependent on foreign oil today than we were at the height of the energy crisis. Fifty-seven percent of oil is imported for America, mostly from the Middle East, a very volatile region of the world. Most folks do not know, but the number seven supplier of oil to the United States and the fastest growing supplier is Saddam Hussein's Iraq.

We need a balanced long-term energy policy that promotes both conservation and increases in production. We need a very diverse supply of energy. People get complacent. We all have gotten complacent a little bit here. The price of gasoline has gone done, the price of natural gas has gone down we have had a pretty mild winter so far, and maybe there is a sense of urgency that has left us. But the reality is we need an energy policy, and we need to reduce our reliance on oil coming from the Middle East. We should not be over a barrel begging Saddam Hussein to keep the oil spigot open. We need to be more independent.

The House passed by a very broad bipartisan vote the Energy Security Act on August 2. That should have been on the President's desk months ago. We need the first energy policy that we will have had in 20 years, and the House has passed it, and I would like to see the President be able to sign it.

I yield to my colleague from Illinois.

Mr. WELLER. I thank the gentlewoman for yielding. On energy, of course, the gentlewoman has been one of the leaders, particularly in research and development of new sources of energy and new sources of conservation, as well as helping our country be more independent of foreign sources of energy.

I remember one of the questions that I was asked shortly after the tragedy of the terrorist attack on America. Every day I was in my district I would visit a school and I would talk with students. One of the high school students at Wilmington High School, a high school junior, asked me a very good question. He says, "You know, Congressman, Americans have very short attention spans. Will we keep our attention and will we eventually lose interest in what occurred to our Nation on September 11?"

I said, "You know, young man, you have a very good question, and that is, will America appreciate what complacency has cost us?"

Clearly what we were reminded on September 11 was the consequences, number one, of thinking it will never occur here, but also the consequences of being dependent on others in unstable areas of the world for sources of energy.

To me, I think there is something wrong when the policy of this country over the past decade has been to allow our Nation to be dependent on a majority of the oil that we use to power or our economy comes from outside the borders of the United States. Clearly, we in the Congress, I believe, have an obligation to improve the security of our country by reducing our dependence on imported energy, particularly oil.

I was proud to say that, earlier this year, and all the way back in July, now, think about that, in July we passed the Energy Security Act, legislation designed to make our country more energy independent, to emphasize conservation, to emphasize renewable sources of energy, and also to promote domestic sources of energy.

Well, think about it. How many months have passed since July? July, August, September, October, November, December. Six months have passed since we passed legislation which would provide for an opportunity to make our Nation more energy independent. Unfortunately, while the House has acted, we are still waiting for Congress to be able to send to the President legislation that brings about energy security.

I would note, not only do we provide for an opportunity to reduce our dependence on imported oil from the Mideast, but also we provide for an opportunity for investment in new technology, which will promote energy conservation.

One of the provisions in the legislation that we passed provides incentives for homeowners to make their homes more energy efficient, where they can receive up to a $2,000 tax credit, up to 20 percent of the first $10,000 they would spend if they better insulate their home or put in better, more energy efficient windows and more energy efficient heating or cooling for the house. And also for a home builder. A home builder who builds a new building, whether a condo or a stand-alone house, would also be able to receive that tax credit.

I was talking to a home builder in the area that I represent in the South Suburbs, a gentleman who has built thousands of homes in the Mokena-Frankfort-New Lennox, the Lincoln Way area we call it, just east of Joliet. He said in the last 2 years he has built about 1,000 homes, but only about a dozen of his customers, those who purchased new houses, brand new houses from this home builder, said they wanted an energy efficient house. People were more willing to invest a little extra money in the kitchen or bathroom, something they can see, than into making their house more energy efficient.

But he also said when there is an incentive to help recover the cost of making that investment, those consumers are much more inclined to invest in energy efficient improvements to their existing house or to purchase a home which has more energy efficient technology in place.

That is one of the most basic centerpieces of the legislation we passed. While the House has done its job on energy, while the House has done its job on trade opportunities, while the House has done its job on revitalizing this economy, we are still waiting for the other body.

My hope is we can work together soon, within the next few days, and put together a bipartisan agreement. We all know it is in the best interests of our Nation to get this economy moving again, because far too many Americans have lost their jobs. 700,000 Americans are now unemployed, and we have yet to put on the President's desk legislation to help revitalize this economy. Something is wrong.

□ 1645

President Bush has asked us to send him a stimulus package, what we call an economic security package, to help create new jobs, protect jobs, give those that are currently out of work an opportunity to go back to work. I think it is wrong that this Congress has not completed its work, but I am proud to say the House has been doing its job. In July we passed energy security. Six, 7 weeks ago, in early November, we passed economic security. This past week we provided for greater trade opportunity. We need to work together, and I hope the other body and the House can find a way to get this job done in the next few days.

Mrs. WILSON. Mr. Speaker, I thank the gentleman from Illinois. When I started out, I talked about how we had worked together to finish the education reform bill and what a tremendous achievement that is and how it will make a wonderful difference for our communities and our families and our children over the next couple of decades. It is a landmark piece of legislation. It showed that if we focus on something, with the leadership of the President and the determination of the House, that we can get things done. But there are things on the economy and jobs that we also need to get done.

We have worked cooperatively with the President and with the entire Congress to get things done with respect to the war on terrorism, and that war is going very well, although we always must expect that there will be bad days and there will be good days. But there is something else we need to focus on, and it cannot be put to the back burner. It has to be put front and center, and that is growing jobs.

The House has passed the economic stimulus bill. We passed it on October 24. We may actually pass another economic stimulus bill. It is almost as if we are pleading to get something done so we can get it to the President and get back to growing jobs. We have passed Bipartisan Trade Promotion Authority so that we can export more and grow our businesses at home so we can sell products abroad. We passed 6 months ago the Energy Security Act, which also would create jobs, probably 700,000 jobs in the energy sector. We have done things with farm security, and things are really hurting in the agriculture industry, and the House has passed a farm bill. Even back in June, in mid-June we passed an Invest for Fee Relief Act.

Most folks do not even know it, but when one trades a stock in an IRA or in a 401(k) or just in a stock account that one might have with T. Rowe Price or whomever, there is a few pennies or actually less than a penny on each transaction that goes to pay for the Securities and Exchange Commission. That rate was set when we were not doing so much stock trading and there were, instead of 100 million investors in America trading on line, there were really only a little more than a million, maybe 10 million investors and they were mostly large stockbrokers. We do not need that much money coming from all of these little trades. What this bill does, it just says, let us just have the amount of money taken off the trade that one needs to fund the SEC. That is what it was intended to do.

Six months ago we passed that legislation. It is a simple little bill. But if we watch the values of our stock portfolio go down, the IRA or 401(k), it kind of hurts that we are not acting faster and it feels as though we are throwing things over the net, and there is nobody there.

I yield to the gentleman from Illinois before we wrap up this hour.

Mr. WELLER. Mr. Speaker, I want to thank the gentlewoman from New Mexico for her leadership and setting aside this hour to talk about what the House has done. We have been hard at work over the last 12 months working to bring about change, but also working to bring about security to the average American, for our communities and for our country. We have supported the President in the war against terrorism, giving him the full war powers that he has asked for. We provided for $40 billion in emergency funds and we have helped our aviation sector and stabilized that after it was literally shut down for days, which cost the aviation sector billions of dollars.

But we have also worked to respond to other situations that have occurred since the terrorist attack on September 11. The bottom line is, we have to get this economy moving again. That is why the points that the gentlewoman has made are so important, when she referred to in July when the House passed energy independence and energy security legislation to reduce our dependence on imported energy.

It was in October when the House passed and sent to the other body legislation which would stimulate this economy, reward investment and the creation of jobs, help displaced workers with unemployment benefits as well as health care benefits, give extra spending money to consumers. It was in November when the House passed the Farm Security Act, legislation to help our farm economy. Again, the House has been doing its job.

It was just this past week that the House moved in a bipartisan way to give the President the full negotiating power he needs to reduce trade and tariff barriers that stand in the way of American manufactured goods as well as farm products that we produce here on our soils. Mr. Speaker, 96 percent of the Earth's population lives outside of our borders. There is a tremendous amount of market, a tremendous amount of opportunity to move goods from the United States out of our work places and manufacturing places and our farms on to the tables of those who are hungry overseas, not only for our food, but for our goods and services.

The bottom line is, we have worked hard in this House. We have been on schedule. Energy in the summer, passed energy security legislation, we have given the President full trade negotiating powers, we have worked to stimulate this economy. Unfortunately, it takes 2 Houses to get the job done. My hope is that in the next few days that the other body will come together with the House and that we can work together to stimulate the economy and to help bring greater security to our country.

I want to thank the gentlewoman for her leadership and this Special Order.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PLATTS). The Chair is required under the House rules to remind Members that it is not in order to characterize action or inaction by the other Chamber, and would ask Members to comply with that rule.

Mrs. WILSON. Mr. Speaker, I thank the gentleman from Illinois for coming down here and joining me this evening. I also wanted to commend him for his leadership in the Committee on Ways and Means, not only on issues of economic stimulus and the committee and the gentleman have done a grade job, but on trade promotion, and particularly the things that affect our high-tech economy where the good-paying jobs are and we want those good paying jobs to be in America, and I want to thank the gentleman for all the hard work that he has done this year.

Today, the Congress had a tremendous success. We passed an education bill which is now on its way to the President that will implement his idea and his passion, that no child will be left behind in America. We have given the President legislation and money to fight the war on terrorism. The people who attacked America on September 11 underestimated the resolve of this Congress, this President, and this country. We will find those responsible, we will root them out, and we will destroy them. We are united in that resolve.

The House of Representatives has passed numerous measures to stimulate this economy. We have passed an energy bill that would give us 700,000 new jobs. We have passed an economic stimulus bill that would reduce the tax rates on middle-class Americans, put money in consumer pockets, and let small businesses invest and create jobs and restore confidence to our capital markets. We need to move forward and grow jobs in this country. Mr. Speaker, 700,000 Americans lost their jobs since September 11. We are in a terrorist-induced recession. Now is the time to act and get back to growing jobs.

IMMIGRATION REFORM AND CONTROL, AND THE SECURITY OF OUR BORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes.

Mr. TANCREDO. Mr. Speaker, although I can certainly agree with many of the comments of the previous speakers with regard to what this Congress has accomplished to date, there is an issue, of course, that I must bring to the attention of the Congress, of my colleagues, and the Speaker, that has not been dealt with. It is almost incredible to stand here and say this in light of everything that has happened since September 11. We have, indeed, prosecuted a war against the perpetrators of the September 11 tragedy, and we have prosecuted it successfully. I am immensely grateful to the President of the United States for his efforts to bring these people to justice. In many ways, I am pleased with what the Congress of the United States has done in efforts, as has been stated earlier, at least on the House side, in terms of enhancing the economic viability of the Nation, passing a stimulus package, and the rest.

However, while we focus on issues like those that have been described here, having just passed a massive education bill earlier this afternoon, we have abandoned, we have refused to deal with one of the most important, one of the most significant and uniquely Federal responsibilities given to us under the Constitution, and that is the issue of immigration control, immigration reform, and the security of our borders.

Amazingly, I say, we have refused to do that. Here we are approaching the end of this particular session of Congress. I would have hoped that all of our colleagues could have seen what most Americans see. Poll after poll after poll by Americans of every stripe, of every political philosophy, of every ethnic background, every single poll tells us something we evidently do not understand in this Congress, and that is the American people want immigration reform. They want us to do everything we can to gain control of our borders, to make them more secure, so that while we are bombing the people, al Qaeda and others responsible for the terrorist acts of September 11, while we are bombing them in Afghanistan, the people of the United States want to know that the Government of the United States is doing everything it can to protect them from more of these folks coming across these borders with the intent to do harm. Yet nothing has been done. Nothing.

We have passed stimulus packages, we have passed education reform, we have done a number of things, again, that many people can be quite proud of; but amazingly, we have refused to deal with this issue.

Mr. Speaker, I used to stand up here on the floor of the House and talk about the need for immigration reform at a point in time when there were relatively few Members of this body who were interested in doing that. I recognize that it was not a popular issue to address. Many Members on both sides have very deep-seated feelings about this issue. Some of them revolve around the political imperatives that they face in their own districts, the recognition that to talk about immigration reform always puts one into the position of being attacked for a variety of reasons, all of them unrelated to the real issue of immigration reform. But I felt it was necessary to do so. But I also understood entirely the political dynamics of this body. I am a political person; I do understand what motivates individuals in terms of their voting record.

I recognize fully well that it would be difficult to ever move this issue forward in this session, the next session, or the one after that. That was several months ago that I had that impression and knew that I was fighting an uphill battle.

□ 1700

I used to talk about the importance of gaining control of our borders and the importance of security, and I would reference the fact that we have had several instances of terrorists doing things in the United States, certainly not to the extent in terms of the damage caused by the September 11 events, but we have had similar events. We have had all kinds of warning signs that something like September 11 was coming.

In the spring of 1993, Mr. Speaker, a Middle East terrorist named Mohammad Salameh struck the first blow at the World Trade Center.

He, if Members will recall, detonated a bomb in the garage. It killed eight and it wounded many. The mastermind of the plot was a notorious Egyptian sheikh named Omar Abdul Rahman. The sheikh had been behind the assassination attempt or the assassination of Egyptian President Anwar Sadat, had fled his own country, and was on the State Department's list of known terrorists.

However, recognizing his background, knowing who he was and what he was responsible for and what he wanted to do to us, all he had to do was to walk into an American embassy in Khartoum, claim refugee status because he had been driven out of Egypt for the murder of the President, and get it, get refugee status, and come to the United States of America, come specifically to New Jersey and begin recruiting terrorists, which he did, begin spouting his hatred of the United States, of this great satan, in the mosque in New Jersey; recruiting people into his organization, one of them being Mr. Salameh, the perpetrator of the crime in the World Trade Center.

That did not warn us? That did not tell us something about the nature of our immigration system, about the nature of our visa process, about our need to actually control the flow? That did not tell us something, that a man like this sheikh could get into this country by simply claiming refugee status, and then we, of course, open the door wide?

We now hand out refugee status like it was candy. Refugee status used to mean something. People used to have to prove beyond a reasonable doubt that their lives were in danger in the country they came from for political reasons, and that they were not, at the same time, a threat to the United States of America. It means nothing today. We hand it out like candy.

In fact, approximately 93 percent of the people who come to the United States who claim refugee status may not obtain it originally, but they simply walk away after they claim it, because at that time when you claim refugee status, you can stay while a process is under way to find out whether or not you get it, even though in New York City alone, the port of New York, at JFK, only a few thousand will be granted refugee status originally, but all the rest who claim it simply walk out the door.

They become, essentially, refugees in the United States because no one ever goes after them; no one has the slightest idea who or where they are. When one goes to the INS and asks them, where are the people who have come here as refugees, but you have denied refugee status to them, they do what I call this logo, and this should be the logo of the INS. It is simply this: a person standing there shrugging his shoulders, hands out, saying essentially, "I don't know."

For almost everything we ask the INS about in these kinds of situations, that is the response we get: "I don't know; cannot tell you; I am not sure; I do not know; we have no figures on that; we do not keep records on that." That is the most constant refrain we get.

So in the spring of 1993, again, it should have told us something; but amazingly, it evidently did not, not enough to get this body and the administration to move in the area of border security.

Why? Because there is a fear of doing so. There is a fear of alienating a certain segment of the population in the United States, newly arrived immigrants, immigrant families, whatever; maybe the fear of alienating other nations, other countries, to tell them to try and please help us gain control of our borders.

Whatever it is, and there are plenty of reasons why we have refused to move forward, we did not. We did nothing.

In 1993, another asylum seeker entered the United States. His name was Mir Aimal Kansi, K-A-N-S-I. Mr. Kansi, as Members might recall, later shot and killed six people as they waited in their cars outside the CIA offices in McLean, Virginia. He fled back to Pakistan, probably with the aid of the Pakistani Government, and has never been seen since.

Time and time again, we have been shown that we are vulnerable; that people coming into the United States, if we do not be careful, if we do not clear them, if we do not know for sure who they are and keep track of them when they are here, if we do not do that, we are putting ourselves in jeopardy.

We had all of these warning signs. There were many more, many more times when people were apprehended for totally separate events. There was a guy caught trying to come across to the United States, come into the United States through Canada with all the bomb-making equipment and that sort of thing; and just by happenstance, totally serendipitously, it turned out he was prevented from coming in. But we know, actually now we know that thousands of people are here in the United States who we suspect now of coming in here with devious intents.

Now, when I talk about these people, I am not just talking about the people who are here illegally; they just simply come across the borders of the United

States, north, south, east, and west, and are here illegally pursuing their lifestyle, attempting to achieve a better life.

Everybody knows a story of someone who has a family member or something who has come here, even illegally, with the intent of essentially just making a better life for themselves and not with the intent of doing harm to the United States. But I am talking about a lot of other people who have come here for other reasons. We know they are here, and we are not sure where. We are rounding people up, we are detaining them and trying to go through now and trying to find them.

Just recently, we have indicted someone who we found was a co-conspirator or the allegation is that he is a co-conspirator with bin Laden and al Qaeda. Guess what? Guess what they got him on? Violation of his immigration status, violation of his visa.

Every single one of the people on the planes that were here in the United States on September 11, the 19 people who in fact perpetrated the crime, all of them were here on some sort of visa status. Most of them had, as I understand it, violated their visa status in some way or another and could have been thrown out before September 11, had we paid the slightest bit of attention to the people who come in here and why they come and where they come from.

But this was not the modus operandi of the INS. The focus of the INS at the time was to say that its real purpose had little if anything to do with the enforcement of our immigration laws, but it had everything to do with trying to make sure immigrants to the United States got services, benefits, as one of the individuals from INS told a radio audience in Denver when I was home not too long ago.

She said, yes, we have a responsibility to go out there and look. We do not do this rounding up of people anymore, and going to worksites and any of that stuff. We find illegal aliens, and we try to explain to them they are here illegally, and then how they can get benefits. This is what she considered to be the job of the INS.

We had great hopes that with the change of administration from the Clinton administration to the Bush administration there would also be a change in policy with regard to immigration; that we would be able to begin to control our own borders. A new person was put in place, Mr. Ziglar, who was appointed to head the INS. But again, I must say, Mr. Speaker, we have been disappointed, disappointed with the new director and with his lack of enthusiasm for the enforcement side of his job.

As it turns out, Mr. Ziglar has an extensive background in the area of immigration law because evidently, according to his own testimony in the other body, he had been a staffer for a member over there, Mr. Kennedy, and actually helped write some of the legislation that we are now trying to deal with in terms of immigration reform, legislation that created so many loopholes, ultimately, that even Mr. Ziglar now says hampers their ability, the INS's ability, to actually get something done. He was actually a staff member of the committee, he told the committee he was testifying in front of the other day.

So it is apparent that we have someone now running that agency who has no difference in terms of philosophy or what he believes the direction of the agency should be, no difference from any of his predecessors. He thinks of the INS as a great social service agency whose duty and responsibility is to get as many people into the country as possible and to "get them benefits as quickly as possible once they get here."

Interestingly, one of the other pieces of legislation, major pieces of legislation that was passed by this body, by this House not too long ago, just yesterday, was the so-called voter registration reform bill.

After all of the problems we saw with regard to voting and the voting machines and the chads and all the rest of that stuff, there was a great clamour for some sort of reform in the process. So we are going to spend millions of dollars to help communities buy new machines and that sort of thing.

Fascinatingly, fascinatingly, when I went to the author of the legislation and asked if there was anything in there to prevent people who are here illegally, people who are not citizens of the United States, if there was anything in the bill to prevent them from voting, he said they really could not get that through, and that he was hoping that the other body would in fact do that; that we could somehow, somewhere, add to the bill the requirement that one be a citizen to vote. "But we were fearful that that cannot be fixed."

Now, Mr. Speaker, I ask Members, am I the only one here, and my colleague, the gentleman from Ohio (Mr. TRAFICANT) often says, beam me up, beam me up, Mr. Speaker, because he cannot believe what is going on around here. I would have to add my voice to his. Beam me up, also.

Is it really true that this body cannot produce a piece of legislation that says one has to be a citizen in order to be able to vote? Much too controversial. The INS does not support it; the administration probably does not support it.

Mr. Speaker, we have not changed our attitudes, even though there are over 3,000 dead in New York, even though a plane crashes into the Pentagon just a few miles from where we stand tonight, and even though the perpetrators were all themselves non-citizens of the United States; even though we know that time and time again people have come across our borders with the intent to do us harm and have carried out many actions; and even though we know that we cannot pass anything in this body that even remotely reflects our concern for the security of our border.

Beam me up. Beam me up, Mr. Speaker. It is absolutely beyond my ability to understand why we are so fearful, why it has taken us so long, why we have yet to deal with this issue, and why there are still people who, although they will not say as much, they will not be quite as open, quite as vociferous, quite as demanding and visible today as they were prior to the September 11 about their desire to see open borders, people who still have a desire to provide amnesty for all the people who are here illegally.

Although we do not get them saying that so often, we know that they are really still in control.

□ 1715

I go back to Mr. Ziglar's testimony just the other day in front of the Senate committee. This is the INS commissioner, John Ziglar. When he fielded a question asking whether the administration is still considering an amnesty for Mexicans and why, if the INS needs more money, does not Congress pass 245(i) extension?

Let me explain 245(i). This is simply another bureaucratic term for the process of amnesty. That is all, providing amnesty for people who are here illegally. This is a big issue in the Congress. We cannot do anything about border security, but they are still hoping that somehow, someway, we are going to be able to get an extension of 245(i) to provide amnesty to millions of people here illegally, to give them a reward for breaking the law.

They are still trying to figure it out. They are still determining whether or not they can put it on to an appropriations bill, whether or not they can hide it in one of the bills we are going to be dealing with here next week, one of the three, two or three final appropriation bills we have in front of us, because if they can stick it in a huge package of legislation, it will be less likely for us to be able to defeat it, those of us who are opposed to it, and it will be much easier for people to vote for it because people will say I had to vote for the defense appropriation, did I not. So they are trying to figure out ways to do that.

As we stand here tonight, they are trying to figure that out. They are not dealing with the issue of border security itself, amazing again, incredible, but true, but here is the commissioner of the INS, appointed by this administration. Remember, this is not a Clinton appointee. When he was asked about this, he responded regularization, this is a euphemism, regularization, this is a euphemism for amnesty, regularization has taken a back seat, but he said the President has not abandoned it, it is just going to be on a slower track until the climate dies down. Until the climate dies down, until we no longer have our sensitivity as acutely honed as we do today to the problems with illegal immigration into the country. When it is quieter, they will sneak it by us, that is what he is saying. This is the new commissioner of the INS. Someone ought to be beamed up and he is one.

We have over 300,000 people, Mr. Speaker, approximately 318,000 that we can identify, 318,000 people who have been ordered to be deported from the United States over the last several years. We have about 100,000 go through this process every year, and some of them are actually deported, but 300,000 of them walk away. They simply walked out of the courtroom and into American society.

Please understand, Mr. Speaker, these are people who did not simply overstay their visas. These people oftentimes have committed crimes against the United States. That is how they got caught. No one gets caught for simply overstaying their visa. No one gets caught for not having a visa. So no one should be surprised that no one goes after visa violators. When we ask the INS, how many people violate their visas every year, visa status? They go into their logo stance, I do not know, got me, probably a lot, we do not know, we do not keep track of them.

Well, these 318,000 that we have found to be out there and only, by the way, after we pressed the INS for quite some time, did they release this information, when we brought every time we could possibly make the point, I would try, others would try to use this as an example of the problem, that 300,000 people were out there already, walked away and they had been ordered deported. No one had the slightest idea where they were, what they were doing.

The other day the INS finally decided they would, in fact, allow other agencies access to the names, that they would put them into the crime database. So that now if a policeman in Jefferson County, sheriff in Jefferson County, Colorado, just happens to pull somebody over for drunken driving or running a red light or whatever and enters their name into the database in the computer, it may come up and say this guy, this person is here illegally, was ordered deported.

That is a good step. I am very happy the INS did this, of course, do not get me wrong. This is what they considered to be, however, a major reform effort, putting the names into the database. I agree they should do that, do not get me wrong. The question now becomes one of what they will do once in a blue moon when somebody does, in fact, get arrested and are found to have been ordered deported, what will the INS do?

Will they do what they have done up to this point in time when they are called by local officials who say we have got a bunch of people here we just rounded up, they are all here illegally, we just stopped a car on the road because it did not have any taillights, any headlights, broken windshields, and we found out there were six people hidden in the trunk, there were was a van with 19 in there and they are all here illegally, and what will the INS tell them? I do not know what to do, let them go. Hey, what the heck. We have not got time to come out there. They are just here illegally.

Do my colleagues know what a previous INS assistant director said when he was speaking to, just a short time ago, just last year I think it was, speaking to a group of people who were here illegally? They were probably giving them a party, for all I know, probably like a cocktail party thrown by illegal aliens for the INS. It would not surprise me. It certainly should because I guarantee my colleagues they have nothing to worry about and they do owe a great deal to the INS, and the INS, this person, I wish I had the name in front of me, I have used it before on the floor, told the assembled group of illegals that being here illegally was not against the law. Now, I do not know if the people to whom he was speaking understood the English language well enough to understand the perversity of that statement. Yeah, he said being here illegally is not against the law.

So this is what we have to deal with. Should we be surprised then that it is so difficult to get the INS to change their philosophy because we have got the same people, essentially the same ideas about who we are and what we are.

I assure you, Mr. Speaker, that they will come in and say when we have asked them, why do not you try to do something about that? They will say, well, it is the resources. It is the fact that Congress has passed laws tying our hands. That is absolutely true. Plenty of dumb laws have been passed by the Congress. Plenty.

Again, I do not know where to start. There are so many goofball things we have done here to try and encourage massive immigration into the country of illegals. But combine that stupid activity and the stupid actions of Congress over the past 10 years with the incompetence and the lack of willingness to enforce immigration laws that is inbred into the INS, and it is no wonder we have a disaster of the nature that we have faced and that we are still facing, we have faced on the 11th and we are still facing.

Is there any Member of this body, is there anyone in the United States of America who does not think that there are still people either in the United States or trying to get into the United States but with the purpose of continuing the jihad against us? Is there a human being here who thinks that? Does anybody believe that even if we bomb Afghanistan into dust that our worries are over within terms of terrorist activity in the United States of America? Does anybody believe that?

I cannot imagine there is anyone, certainly in this body, and I cannot imagine that there is a thinking person in the United States that would agree that all we have to do is destroy the al Qaeda network in Afghanistan and we are all going to be okay.

So then what is it that we can and should be doing to ensure our safety in this Nation besides bombing Afghanistan? We should, of course, be defending our own borders. We should, of course, be using the National Guard to defend the borders and every State that is adjacent to the border of Canada and/or Mexico. We should be using technology to help stop people from coming.

Now we will never be perfect. We cannot be perfect. I recognize that fully well. We will work and work as hard as we can to make sure our borders are not porous and we will never be able to make it perfect. But on the other hand, does that mean that we do nothing because we are afraid of the political ramifications of saying we are going to clamp down on immigration. We are afraid that the Hispanic community in the United States would vote against us.

But I will say again, Mr. Speaker, the fascinating thing about this topic is that we can see by poll after poll after poll that those Hispanic Americans that have been here for generations, some of them a lot longer than my family has been in the United States, legal Americans, people who have been here, people who have recently immigrated to the United States legally and are of Hispanic descent, by large majorities they agree with us that the border should be enforced, the border immigration laws should be enforced.

Seventy-three percent in a recent poll said, this is Hispanic Americans, said that employer sanctions ought to be enforced for people who hire illegal immigrants. It is fallacious to think that the entire community of Hispanics living in this country today would automatically in a knee jerk fashion vote out anybody who dared suggest that we should actually try to maintain integrity of our own borders.

I will say, I would say, that regardless if I faced that kind of political problem which I may very well do. I mean, I get plenty of mail, I assure you, that suggests that my political days are numbered because of the position I have taken vis-a-vis immigration. So what? So what?

Is it not our responsibility in this body to provide for the protection of the life and property of the people in the United States? Is not that primary? Is not that the most important thing we are here for? Is not it even more important than the education bill? Is not it even more important than the economic stimulus package? To protect the life, the property of the people of the United States. How do we do that if we ignore the fact that our borders are porous, that people can come into this country at will and do harm?

How do we ignore this? Yet, we have. We are coming to the end of this session. We have ignored the most sacred responsibility we have as Members of this body. We have done so because of our fear, our fear that our actions would be either misinterpreted or for whatever reason, we will suffer political consequences.

We have refused to do so because Members on the other side of the aisle recognize that massive immigration into this country, both legal and illegal, eventually turns into votes for them. That is what they believe. It may be true. It does not matter. It is more important to keep this Nation safe than to worry about our political future. Because, frankly, what does it matter what our political futures are if our Nation is being destroyed around us. And there are many ways that that destruction can come.

It can come as a result of the bombs that people place in buildings, or the planes they turn into bombs and drive into buildings. And it can come from the disintegration from our own society that can happen as a result of massive immigration. Forty-five million Americans today do not speak English, cannot speak English. Forty-five million Americans cannot communicate with their fellow Americans in the language of this country. Forty-five million Americans, therefore, are inhibited from achieving full integration into this society. Many of them, of course, choose not to integrate.

□ 1730

And many of them have no reason, they think, to do so, because essentially their culture, their ideas, their language came with them and now everybody in their community speaks a language other than English and so it is quite comfortable.

And our schools, our schools continue to push bilingual education. Even today, when we passed this massive education reform bill, and this is one more thing to go on that list of incredible but true, because if we said to everyone in this Nation, if we asked everyone the following question, do you believe that a parent should have the right to determine whether or not their child should be placed into a bilingual education program, what do you think the response would be? I wonder, Mr. Speaker. I think, overwhelmingly, people would say, yes, absolutely. Seems only right. Yet we could not get that reform into this bill.

Today, even after we passed this reform bill, children all over America will be placed, involuntarily, into bilingual education classes, classes so that they will be taught in a language other than English. Therefore, their ability to achieve success in our schools and, therefore, later in life in our system, is severely jeopardized. But they will be placed there, and then it will be incumbent upon a parent to go through the hoops to try to get them out. And that is what we call reform.

But, of course, many of these parents do not understand the process all that well and are very, well, intimidated by the process; but they know in their hearts what is best for their children. They know that it would be good for the children to actually be taught in English, and to be taught English quickly, to be immersed in English, to move out of a language other than English and into the language of commerce, into the international language of commerce and trade. They know that in their hearts; yet their children will be placed in bilingual programs without their permission. This only helps the disintegration of the culture I have described.

As I say, we can be attacked in a lot of ways, Mr. Speaker. It does not just have to be by bombs. And I believe there is a threat to the Nation that is represented by massive immigration, especially of illegal immigrants, that has to be addressed by this Congress.

I am happy to see that one of my colleagues has joined us on the floor of the House, and I would definitely yield to the gentleman for his remarks on this subject.

Mr. ROHRABACHER. Mr. Speaker, I think it is very apropos that my colleague is talking about the danger of out-of-control immigration to our country.

My staff was recently looking at some of the statements that I made back in 1997 in the Congressional Record. On September 29, 1997, there was a debate about extending 245(i), which was basically a provision which suggested that if someone was in the United States illegally, instead of having them have to go back, which they traditionally have had to do, to their home country in order to change their status and then stand in line and become a legal applicant, 245(i) would have permitted them just to give $1,000 and to stay in the United States of America and to have their status adjusted here.

During that debate, I stated, and I think it comes right down to the safety of the country, and we are talking about immigration policy: "Extending 245(i) also raises serious national security questions." This is back in 1997. "Unlike those who enter the United States legally, 245(i) applicants are not required to go through the same criminal checks, history checks, as they do when they go through this check in their home country when they are waiting to come to this country legally. The consular offices located in the applicant's home country, along with foreign national employees working for the State Department, are in the best position to determine if an applicant has a criminal background or is a national security risk."

Again, this is in 1997. "Consulates abroad are more knowledgeable, they speak the local language, they know the different criminal justice systems in the country, and they are the ones who should be screening the people before they come to the United States so that we do not have criminals and terrorists coming to the United States, not being screened, and ending up just paying $1,000 to be put in front of the line. Allowing these lawbreakers to apply for permanent status in the United States rather than having them returned to their home countries to do so circumvents a screening process that has been carefully established to protect our country's security."

Now, that was back in September of 1997. And let us note that any one of the September 11 hijackers who was here in this country would have been eligible then to find a sponsor or to marry somebody, just with the restrictions that they wanted to tweak this 245(i), that would have permitted them to stay in this country. And the general idea of 245(i), had that been totally accepted, which was being pushed in 1997, none of those guys would have had to go home to get their status changed. Every one of the terrorists that slammed into those buildings and was involved in this conspiracy to kill thousands of Americans would have been given an avenue to stay right in this country legally.

Now, when we have policies, when we have people advocating this type of policy that we are going to change the way we do things around here, and this is the policy change, and it is so evidently nonchalant about the national security of our country, something is wrong.

And I would like to applaud the gentleman from Colorado (Mr. Tancredo) for the leadership he is providing on this overall issue of immigration, because what we have here is immigration out of control. And an immigration policy that is out of control is bound to do great damage to our country, to our people, and to the national security of our country.

Already we have seen what that means just in terms of traditional national security, and that is we have lost almost 4,000 of our citizens to a terrorist attack because we did not have proper control of our borders. We had people here in our country that should not have been here, not to mention of course the failure of the CIA, the FBI, and the National Security Agency, which of course was a failure as well, but now we are just talking about specific policies.

In my State, okay, we have not lost 4,000 people to a terrorist, but we have criminals who are let loose every day in my State because we have a policy of, what? If someone is arrested and they are here illegally, that does not automatically mean that they are sent home to the country from which they come.

Mr. TANCREDO. It is called the catch and release policy.

Mr. ROHRABACHER. Imagine that. We are turning loose criminals, people who have been arrested for crimes in our country and just turning them loose among our citizens. This is outrageous.

And why are we doing this? We are doing this because Americans have good hearts and we are afraid to do things that would cause great hardship and discomfort to very good people. Ninety-five percent of the illegal immigrants, much less the legal immigrants, but 95 percent of them are wonderful people, and we are afraid to do something that would cause them hardship.

Well, who are we representing, anyway? Who are we supposed to represent? We are supposed to represent the people of the United States, the people who happen to be of all races and all ethnic backgrounds. The people of the United States are not one race. We are not representing a racist point of view or one ethnic point of view. We are representing the patriotic interests of every American, no matter what color he or she is, or what religion he or she is.

We should have no apologies that to whomever it is we are saying, "I am sorry, because you are not here legally, you have to go home," or "you are here illegally and you cannot get benefits to take away from our citizens," we should not be afraid to do this.

Mr. TANCREDO. The gentleman is so correct. And let me say, first of all, that long before I came to the Congress of the United States, there was an individual, maybe more than one, but one I know of who has been such a stalwart on the issue of immigration, the safety of the American people brought about through the defense of our borders, and it is definitely the gentleman who has joined me on the floor tonight, the gentleman from California (Mr. ROHRABACHER). I am proud that the gentleman is here and that he is a strong supporter of our efforts.

When we talk about who are we representing, it is fascinating, because most of the immigrants into this country, legal immigrants, people who are here relatively recently and have just come into the country, most of them support our desire to try and reform immigration. So when the gentleman says, who are we representing, it is true that it is as if the majority of the body is actually representing people who are not American citizens and who are attempting to come into the country illegally. That is what it seems like we are representing here instead of our own constituency, instead of the best interests of the country.

David Letterman said on TV not too long ago in his opening monologue, he said, "The Taliban is on the run and don't know where to go. Pakistan doesn't want them. Iran doesn't want them. Of course, they will have no problem getting into this country." And he is absolutely right. Unfortunately, it is true.

I do not know if the gentleman from California heard when I was talking earlier about the INS and their attitude about 245(i), but even after everything that has happened, the gentleman who is the commissioner of the INS, James Ziglar, was speaking in front of a Senate committee and said essentially that "we've not abandoned this idea of 245(i) extension." He says, "We're just going to be on a slower track until the climate dies down."

Mr. ROHRABACHER. If the gentleman will yield, I take it the gentleman did remind everyone that on the morning of September 11, 245(i), and the extension of it, was scheduled to be voted on right here in this body. How ironic that on the day that we suffered this horrendous attack, this monstrous atrocity that was committed against our people, that we had an attempt to open up 245(i)'s wedge into the door, open up a little more.

We were going to vote on that "reform" that day, and of course, because of the attacks, we were not able to hold a session that day. Conveniently, that proposal has been shelved recently and has not even been brought up since then. But just the insanity of the fact that people are still considering that type of thing, again making the wedge into the door a little bit bigger so people can squeeze through that opening. It is just insanity.

Now we are paying the price for this, and we are paying it in a big way. Number one, on these people who died. The people who are victims of criminal attacks. Also, our working people who are now working at less wages because illegal immigrants in particular are willing to come in and work for anything. Yes, we have a huge class of people who have benefited, and even the upper middle-class people benefited from having this great expansion in the last 10 years. But guess what, a lot of working people did not because they were competing against people who came here illegally from another country.

Now, do we really care about those people? Yes, we should care about our citizens at that income level who now have a lower standard of living. And we can be proud that, yes, the upper middle income in our country, those people benefited greatly and now they have three cars and now they have houses that are so expensive. Yes, let us feel proud that so many of our citizens, 10 percent of our citizens, can live like that.

□ 1745

What about the other 25 percent of our citizens that are working class people and have found their wages stagnated for a whole decade because people come in from all over the world and undercut them in their attempts to seek higher wages.

Mr. TANCREDO. Mr. Speaker, there is a program called the H–1B program, and I am sure the gentleman is well aware what it is about. You can obtain a visa to come into the United States because your skill is so great and there is such a need that we cannot find American workers. Therefore, Congress has increased the ceiling on H–1Bs to 195,000. They usually go into the area of high tech. Most of these people are working in the computer industry, computer programmers and the like. That industry has suffered the largest decline in this recession.

Hundreds of thousands of people have been laid off, but we in Congress continue to allow H–1B workers to come into the country and take the jobs that would be there for American citizens. Get this, we found the other day another thing for the list of incredible but true. Remember I said these are high tech, skilled workers. When we talk to people in the industry, they say we cannot find these people here. They have Ph.D.s in esoteric areas. We have to get special permission to bring them in.

Mr. Speaker, get this. Five hundred visas are specially set aside for models. Super models. You know, ladies that walk around; models. This is high tech? I mean, I think we have enough beautiful people in the United States, do we really need a special visa category. There are 500 H–1Bs for super models coming into the United States. Believe me, there are a lot of people who I think could take those jobs. But it is just a tiny example of how idiotic this whole thing is.

Mr. ROHRABACHER. If the gentleman would yield, "idiotic" is a mild word to describe this insanity. It is bizarre. It is surrealistic to see the type of immigration policy we have and the people who, with a straight face, will come and advocate these insane policies as if they are, in some way, respectable.

Frankly, I do not see how, if I was hiring myself out, like a lot of people who are advocating these things, such as former congressmen who take PR contracts, I do not see how you can advocate for this. The 24–I example and the H–1B visas, this is insanity.

I remember that debate so well because they kept saying we cannot find people to take these high tech jobs in the computer industry. I said we should try to, for example, go into the schools in the inner city and offer to pay entire college tuition for any kids who will agree to work for this high tech corporation when they get out of school. I am sure there are a couple hundred thousand kids that would love to have some type of scholarship program.

I said, what about disabled people? We are talking about computer work, after all. How much work has been done by the computer industry to recruit disabled people who can still work with their hands and be able to do that job? Well, nobody had taken that really into consideration, either. But the easy answer is, of course, to hire somebody from the south part of Asia who will come in who is 25 years old, and come in and work for $30,000 less a year than our own people will work or than will cost us to train our own people to come in and do these jobs. In other words, it is no consideration for the Americans at all. None.

Mr. TANCREDO. Reclaiming my time, the gentleman is absolutely correct. Study after study, even from those kinds of institutions that are pro immigration, study after study shows that the people hurt most by illegal immigration into the country are people at the bottom rung of the ladder, people who are working for minimum wage. The millions of people coming in without skills end up competing for those jobs.

Today I heard the report of the unemployment rate, and it is going up. High tech got hit first. Now we are seeing a major increase in the unemployment rate for people with low job skills, people who are often brought to our attention by the other side of the aisle, the homeless rate is going up, the number of people seeking welfare and food stamps is going up. All of that discussion about all those people, but never once have I heard those Members stand up and say we have at least 11 million people in this country illegally who are competing for those jobs. Nobody cares about that because that is part of their voter base.

Mr. ROHRABACHER. If the gentleman would yield, during this time when we do need some working people in these jobs, it is a fact, that is, when wages rise because employers are competing for better workers. During that time period, we might have created a situation where employers needed employees, and that they would have bid to get their services. We might have ended the problem of our own citizens not having health care coverage, for example, because the employers in order to get people to wash their dishes and wait on the tables, maybe they would have had to then offer those workers a health care plan. Maybe they would have had to talk to the people washing the cars and handling the parking lots, maybe they would have had to offer those people a health care plan.

Instead, we let that opportunity to raise the standard of living and help our people get those benefits from the private sector get away, and it ends up a burden on the taxpayer, not only of those other people but of the illegal immigrants as well.

Mr. TANCREDO. Mr. Speaker, as we bring this discussion to a close, I want to let individuals know there is a way to contact us about this issue, especially people who want to know more about the impact of illegal immigration and what they can do about it. This is the e-mail address and fax number. It is a way in which people can get connected to this subject and perhaps help convince their congressman of the need for reform. We desperately need a change. I thank the gentleman for joining me.

Mr. ROHRABACHER. Mr. Speaker, I salute the gentleman from Colorado (Mr. TANCREDO). This issue would not be discussed without the effort put out by the gentleman.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GONZALEZ (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. LARSON of Connecticut (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Mr. LUTHER (at the request of Mr. GEPHARDT) for today on account of family matters.

Mr. MCNULTY (at the request of Mr. GEPHARDT) for today after 2:30 p.m. on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WU) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes; today.

Mr. WU, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Mr. SANDERS, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. SHIMKUS, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 494. An act to provide for a transition to democracy and to promote economic recovery in Zimbabwe.

S. 1196. An act to amend the Small Business Investment Act of 1958, and for other purposes.

S.J. Res. 26. A joint resolution providing for the appointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on December 13, 2001 he presented to the President of the United States, for his approval, the following bills.

H.R. 10. To modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

H.R. 2540. To amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.

H.R. 2716. To amend title 38, United States Code, to revise, improve, and consolidate provisions of law providing benefits and services for homeless veterans.

H.R. 2944. Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2002, and for other purposes.

ADJOURNMENT

Mr. TANCREDO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until Monday, December 17, 2001, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

4822. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—4— Amino-6-1(1,1-dimethylethyl)—3—(methylthio)—1, 2, 4—triazin—5 (4H)— one [Metribuzin], Dichlobenil, Diphenylamine, Sulprofos, Pendimethalin, and Terbacil; Tolerance Actions [OPP-300734A; FRL-6804-4] (RIN: 2070-AB78) received December 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4823. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 0142-1142a; FRL-7110-5] received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4824. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans: Connecticut; Revisions to State Plan for Municipal Waste Combustors and Incorporation of Regulation into State Implementation Plan for Ozone [CT067-7224a; A-1-FRL-7106-4] received December 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4825. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Connecticut; Ozone [CT057-7216a; FRL-7114-9] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4826. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants: Vermont; Negative Declaration [VT 022-1225a; FRL-7116-6] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4827. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Kansas [KS 0140-1140a; FRL-7116-3] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4828. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL212-1a; FRL-7098-8] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4829. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Indiana [IN122-1a; FRL-7107-9] received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4830. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; Illinois [IL210-1a; FRL-7111-1] received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4831. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL213-1a; FRL-7107-7] received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4832. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL211-1a; FRL-7108-8] received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4833. A letter from the Environmental Protection Agency, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions From Hospital / Medical / Infectious Waste Incinerators; State of Iowa [IA 0144-1144a; FRL-7117-5] received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4834. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Wisconsin; Automobile Refinishing Operations [WI109-01-7339a, FRL-7115-7] received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4835. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans: State of Colorado; Denver Carbon Monoxide Redesignation to Attainment, Designation of Areas for Air Quality Planning Purposes, and Approval of Related Revisions [CO-001-0045; CO-001-0046; CO-001-0047; CO-001-0052; CO-001-0053;CO49-1-7187; CO-001-0061; CO-001-0062; CO-001-0064 FRL-7117-4] received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4836. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Landfill Gas Emissions From Existing Municipal Solid Waste Landfills; State of Iowa [IA 0143-1143a; FRL-7117-7] received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4837. A letter from the Secretary, Department of Labor, transmitting the semiannual report of the Department of Labor's Inspector General covering the period April 1, 2001 through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4838. A letter from the Secretary, Department of Veterans' Affairs, transmitting the semiannual report on activities of the Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4839. A letter from the Director, Office of Personnel Management, transmitting the semiannual report on activities of the Inspector General for the period of April 1, 2001 through September 30, 2001 and the Management Response for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4840. A letter from the Chairman, Securities and Exchange Commission, transmitting the semiannual report on activities of the Inspector General for the period of April 1, 2001 through September 30, 2001 and the Management Response for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4841. A letter from the Chairman, U.S. Postal Service, transmitting the semiannual report on activities of the Inspector General for the period of April 1, 2001 through September 30, 2001 and the Management Response for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 8G(h)(2); to the Committee on Government Reform.

4842. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fishing Vessel EHIME MARU Sinking, South of Diamond Head Point, Hawaii, Kaiwi Channel Pacific Ocean [COTP Honolulu 00-004] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4843. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Houston, TX [COTP Houston-Galveston 01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4844. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Charleston, SC [COTP Charleston 01-010] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4845. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone: Prime Minister of Japan visit and wreath ceremony over the wreck of the fishing vessel EHIME MARU, South of Diamond Head Point, Hawaii, Kaiwi Channel, Pacific Ocean [COTP Honolulu 01-003] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4846. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fishing Vessel EHIME MARU Sinking, South of Diamond Head Point, Hawaii, Kaiwi Channel, Pacific Ocean [COTP Honolulu 01-002] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4847. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone for U.S. Navy Underwater Detonation Operation North of Glass Breakwater, Guam [COTP GUAM 01-002] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4848. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone for U.S. Navy Underwater Detonation Operation in Outer Apra Harbor, Guam [COTP GUAM 01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4849. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Houston, TX [COTP Houston-Galveston 01-002] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4850. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations, Downed Power Line, Quillayute River, WA [CGD13-01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4851. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: St. Patrick's Day Fireworks, Manitowoc, Wisconsin

[CGD09-01-016] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4852. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Potomac River, Washington Harbor, Washington, DC [CGD05-01-002] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4853. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: USS DEWERT (FFG-45) Port Visit, Port of NY/NJ [CGD01-01-044] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NUSSLE: Committee on the Budget. H.R. 3084. A bill to revise the discretionary spending limits for fiscal year 2002 set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 and to make conforming changes respecting the appropriate section 302(a) allocation for fiscal year 2002 established pursuant to the concurrent resolution on the budget for fiscal year 2002, and for other purposes (Rept. 107-338). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. ISSA:

H.R. 3476. A bill to protect certain lands held in fee by the Pechanga Band of Luiseno Mission Indians from condemnation until a final decision is made by the Secretary of the Interior regarding a pending fee to trust application for that land, and for other purposes.

By Mr. PHELPS (for himself, Mr. Thompson of California, Mr. Hayes, Mr. Pickering, Mr. Shows, Mr. Boswell, Mr. Green of Wisconsin, and Mr. Boyd):

H.R. 3477. A bill to amend the Emergency Food Assistance Act of 1983 to permit States to use administrative funds to pay costs relating to the processing, transporting, and distributing to eligible recipient agencies of donated wild game; to the Committee on Agriculture.

By Mr. JONES of North Carolina (for himself, Mr. Gutknecht, Mr. Murtha, Mr. Gilchrest, Mr. Evans, Mr. Houghton, Mr. Underwood, Mr. Hansen, Mr. Traficant, Mr. Norwood, Mr. Capuano, Mr. Gibbons, Mr. Hall of Texas, Mr. Rohrabacher, Mr. Hostettler, Mr. Abercrombie, Mr. Hunter, Mr. McIntyre, Mr. Graham, Mr. Weldon of Pennsylvania, Mr. Chambliss, Mr. DeLay, Mr. Cooksey, Mr. Hayworth, Mr. Spratt, Mr. Pickering, and Mr. Otter):

H.R. 3478. A bill to redesignate the position of the Secretary of the Navy as the Secretary of the Navy and Marine Corps; to the Committee on Armed Services.

By Mr. LIPINSKI (for himself, Mr. Costello, Mr. Davis of Illinois, Mr. Rush, Mr. Gutierrez, Mr. Evans, Mr. Blagojevich, Ms. Schakowsky, Mr. DeFazio, Mr. Boswell, Mr. Phelps, Mr. Rahall, Ms. Hooley of Oregon, Mr. Hoeffel, Mr. Hinchey, Mr. Filner, Ms. Baldwin, Mr. Baird, Mr. Wu, Mr. Borski, Mr. Clement, Mr. Barcia, Mr. LaTourette, Mr. Shimkus, Mrs. Tauscher, Mr. Pascrell, Mr. Holden, Mr. Matheson, Mr. Honda, Mr. Kirk, Mr. Nadler, Ms. Berkley, Mr. Larsen of Washington, Mr. Sandlin, Mr. Carson of Oklahoma, Mr. Horn, Mr. Ehlers, Mr. Bachus, Mr. Engel, Mr. Baldacci, Mr. Meeks of New York, Mr. Neal of Massachusetts, Mr. Sawyer, Ms. Slaughter, Mr. Udall of Colorado, Mr. Tierney, Mr. Menendez, Mr. Sanders, Mr. Dicks, Mr. Hoyer, Mr. Brady of Pennsylvania, Mr. Murtha, Mr. LaFalce, Mr. Duncan, Mr. Rodriguez, Mr. Ortiz, Mr. Towns, Mr. Hinojosa, Mrs. Mink of Hawaii, Mr. Smith of Washington, Mr. Pomeroy, Mr. Capuano, Mr. Coyne, Mr. Etheridge, Mr. Meehan, Ms. Velázquez, Mr. Mica, Mr. Cooksey, Mr. Mascara, Mr. Ackerman, Mr. Lampson, Mr. Pastor, and Mr. Serrano):

H.R. 3479. A bill to expand aviation capacity in the Chicago area; to the Committee on Transportation and Infrastructure.

By Mr. KIND (for himself, Mr. Gutknecht, Mr. Leach, Mr. Manzullo, Mr. Nussle, Mr. Gilchrest, Mr. Ramstad, Mr. Kennedy of Minnesota, Mr. Costello, Mr. Petri, Ms. Baldwin, Mr. Luther, Mr. Pallone, Mr. Kildee, Mr. Udall of Colorado, Mr. Phelps, and Mr. Boswell):

H.R. 3480. A bill to promote Department of the Interior efforts to provide a scientific basis for the management of sediment and nutrient loss in the Upper Mississippi River Basin; to the Committee on Resources.

By Mr. LANGEVIN (for himself, Mr. Baird, Mr. Pascrell, Mr. Sandlin, Mr. Towns, Mr. Udall of Colorado, Mr. Wynn, Ms. Kaptur, Mr. McDermott, Mrs. Thurman, and Mr. Lipinski):

H.R. 3481. A bill to require the National Institute of Standards and Technology to investigate the feasibility and costs of implementing a secure computer system for remote voting and communication for the Congress and establishing a system to ensure business continuity for congressional operations; to the Committee on House Administration, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Texas (for himself and Mr. Boehlert):

H.R. 3482. A bill to provide greater cybersecurity; to the Committee on the Judiciary.

By Mr. HORN (for himself, Mr. Burton of Indiana, Mr. Shays, Ms. Schakowsky, and Mrs. Maloney of New York):

H.R. 3483. A bill to amend title 31, United States Code, to provide for intergovernmental cooperation to enhance the sharing of law enforcement information; to the Committee on the Judiciary.

By Mr. TAUZIN (for himself, Mr. Sensenbrenner, Mr. Thomas, and Mr. Conyers):

H.R. 3484. A bill to resolve administrative disputes regarding certain spectrum licenses, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committees on the Judiciary, Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ANDREWS:

H.R. 3485. A bill to authorize the Secretary of Transportation to make grants for projects to construct fences or other barriers to prevent public access to tracks and other hazards of fixed guideway systems in residential areas; to the Committee on Transportation and Infrastructure.

By Mr. BALLENGER (for himself, Mr. Petri, Mr. Graham, Mr. Green of Wisconsin, Mrs. Myrick, and Mr. Burr of North Carolina):

H.R. 3486. A bill to amend the Fair Labor Standards Act of 1938 to clarify that Christmas tree farming is agriculture under that Act; to the Committee on Education and the Workforce.

By Mr. BILIRAKIS (for himself, Mrs. Capps, Mrs. Kelly, Mr. Brown of Ohio, Mr. Tauzin, Mr. Dingell, Mr. Whitfield, Mr. Waxman, Mr. Ehrlich, Mr. Rush, Mr. Pickering, Mr. Strickland, Mr. Burr of North Carolina, Mr. John, Mr. Norwood, Mr. Pallone, Mr. Shimkus, Mr. Towns, Ms. Hart, Mr. McGovern, Mr. Wicker, Mrs. McCarthy of New York, Mr. Fletcher, Mr. Markey, Mr. LoBiondo, Mrs. Thurman, Ms. DeLauro, and Mr. Barrett):

H.R. 3487. A bill to amend the Public Health Service Act with respect to health professions programs regarding the field of nursing; to the Committee on Energy and Commerce.

By Mr. COYNE (for himself, Mr. Rangel, and Mr. Matsui):

H.R. 3488. A bill to amend the Internal Revenue Code of 1986 to expand pension benefits to those without retirement plans and provide additional protections to those who participate in the current system; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GOODE:

H.R. 3489. A bill to amend the Internal Revenue Code of 1986 to allow expanded penalty-free withdrawals from certain retirement plans during periods of unemployment; to the Committee on Ways and Means.

By Mr. GREEN of Texas:

H.R. 3490. A bill to make amounts provided under the Operation Safe Home and New Approach Anti-Drug programs available for use for providing law enforcement officers to patrol and provide security for housing assisted by the Department of Housing and Urban Development; to the Committee on Financial Services.

By Ms. HART:

H.R. 3491. A bill to conduct a study on the effectiveness of ballistic imaging technology and evaluate its effectiveness as a law enforcement tool; to the Committee on the Judiciary.

By Ms. HOOLEY of Oregon:

H.R. 3492. A bill to establish hospice demonstration projects and a hospice grant program for beneficiaries under the Medicare Program under title XVIII of the Social Security Act, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HUNTER:

H.R. 3493. A bill to amend the Internal Revenue Code of 1986 to expand the renewable resources production tax credit to include additional forms of renewable energy, and to expand the investment tax credit to include equipment used to produce electricity from renewable resources; to the Committee on Ways and Means.

By Mrs. McCARTHY of New York (for herself, Mr. WAXMAN, Mr. SHAYS, Mr. MORAN of Virginia, Mr. KENNEDY of Rhode Island, Ms. SCHAKOWSKY, Mr. SCOTT, Ms. WATSON, Mrs. TAUSCHER, Ms. NORTON, Mr. TIERNEY, Mr. BLAGOJEVICH, Mr. WEXLER, Mr. CLAY, Mr. PASCRELL, Mr. NEAL of Massachusetts, Mr. LANGEVIN, Mr. FRANK, Ms. McCOLLUM, Ms. LOFGREN, Mrs. MALONEY of New York, Mr. MEEKS of New York, Mr. ISRAEL, Mr. ABERCROMBIE, Mrs. MINK of Hawaii, Mr. WEINER, Mr. FARR of California, Ms. SLAUGHTER, Mr. PAYNE, Mrs. CAPPS, Mr. DICKS, and Mr. ROTHMAN):

H.R. 3494. A bill to give the Federal Bureau of Investigation access to NICS records in law enforcement investigations, and for other purposes; to the Committee on the Judiciary.

By Mr. PAUL (for himself and Mr. TERRY):

H.R. 3495. A bill to prohibit Federal payments to any individual, business, institution, or organization that engages in human cloning; to the Committee on Energy and Commerce.

By Mr. REYNOLDS:

H.R. 3496. A bill to amend title XVI of the Social Security Act to provide that annuities paid by States to blind veterans shall be disregarded in determining supplemental security income benefits; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mr. WELLER, Mr. FOLEY, and Mr. LEWIS of Kentucky):

H.R. 3497. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to preserve and strengthen the Social Security Program through the creation of personal Social Security guarantee accounts ensuring full benefits for all workers and their families, restoring long-term Social Security solvency, to make certain benefit improvements, and for other purposes; to the Committee on Ways and Means.

By Mr. SHOWS:

H.R. 3498. A bill to urge the President to establish the White House Commission on National Military Appreciation month, and for other purposes.

By Mr. SIMPSON (for himself, Mr. OTTER, and Mr. REHBERG):

H.R. 3499. A bill to expand the Farm Storage Facility Loan Program of the Department of Agriculture by making loans available to assist producers in providing storage for hay; to the Committee on Agriculture.

By Mr. SMITH of New Jersey:

H.R. 3500. A bill to amend the Internal Revenue Code of 1986 to provide income and employment tax relief for military and civilian victims of terroristic or military action; to the Committee on Ways and Means.

By Mr. SMITH of Washington (for himself, Mr. DOOLEY of California, Mr. MORAN of Virginia, Ms. HARMAN, Mr. MALONEY of Connecticut, and Mr. INSLEE):

H.R. 3501. A bill to amend the Internal Revenue Code of 1986 to provide for economic recovery; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SOUDER:

H.R. 3502. A bill to amend the Internal Revenue Code of 1986 to increase the standard mileage rates during 2001 for certain deductions for use of a passenger automobile to 50 cents per mile; to the Committee on Ways and Means.

By Mr. SWEENEY:

H.R. 3503. A bill to indemnify contractors for World Trade Center recovery efforts, and for other purposes; to the Committee on the Judiciary.

By Mr. STUMP:

H. Con. Res. 288. Concurrent resolution directing the Secretary of the Senate to make a technical correction in the enrollment of S. 1438; considered and agreed to.

By Mr. BOEHNER:

H. Con. Res. 289. Concurrent resolution directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1; considered and agreed to.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 168: Mr. HORN.

H.R. 179: Mr. TURNER.

H.R. 292: Mrs. LOWEY.

H.R. 397: Mr. REYES, Ms. VELÁZQUEZ, Mr. McGOVERN, Mr. HALL of Ohio, Mr. ISRAEL, Mr. ENGEL, Mr. CROWLEY, Mr. TOM DAVIS of Virginia, and Mr. GORDON.

H.R. 488: Mrs. JOHNSON of Connecticut.

H.R. 510: Mr. KIND.

H.R. 604: Mrs. NAPOLITANO and Mr. ETHERIDGE.

H.R. 782: Ms. ESHOO.

H.R. 808: Mr. CARSON of Oklahoma.

H.R. 902: Mr. ACEVEDO-VILA.

H.R. 951: Mr. FARR of California, Ms. LOFGREN, Mr. WATT of North Carolina, Mr. KUCINICH, and Mr. KING.

H.R. 1009: Ms. CARSON of Indiana.

H.R. 1089: Mr. ABERCROMBIE.

H.R. 1097: Mr. SMITH of New Jersey.

H.R. 1170: Mr. CONDIT.

H.R. 1198: Mr. GUTIERREZ.

H.R. 1307: Mr. OLVER.

H.R. 1322: Mr. LAMPSON.

H.R. 1331: Mr. GOODE.

H.R. 1343: Mr. POMEROY and Ms. WATSON.

H.R. 1360: Mr. BONIOR and Mr. ACKERMAN.

H.R. 1391: Ms. LOFGREN.

H.R. 1421: Mr. PRICE of North Carolina, Mr. TOM DAVIS of Virginia, Ms. MILLENDER-McDONALD, Mr. LARSEN of Washington, Mr. HALL of Ohio, Mr. ISRAEL, Mr. HOBSON, Mr. McNULTY, and Mr. JACKSON of Illinois.

H.R. 1432: Mr. CHAMBLISS, Mr. LINDER, Mr. BARR of Georgia, Ms. McKINNEY, and Mr. ISAKSON.

H.R. 1475: Mr. LUCAS of Kentucky, and Mr. GRUCCI.

H.R. 1520: Mr. EVANS.

H.R. 1556: Mr. DAVIS of Illinois.

H.R. 1671: Mr. FILNER.

H.R. 1754: Mr. BOEHLERT and Mr. BLUMENAUER.

H.R. 1816: Mr. KUCINICH.

H.R. 1839: Mr. FOLEY.

H.R. 1919: Mr. DINGELL.

H.R. 1978: Mr. COYNE and Mr. LANTOS.

H.R. 1983: Mr. DOOLITTLE, Mr. TIAHRT, and Mr. PLATTS.

H.R. 2012: Mr. PETRI.

H.R. 2118: Mr. PASCRELL.

H.R. 2164: Mr. PLATTS.

H.R. 2173: Mr. HALL of Texas.

H.R. 2219: Mr. FATTAH, Mr. ENGLISH, Mr. EVANS, and Mr. LAMPSON.

H.R. 2220: Mr. HASTINGS of Florida.

H.R. 2348: Mr. MENENDEZ and Ms. BALDWIN.

H.R. 2349: Mr. LAMPSON.

H.R. 2351: Ms. ESHOO.

H.R. 2442: Mr. PLATTS.

H.R. 2498: Mr. BONIOR and Mr. KUCINICH.

H.R. 2578: Ms. SCHAKOWSKY.

H.R. 2592: Ms. LEE.

H.R. 2629: Ms. NORTON and Mr. MARKEY.

H.R. 2630: Mr. ABERCROMBIE and Ms. WOOLSEY.

H.R. 2695: Mr. CAMP.

H.R. 2733: Ms. RIVERS.

H.R. 2830: Ms. SCHAKOWSKY.

H.R. 2901: Mr. LANGEVIN.

H.R. 2980: Mr. FERGUSON.

H.R. 3011: Ms. DELAURO.

H.R. 3054: Mr. CLAY, Mr. BONIOR, Ms. MENENDEZ, Ms. HERMAN, Mr. KANJORSKI, Mr. PRICE of North Carolina, Mr. INSLEE, Mr. HALL of Texas, Mr. CLEMENT. Mr. CROWLEY, Mr. SCHIFF, and Mr. LARSEN of Washington.

H.R. 3062: Mr. BALDACCI and Mr. OTTER.

H.R. 3105: Mr. SENSENBRENNER.

H.R. 3113: Mr. KLECZKA.

H.R. 3130: Mr. WOLF.

H.R. 3195: Mrs. MALONEY of New York.

H.R. 3211: Mrs. KELLY, Mr. NEY, and Mr. SHOWS.

H.R. 3244: Mrs. JONES of Ohio, Mrs. EMERSON, Mr. HANSEN, Mr. SHERMAN, and Mr. KINGSTON.

H.R. 3246: Mr. DEUTSCH.

H.R. 3272: Mr. CROWLEY and Mr. KUCINICH

H.R. 3274: Mr. BLUMENAUER and Mr. KUCINICH.

H.R. 3278: Mr. MORAN of Virginia, Ms. WATSON, and Mr. KILDEE.

H.R. 3293: Mr. THUNE.

H.R. 3296: Mr. KLECZKA and Mr. McDERMOTT.

H.R. 3331: Mr. LANTOS.

H.R. 3347: Mrs. CHRISTENSEN, Mr. PLATTS, Mr. JOHNSON of Illinois, Mr. GREENWOOD, and Mr. SIMMONS.

H.R. 3351: Mr. PHELPS, Mr. BOOZMAN, Mr. GOODLATTE, Mr. KOLBE, Mr. GILLMOR, Ms. SOLIS, Mr. DAVIS of Illinois, Ms. JACKSON-LEE of Texas, Mr. EVERETT, Mr. FILNER, Ms. SLAUGHTER, Mr. COYNE, Mrs. KELLY, Mr. LANTOS, Mr. NEY, and Mr. CUMMINGS.

H.R. 3358: Ms. CARSON of Indiana.

H.R. 3368: Mr. KUCINICH.

H.R. 3373: Mr. BOEHLERT.

H.R. 3376: Mr. GRUCCI, Mr. GILMAN, and Mr. SIMMONS.

H.R. 3393: Mr. DICKS, Ms. DELAURO, Mr. PASTOR, and Mr. MOLLOHAN.

H.R. 3414: Ms. BALDWIN, Ms. DELAURO, Mr. McINTYRE, Mr. THOMPSON of California, Mr. WYNN, Mr. EVANS, Mr. CRAMER, Mr. LANGEVIN, Mr. KUCINICH, Mr. MATSUI, Ms. PELOSI, Mr. LEACH, and Mr. LAFALCE.

H.R. 3422: Mr. LIPINSKI, Ms. WOOLSEY, and Ms. MILLENDER-McDONALD.

H.R. 3424: Ms. WATSON, Ms. ESHOO, Mr. FILNER, Mr. BROWN of Ohio, Mr. BONIOR, Mr. MCINTYRE, Mr. FRELINGHUYSEN, Mr. CUNNINGHAM, Mr. HUNTER, Mr. WELLER, Mr. WHITFIELD, Mr. LAMPSON, Mr. SIMMONS, Mr. TAYLOR of North Carolina, Mr. NETHERCUTT, Mr. ABERCROMBIE, Mr. HILLIARD, Mr. CLEMENT, Mr. KLECZKA, and Mr. GALLEGLY.

H.R. 3427: Ms. NORTON and Mrs. JONES of Ohio.

H.R. 3431: Ms. MCCARTHY of Missouri, Mr. STRICKLAND, Mr. GANSKE, Mr. ROEMER, Ms. WOOLSEY, and Mr. THOMPSON of California.

H.R. 3460: Mr. LAFALCE, Mr. KUCINICH, Mrs. THURMAN, and Mr. EVANS.

H.R. 3462: Mr. BERMAN, Mr. FROST, Mr. THOMPSON of California, and Mrs. DAVIS of California.

H.J. Res. 75: Mr. DEMINT and Mr. SAM JOHNSON of Texas.

H. Con. Res. 199: Mr. THOMPSON of California.

H. Con. Res. 249: Mr. UDALL of New Mexico, Mr. SMITH of New Jersey, Mr. SIMMONS, and Mr. SHAYS.

H. Con. Res. 271: Mr. BURR of North Carolina.

H. Con. Res. 273: Mr. SCOTT.

H. Con. Res. 279: Mr. PICKERING and Mr. KENNEDY of Minnesota.

H. Con. Res. 285: Mr. SANDERS, Mrs. MINK of Hawaii, Mr. STARK, Mr. LARSEN of Washington, Ms. RIVERS, Mr. FARR of California, Ms. ESHOO, Mr. FRANK, Ms. WOOLSEY, Mr. WAXMAN, and Mr. BERMAN.

H. Res. 18: Ms. MCCOLLUM.

H. Res. 259: Mr. STENHOLM.

H. Res. 280: Mr. ROHRABACHER, Mr. ROYCE, Mr. HOUGHTON, and Mr. COX.

H. Res. 281: Mr. PASCRELL and Mr. WEXLER.

H. Res. 300: Mr. UDALL of New Mexico, Mr. ACKERMAN, Mr. CUMMINGS, Mr. ENGLISH, Mr. BERMAN, Mr. MEEKS of New York, and Mr. EVANS.

H. Res. 313: Ms. SLAUGHTER, Ms. DEGETTE, Ms. SOLIS, Mr. UDALL of Colorado, Mr. KUCINICH, Mr. JACKSON of Illinois, Mr. HOEFFEL, Mrs. MINK of Hawaii, and Mr. OWENS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1109: Mr. EHRLICH.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 3129

OFFERED BY: MR. TRAFICANT

AMENTMENT NO. 1: SEC.   . No funds appropriated in this Act may be made available to any person or entity that violates the Buy American Act (41 U.S.C. 10a–10c).

H.R. 3129

OFFERED BY MR. TRAFICANT

AMENDMENT NO. 2: SEC.   . None of the funds made available by this Act may be used to award a contract to a person or entity whose bid or proposal reflects that the person or entity has violated the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

EXTENSIONS OF REMARKS

CONGRATULATING ERIC CROUCH ON WINNING THE HEISMAN TROPHY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BEREUTER. Mr. Speaker, This Member would like to congratulate Nebraska Cornhusker quarterback Eric Crouch for winning the Heisman Trophy. Throughout his career, and especially this year, Crouch proved that he deserves this recognition as the nation's top college football player.

The numbers are indeed impressive. In 2001, Crouch became just the 13th Division I–A quarterback to rush and pass for more than 1,000 yards in the same season. He also ran for 18 touchdowns, passed for seven more, and even caught a touchdown pass while leading the Huskers to an 11–1 record and a trip to the Rose Bowl for the national championship. During his career, Crouch scored 59 rushing touchdowns, more than any other Division 1–A quarterback in history.

As impressive as the statistics are, however, they only tell part of the story. Crouch is a true leader and a winner both on and off the field. Despite playing through pain much of his career, Crouch never missed a snap in his final three seasons due to injury.

Crouch, a native Nebraskan, has set a powerful example through his hard work and steadfast determination to overcome obstacles. He has matched a fierce will to win with humility and strong character.

In addition to winning the Heisman Trophy, Crouch was also recently named the winner of the Walter Camp Award, given to the collegiate player of the year, and the Davey O'Brien National Quarterback Award, given to the nation's top college quarterback.

This Member joins all Nebraskans and football fans across the nation in congratulating Eric Crouch on his success and the prestigious awards he has won.

IN SUPPORT OF AMERICA'S VETERANS

HON. J. RANDY FORBES

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. FORBES. Mr. Speaker, last week, we commemorated the 60th anniversary of the attack on Pearl Harbor. That single event changed the history of the world, and altered the paths of all Americans. No one was more affected, however, than the World War II veterans who picked up arms in response to that attack. Ceremonies all across the nation honored them for their sacrifices last Friday, including one in which I was proud to participate on the U.S.S. *Enterprise.*

There can be no greater exhibition of gratitude, however, than passage of legislation that improves the lives of those veterans and expands upon the benefits that they have richly earned. For months now, several bills passed by the House to help our veterans have awaited action by the other chamber. Today, I am pleased to join my colleagues in finally passing some of them and sending them to the President for his signature into law.

The first bill sets a high, but I think attainable goal, of ending chronic homelessness among veterans. Far too many of the brave men and women who fought to provide us with freedom spend their days and nights on the streets and in shelters. They returned from the battlefield but were unable to make the transition back to their civilian lives. Given the great sacrifices they have made on our behalf, we should be able to make a real effort to help them find their place in our society where they can feel welcome and comfortable. As many as 300,000 veterans sleep on the streets on any given night. The $1 billion authorized by this legislation over the next five years will go far to help them find peace and shelter.

The second bill provides a 2.6 percent cost-of-living adjustment for veterans disability compensation. For 100 percent disabled veterans, this translates into an average of $738 each year. These men and women sacrificed their ability to do many routine tasks, including work, when they put on the uniform and were wounded. This legislation merely helps them keep pace with inflation, so that they can pay their bills and live their lives..It is a modest increase compared to what they have given.

The final bill consolidates several bills considered by the House that increase education, housing, burial, and disability benefits for veterans by $3.1 billion over the next five years. Specifically, the bill increases the popular and successful Montgomery GI Bill college education benefit by 51 percent over current levels, increases the veterans home loan guaranty by nearly $10,000, and increases grants for disabled veterans' implements. Furthermore this bill expands the list of illnesses for which veterans can qualify for disability compensation and will repeal the 30-year presumptive period for respiratory cancers associated with exposure to Agent Orange and other herbicides.

Together, these bills are a fitting way to thank our veterans and to extend a promise to the millions of American soldiers, sailors, airmen, and marines that are now serving in uniform. Without these men and women, the world would be far less secure and the future would be bleak. I am proud to be a part of the effort to show our thanks.

TRIBUTE TO STATE SENATOR KEN DEBEAUSSAERT CLINTON TOWNSHIP DEMOCRATIC CLUB

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BONIOR. Mr. Speaker, this year the Clinton Township Democratic Club will host its biennial Awards Banquet, where members come together to celebrate the achievements of two of its members with food, laughter and fun. Honoring distinguished individuals who have shown outstanding dedication and service to the club as well as their local communities, this year they chose to honor two very special people, State Senator Ken DeBeaussaert and Clinton Township Democratic Club President Christine Koch. Over the course of my career in Congress, I have had the honor of recognizing individuals from all over my District and State. Today, however, I have the distinct pleasure of honoring my two good friends, Ken and Chris.

First elected in 1992 and reelected in 1998, Ken has represented the Eleventh State Senate District and his community well for years. Serving on State Senate committees that include Appropriations, Environmental Quality, Natural Resources, Reapportionment, and Local, Urban, and State Affairs, Ken has shown outstanding dedication and commitment to his constituents and this state. An active and enthusiastic supporter of the environment and conservation efforts in Michigan, Ken also served ten years in the Michigan House of Representatives prior to his State Senate terms, where he served on the Conservation, Recreation, and Environment Committee as well as chaired the Consumers Committee and Marine Affairs and Port Development Committee. Between his House and Senate terms he worked in 1992 for Congressman Sander Levin as District Administrator, and finally, I had the pleasure of working with Ken where he began as a member of my Congressional District Staff as a constituent service representative in 1977.

Faithfully committed to his community as well, Ken is a member of a long list of community organizations, including the New Baltimore Historical Society, the Mount Clemens Art Center, and Creating a Healthier Macomb, and serves on the advisory boards of Comprehensive Youth Services and the Retired Senior Volunteer Program, to name a few. Finally, as an elected official member of the Clinton Township Democratic Club, Ken has devoted his time serving as a panelist for the club's annual student government luncheons as well as presenting a legislative update each fall for the past several years.

It gives me great pleasure to honor one of my district's most tireless advocates for the Democratic way of life, State Senator Ken

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

DeBeaussaert, for his leadership and commitment, and I urge my colleagues to join me in saluting him for his exemplary years of service.

PERSONAL EXPLANATION

HON. VITO FOSSELLA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. FOSSELLA. Mr. Speaker, I am not recorded on rollcall Nos. 483, 484, and 485. I was unavoidably detained and was not present to vote. Had I been present, I would have voted "aye" on all three measures.

PUBLIC HEALTH SECURITY AND BIOTERRORISM RESPONSE ACT OF 2001

SPEECH OF

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. RUSH. Mr. Speaker, I rise in support of the Public Health Security and Bioterrorism Response Act of 2001, H.R. 3448. Since the September 11 terrorist and the subsequent anthrax attacks, we in this country have become acutely aware of our vulnerability to bioterrorism, and I particularly became a cosponsor of this legislation because of those concerns.

One of my major concerns has been the unique vulnerability of medically underserved populations to a bioterrorist attack. Many of the residents of these areas do not have access to even basic health services, much less comprehensive health insurance or preventive and specialty care. In addition, state and local governments which provide many of the health services to these communities are finding their resources depleted due to the recent recession and terrorist attacks.

This legislation goes a long way towards protecting medically underserved communities and strengthening state and local health departments. Specifically, I thank Chairman TAUZIN and Mr. DINGELL for agreeing to work with me to include a provision in this bill which investigates the unique needs of medically underserved areas in case of a bioterrorist attack.

Also, the bill strengthens state and local public health infrastructure through a series of grants, which include funding for: the purchases or upgrades of equipment, supplies, pharmaceuticals or other countermeasures; the training and education of health care professionals where there are shortages; and laboratory services and poison centers.

In regards to funding for poison centers, these entities are critical first responders, particularly to urban and rural underserved areas. In my home state of Illinois, the Metropolitan Chicago Healthcare Council operates the Illinois Poison Center which provides 24-hour poison prevention and treatment advice statewide. The center acts as a liaison to federal, state & local agencies and serves as a resource for information on weapons of mass destruction, including chemical & biological agents. The Center is the preeminent center in Illinois dedicated to the treatment of incidents of pediatric poisoning. If a bioterrorist attack occurred in Illinois, undoubtedly the Illinois Poison Center would play an invaluable role in alerting the community.

For far too long our public health infrastructure has been divided between those with access to services and those without access to services. This legislation will help close the gap between these two groups where bioterrorism is concerned.

PUBLIC HEALTH SECURITY AND BIOTERRISM RESPONSE ACT OF 2001

SPEECH OF

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mrs. McCARTHY of New York. Mr. Speaker, I rise in support of H.R. 3488, the Public Health Security and Bioterrorism Response Act of 2001.

On September 11, our way of life changed. Something that has been on everyone's minds since the beginning of the anthrax scare in the United States is the state of our public health system. Everyone wants to know if the United States is equipped for a possible chemical or biological attack, and I'm proud to say we are working to ensure our readiness.

Before September 11, it was important for the United States to allocate money for improvements to our public health system. After September 11, it became a necessity. Congress is taking a step in the right direction by passing the Public Health Security and Bioterrorism Response Act of 2001. Since our public health infrastructure is spread among different agencies and departments, this $2.96 billion package addresses a variety of funding necessities to infuse our public health system with desperately needed funds to protect the American people in case of chemical or biological attacks.

My colleagues and I realize the important role played by state and local offices of the public health system. Often, it is our local health officials who are deeply embroiled with the day-today assistance for those involved in chemical and biological attacks. This legislation allocates almost $2.7 billion across a variety of agencies that prepare for public health emergencies such as bioterrorism attacks. $1 billion will be given to states, local governments, and public and private health care facilities in the form of grants. It allows them to improve planning and preparedness for attacks, enhance their laboratories, educate and train their health care personnel, and develop new treatments and vaccines.

$1 billion is earmarked for the Secretary of Health and Human Services to expand our current national stockpile of antibiotics and vaccines, including those for smallpox. Since the Centers for Disease Control play an important role when it comes to bioterrorism, $450 million will go to it for bioterror program expansion. It is crucial they renovate their facilities and improve lab security. The package also calls for the creation of a national database of hazardous pathogens and establishes registration, safety and security requirements on the 36 most deadly biological agents and toxins.

Congress is finally addressing some major deficiencies in our food inspection process, and water supply security. This bill gives $100 million to the Food and Drug Administration, which will allow them to better protect our food supply by hiring more border inspectors and finding new methods to detect contaminated food. An additional $100 million will be distributed specifically to safeguard our drinking water by increasing vulnerability analyses and emergency response plans.

I applaud my colleagues' hard work on this legislation, and I'm glad we were able to address this issue before the holidays.

BASIC PILOT EXTENSION ACT OF 2001

SPEECH OF

HON. TOM OSBORNE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. OSBORNE. Mr. Speaker, I am pleased to be a cosponsor of H.R. 3030, the Basic Pilot Extension Act of 2001, which passed the House by voice vote on December 11, 2001. The Basic Pilot is a joint pilot conducted by the Immigration and Naturalization Service (INS) and the Social Security Administration (SSA) in my home state of Nebraska, among others. This pilot, which started in November 1997, involves verification checks of the SSA and the INS databases of all newly hired employees regardless of citizenship. Unfortunately, the Basic Pilot program was scheduled to terminate on November 30 of this year.

The agricultural economy of Nebraska's Third District relies heavily on immigrant labor. For the most part, I believe that employers across my district want to comply with the Immigration Reform and Control Act of 1986, which made it unlawful for employers to knowingly hire or employ aliens not eligible to work, and required employers to verify documents of new workers. However, a simple visual check of these documents by employers will not tell them if these are in fact counterfeit documents, and that this potential new hire is in fact an illegal alien.

I have heard from many business people in the Third District about their need for the Basic Pilot program. Employers need the appropriate tools to ensure that they are indeed hiring eligible workers. By checking the new hire's documents against the INS and SSA databases, the Basic Pilot program allows employers to feel more confident about their new hire.

H.R. 3030 will extend the Basic Pilot program for employers in Nebraska for two years. I thank my colleague, Representative LATHAM, for introducing this much needed extension, and I am pleased it passed the House on December 11, 2001.

PERSONAL EXPLANATION

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. RILEY. Mr. Speaker, I was unavoidably detained for Rollcall No. 483, H. Con. Res. 281, honoring the ultimate sacrifice made by Johnny Micheal Spann, the first American killed in combat during the war against terrorism in Afghanistan, and pledging continued support for members of the Armed Forces. Had I been present I would have voted "yea."

I was also unavoidably detained for Rollcall No. 484, H.R. 3282, to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse." Had I been present I would have voted "yea."

I was also unavoidably detained for Rollcall No. 485, H.R. 10, the Railroad Retirement Act. Had I been present I would have voted "yea."

PERSONAL EXPLANATION

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CLAYTON. Mr. Speaker, on Thursday morning December 6, 2001, I was unavoidably detained and as a result missed 1 rollcall vote.

Had I been present, the following is how I would have voted: Rollcall No. 476—"Nay."

(On agreeing to the resolution H. Res. 305—Providing for consideration of motions to suspend the rules)

TRIBUTE TO CHRISTINE KOCH, CLINTON TOWNSHIP DEMOCRATIC CLUB

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BONIOR. Mr. Speaker, this year the Clinton Township Democratic Club will host its biennial Awards Banquet, where members come together to celebrate the achievements of two of its members with food, laughter and fun. Honoring distinguished individuals who have shown outstanding dedication and service to the club as well as their local communities, this year they chose to honor two very special people, State Senator Ken DeBeaussaert and Clinton Township Democratic Club President Christine Koch. Over the course of my career in Congress, I have had the honor of recognizing individuals from all over my District and State. Today, however, I have the distinct pleasure of honoring my two good friends, Ken and Chris.

I have had the great honor of knowing and working with Chris for over 25 years, beginning in 1972 when Chris and I joined forces in a community action group called Locofocos. Entering public service in 1977 as a member of my Congressional District Staff, Chris dedicated so much of her time and effort to serving her community. In her role as administrative aide, Chris represented the 10th Congressional District well, serving on more community boards and volunteer organizations than I could possibly name. Among the many visionary projects Chris sponsored as her personal mission, one of the closest to her heart has been the development of a district-wide bike path. Even today, she continues her dedication as President of Comprehensive Youth Services, Inc., Secretary of the Salvation Army Advisory Council, Secretary of the Mount Clemens Downtown Development Authority, and Secretary of Michigan Housing Counselors.

Faithfully committed to the Clinton Township Democratic Club, Chris has been a member since its inception, serving as club secretary and later, as President since the mid 1990's. Dedicating her time to organizing club picnics and banquets, facilitating the Democratic Club's annual student luncheons, and serving as liaison to the Tenth District and the Michigan Democratic Party, few have shown the outstanding leadership and dedication to an organization as Chris has for so many years.

It gives me great pleasure to honor one of my district's most tireless advocates for the Democratic way of life, Christine Koch, for her leadership and commitment, and I urge my colleagues to join me in saluting her for her exemplary years of service.

TEACHERS: DO NOT BLAME "AMERICA FIRST"

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BOEHNER. Mr. Speaker, since the eleventh of September, our nation has demonstrated a genuine solidarity and an enthusiastic sense of patriotism. In the process, many parents have struggled to find the right way to tell their young children about the horrific nature of the terrorist attacks on our nation. Indeed, the events of September 11 brought to the fore unsettling questions about the problem of human evil and hatred.

As parents have sought to instill patriotism in their children—telling them about the decent values that America represents and the civilized traditions our nation carries on—it seems that some teachers are sending young students the "Blame America First" message. Chester E. Finn Jr., president of the Thomas B. Fordham Foundation, a senior fellow at the Manhattan Institute, and a former assistant secretary of education, has observed that the curricular guidance coming from state and local education leaders suggests that the United States brought the September 11 attack on itself—through its "imperial" foreign policy and "ignorance" of other cultures.

Nothing could be further from the truth; this is not the kind of overly politicized message students should be hearing. I'd like to commend Mr. Finn for exposing this activity. I'd also like to commend former Education Secretary William Bennett for developing an alternative to this kind of anti-Americanism. Mr. Bennett's education firm K12 has creating an instructional resource for parents and teachers to use in teaching children about patriotism. Available on the K12 website and geared for most ages, the lessons—ranging from civics, history, and geography to singalongs and storybooks—emphasize the principles that make America the beacon of liberty it is today.

The September 11 terrorist attacks may prove to be the largest, most significant event in our lives. We need to ensure that our children understand what caused it; we need to make sure the truth is not lost in a fog of political correctness.

INTRODUCTION OF H. CON. RES. 287

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BOEHLERT Mr. Speaker, Earlier this year, while on a visit to South Africa, I had the chance to learn about a fascinating partnership between governments and conservationists. The Peace Park movement is a great success story and one that the world can learn from, particularly in our present world, which is beset of conflict, turmoil and uncertainty.

In 1997, Dr. Anton Rupert and His Royal Highness Prince Bernhard of the Netherlands formed the Peace Parks Foundation of South Africa, a not-for-profit organization, to establish and develop transfrontier conversation areas straddling international borders. Countries participation in a "Peace Parks" do not concede any national sovereignty but do allow the free movement of people and animals across the borders within the park. The goal of these parks are to create jobs, sustainable economic development and peace and understanding between the countries themselves as well as an appreciation of the importance of conservation.

Today eight separate peace parks either exist or are under development. These transfrontier conservation areas parks encompass a total area of 232,000 square miles and straddle borders from Tanzania in the north to South Africa in the south. One of the most ambitious plan of the Peace Parks Foundation is the consolidation of the land and its resources of the South Africa Kruger National Park, Mozambican Coutada 16 conservation area and the Zimbabwean Gonarezhou National Park into the Great Limpopo Transfrontier Park—the largest conservation area in the world.

In October 2001, the Great Limpopo Transfrontier Park was inaugurated when forty elephants from South Africa were released into Mozambique. Less than ten years ago this border symbolized the division and conflict between these countries and their peoples. For example, the apartheid-era South Africa government erected an electric fence along its border areas. Today the electric fence, which led to much acrimony and conflict between South Africa and Mozambique, is being dismantled, and the land mines are being removed and destroyed. The Great Limpopo

Peace Park has helped replace gunfire, land mines and death with peace, understanding and life.

In addition to advocating for and facilitating the creation of more parks, the Peace Parks Foundation also plays a crucial role in community development. The Foundation encourages new ways to utilize the natural resources on a sustainable basis and the development of tourism facilities. Last year the Foundation through its partnership with the Southern African Wildlife College and other supports secured scholarships for 29 students drawn from wildlife departments and field programs in nine Southern African countries. These scholarships allow the students to attend the Southern African Wildlife College and train to become conservation managers.

I applaud the courage and vision of the Heads of State of the Southern African Development Community, who are patrons of the Peace Park Foundation. These leaders are rewriting the textbooks on political border conflicts and helping to bring about sustainable peace and alleviate poverty in these rural areas. It is clear that peace parks go well beyond the conservation of biodiversity and play a major role in confidence building between countries and within regions.

Today I am introducing a Concurrent Resolution to honor the Peace Parks Foundation. I want to thank the 12 Representatives who are joining me today in introducing this Resolution. I urge all of my colleagues to join us in honoring a truly visionary organization.

I close with the remarks of Nelson Mandela who said: "I know of no political movement, no philosophy, no ideology, which does not agree with the peace parks concept as we see it going into fruition today. It is a concept that can be embraced by all."

PERSONAL EXPLANATION

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. TIAHRT. Mr. Speaker, on December 11, I was unavoidably detained and missed rollcall votes numbered 483, 484, and 485.

Rollcall vote 483 was on passage of H. Con. Res. 281, legislation which honors Johnny Micheal Spann, a paramilitary officer in the Central Intelligence Agency, who was the first American killed in combat during the war against terrorism in Afghanistan, and recognizes him for his bravery and sacrifice.

Rollcall vote 484 was on passage of H.R. 3282, legislation which designates the federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse."

Rollcall vote 485 was on passage of the Railroad Retirement and Survivors' Improvement Act of 2001.

Had I been present, I would have voted "yea" on Rollcall vote 483, "yea" on Rollcall vote 484, and "yea" on Rollcall vote 485.

PUBLIC HEALTH SECURITY AND BIOTERRORISM RESPONSE ACT OF 2001

SPEECH OF

HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. BALDACCI. Mr. Speaker, the tragic events of September 11 and the Anthrax scares that followed demonstrated the level of neglect under which our public health infrastructure has been operating. We no longer have the luxury of debating the "what ifs" in regards to bioterrorism. The threat remains very real. Our constituents demand that we take action to offer adequate domestic defense against bioterrorism. We must begin the process of improving and expanding our public health system, and can do so today with passage of this bipartisan legislation developed by the Committee on Energy and Commerce.

There are a number of very important provisions in this bill which will ensure that a national stockpile of medications is maintained, our food and water are protected, and toxic substances are carefully tracked. While we continue to develop improvements to our national response system, we have a responsibility to provide the resources to our state and local health officials and facilities to improve their ability to respond to bioterrorism. This bill is a downpayment to the states and local communities. It recognizes that each of our communities has distinct needs and that they require not only the funding to improve their systems, but the flexibility to address their public health concerns.

Like many of my colleagues following the terrorist attacks, I met with public health officials in my state. Common themes expressed centered on the lack of coordination and communications from federal officials, and the need for additional resources to expand planning and preparedness for future events. Enhancing the health workforce, laboratory and hospital bed capacities also were cited as needed improvements. I am happy to say that this bill begins to address these important issues.

As a critical piece to strengthening our domestic defense, the Public Health Security and Bioterrorism Response Act will enable state and local governments and health care facilities to immediately address the protection of the health and welfare of our citizens. I urge my colleagues to support this important legislation.s

---

IN HONOR OF RETIRING REDONDO BEACH POLICE CHIEF MEL NICHOLS

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Ms. HARMAN. Mr. Speaker, I rise today to honor a good friend, Mel Nichols, who retires later this month after eight years as Chief of the Redondo Beach Police Department. My district office is located in Redondo Beach, and Mel and his department have kept my staff and local residents well protected.

I met Mel as he was leaving the San Diego County Sheriff's Department, where over three decades he rose from Sergeant to Assistant Sheriff. Mel accompanied me on a visit to the Mexican border, where we observed the value of technology in the fight against illegal immigration. I was pleased, subsequently, to help obtain night vision goggles for Mel's department.

Mr. Speaker, of particular value to me has been Mel's involvement in the South Bay Chiefs' Association, of which he served as Chairman from 1996–1998. This organization encompasses nine South Bay cities most of which lie completely in my district, California's 36th Congressional District. Although no longer the Chairman, Mel continues to be heavily involved in this association, which has been a helpful outlet for me to communicate with the chiefs in my district.

In the wake of the September 11 terrorist attacks, Mel took it upon himself to launch within the South Bay Chiefs Association a Terrorism Response Advisory Group, and tasked one of his staff to pull it together. This Advisory Group, comprised of select experts in a variety of law enforcement disciplines from agencies throughout the greater South Bay area, is already working to explore and identify the appropriate local law enforcement response to the possibility of increased terrorist activity in our region. This includes training, contingency planning, threat assessments, liaison with federal and military agencies, resource availability, and intelligence.

Mr. Speaker, this could not be more important. The group hopes that its findings and recommendations will become a model for other regions across the nation in how our local law enforcement agencies can best work in concert with county, state and federal agencies.

This vitally important advisory group will be Mel's legacy. I know Mel will not forget this community that he loves, and I wish him and his family well in their future endeavors.

THE CLAN CURRIE SOCIETY

HON. MICHAEL FERGUSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. FERGUSON. Mr. Speaker, today I wish to honor the Clan Currie Society of New Jersey.

For more than 15 years, the Society has promoted Scottish heritage and culture through their community-based arts programs and education outreach efforts.

Mr. Speaker, the Clan Currie Society encourages both Scots and also those of non-Scottish roots, to embrace this great culture's values, art forms and sense of civic responsibility.

Mr. Speaker, I am honored to have been invited to join the Society for their Pipes of Christmas musical celebration. I thank Mr. Robert Currie for that kind invitation, and look forward to next Sunday, December 16, when

I'll have the opportunity to enjoy bagpipe music and share the holiday spirit with good friends and good neighbors.

Mr. Speaker, this Christmas season in particular, when so many of us are facing tough questions about the world we live in, I think it's important to look back and remember where we come from. I believe looking toward our roots and better learning about our past is the best way to face the future.

Mr. Speaker, the fine men and women of the Clan Currie Society, through their hard work and dedication, make it easier for us all to learn about ourselves. For that, I thank them and wish them continued success, a Merry Christmas and best wishes for the New Year.

ADMINISTRATIVE SIMPLIFICATION COMPLIANCE ACT

SPEECH OF

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 4, 2001

Mr. UDALL. Mr. Speaker, today the House will be voting on H.R. 3323, the Administrative Simplification Compliance Act, under suspension of the Rules. This legislation allows health plans and providers to delay compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) until October 2003.

HIPAA was designed to improve administrative efficiency in the health care industry by facilitating electronic transactions between health plans and health care providers. The Department of Health and Human Services estimates these administrative simplifications will result in net savings (i.e., savings after accounting for implementation costs) of $29.9 billion over ten years. The first phase of these simplifications is scheduled to go into effect in October 2002.

Some sectors of the health industry and state government's argue, however, that they need extra time to make the technical and procedural changes necessary to achieve compliance.

H.R. 3323 allows these health plans and providers that will be unable to comply by the original deadline, to delay HIPAA compliance until October 2003, provided that they submit a compliance plan to the Secretary of Health and Human Services. This document must summarize the entity's budget, schedule, work plan, and implementation strategy for becoming compliant by October 2003.

Mr. Speaker, I support the effort to allow delay for those plans and providers that will not be compliant by October 2002, provided that they do, in fact, have a plan to be compliant by October of the following year. Because H.R. 3323 requires plans and providers who wish to delay to submit a plan for compliance to the Secretary, I support this legislation.

I would like to take this opportunity, however, to voice my concerns over the fact that some plans, providers, and other types of companies affected by the HIPAA rules have gone to great lengths to be compliant by the original deadline, and now stand to face financial losses as a result of the delay.

One example of this is a company run by a Dr. Jacob Kuriyan, a constituent who resides in the district I represent. Dr. Kuriyan's company has developed software that helps facilitate the submission and receipt of HIPAA required electronic transactions for health plans and providers. Some health plans and providers have already purchased and installed this software in anticipation of the rapidly approaching HIPAA deadline.

Should H.R. 3323 pass, and allow some organizations to delay compliance, Dr. Kuriyan's company will have to foot the bill for removing this software from those providers who have installed it so that organizations can still accept paper transactions from the organizations who are not ready for HIPAA compliance.

Therefore, Mr. Speaker, while I do support the effort to allow responsible delay for compliance, I believe that Congress should do our best to reward, not penalize the organizations and companies, like Dr. Kuriyan's, that have invested the resources and made an effort to be HIPAA compliant by the original deadline of October 2002.

FISHERIES CONSERVATION ACT OF 2001

SPEECH OF

HON. WILLIAM D. DELAHUNT

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. DELAHUNT. Mr. Speaker, I rise in strong support of this legislation which includes reauthorization of the Striped Bass Conservation Act.

When my predecessor, Gerry Studds, first introduced the Striped Bass Conservation Act in 1984, the species had been battered by pollution and over-fishing. Harvests had plummeted so far, so fast—by over 10 million pounds over the preceding 10 years—that there was legitimate fear for the literal future of the species.

If the problem was clear, the solution was not. Striped bass are highly migratory, and move primarily along the three-mile coastal zone which is under the combined jurisdictions of 12 states and the District of Columbia. Balancing the needs of the fish, the fishermen, and the regulators, Congressman Studds and his colleagues crafted a unique and, as it turned out, highly effective scheme to bolster state management efforts to restore the stocks.

By all measures, the results of this cooperation among the states, and between the state and federal governments, have been astonishingly successful. Today, the fish are found in impressive numbers, up and down the coast. The federal-state partnership embodied in the Striped Bass Act has restored the species to its former, considerable glory as one of the most important sport and commercial fisheries on the east coast.

These strides for conservation also have direct economic consequences. In my area, healthy striped bass stocks mean business for campgrounds in Truro or tackle shops in Edgartown—and striped bass fishing has even returned to Boston Harbor. It's a classic case of doing well by doing good.

GLOBAL ACCESS TO HIV/AIDS PREVENTION, AWARENESS, EDUCATION, AND TREATMENT ACT OF 2001

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Ms. MILLENDER-McDONALD. Madam Speaker, I rise in strong support of H.R. 2069, a bill that I co-sponsored in order to help raise awareness of the need to promote prevention of HIV/AIDS. There can be no more pressing issue than tackling this pandemic that is so ruthlessly killing millions of people across the globe.

It has already reduced the population of the African continent by almost 20 million lives alone. It has created a generation of orphans that will never know the warmth and meaning of family. It is a relentless plague that destroys our universal productivity, labor and health. It affects each and every one of us.

Mr. Speaker, we must do all that is in our power to resolve this multi-dimensional global crisis. In particular, I would like to highlight a portion of this bill's important provision that employs language from a free standing bill that I introduced which addresses the prevention of the transmission of HIV/AIDS from mother to child. This transmission is the largest source of HIV infection in children under age 15 and the only source for transmission to infants.

According to recent findings, the total number of births to HIV-infected pregnant women each year in developing countries is approximately 700,000. Funding under this bill will greatly contribute to decreasing this number by providing counseling and voluntary testing to infected women. With this information, mothers-to-be, who are aware of their status, can make informed decisions about treatment, replacement feeding to reduce risks to their unborn babies and future child-bearing.

This act of prevention is only one first step, Mr. Speaker, but an essential one in our battle being waged against this devastating enemy. I therefore join my colleagues in supporting urgent passage of H.R. 2069.

TRIBUTE TO THE PEOPLE OF LEON COUNTY, FL

HON. ALLEN BOYD

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BOYD. Mr. Speaker, today I rise to pay tribute to the people of Leon County, Florida. In a sincere motion of recognition, the citizens of Leon made a declaration of gratitude to all of those soldiers who are fighting overseas due to the horrible events of September 11th. I believe this decree shows that not only were all parts of this great country affected by the terrorist acts, but that the American people's support for the campaign to eliminate terrorism has not wavered.

Leon County's Declaration is as follows:

Whereas, the American experiment of government of the people, by the people and for the people stands as a beacon of freedom throughout the world; and

Whereas, the government and people of the United States of America are dedicated to the principles of freedom and individual liberty for all of the world's citizens; and

Whereas, on September 11, 2001, citizens of the United States and of the world were murdered in a dastardly campaign of inhuman atrocities, simply because they dared to live free; and

Whereas, the United States now finds itself at war both at home and abroad for the first time in its history; and

Whereas, the men and women of the United States Armed Services are tasked with the responsibility to defend the people and constitution of the United States of America; and

Whereas, many men and women of Leon County, Florida have answered the call to duty during this crisis.

Now, Therefore, Be It Resolved By The Board of County Commissioners of Leon County, Florida, that the men and women of Leon County who serve in the United States armed services are recognized as our ambassadors of freedom, and that they are further designated, along with their colleagues from every community in the United States, by the citizens of Leon County, Florida, as our emissaries of peace, and the best hope for peace and security for all the free peoples of the Earth. Let it be known that, as the elected representatives of the people of this community, the Leon County Board of County Commissioners declares no compromise possible on the principles of freedom, the requirements of security, and the natural right of every person to live free from the fear of terrorist assault. As such, we once again look to the men and women of our armed services, the finest in the world, to defend our lives, our freedom, and the sacred right of every person to life, liberty and the pursuit of happiness.

Dated this 20th day of November, 2001.

It gives me great pleasure to share with my colleagues the generosity of the exceptional people in my district. I hope that we can all stand behind declaration such as this one, and pray for the speedy return of the many soldiers that are putting their lives on the line in the name of freedom. They truly represent the very essence of the red, white and blue.

PATIENT CARE INNOVATION ACT OF 2001

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. MURTHA. Mr. Speaker, The United States is facing a serious, long-term, shortage of health care professionals. For example, the demand for nurses will exceed the supply by 2010, when the first of the 78 million Baby Boomers begin to retire and enroll in the Medicare program. Across the board, working in patient care has become more stressful and care givers are leaving their profession as more sicker and elderly patients are entering our hospitals and nursing facilities. The future therefore, will require new models of patient care and the efficient use of the skills of our increasingly scarce nurses and other health care professionals.

Care giving has always been a demanding profession. Those men and women who go into it—like those who go into teaching—do so out of commitment. Unfortunately, conditions in the work environment are making it virtually impossible for them to fulfill that commitment.

The nursing shortage has set off the alarm and the concern is appropriate. But before effective responses and solutions can be devised, policy makers need to realize that nursing and the health system have been at this crossroads before. Over the past several decades, nursing has found itself caught in a perpetual cycle of workforce shortages and shortsighted solutions that, over the long term, have failed. The result has been more demanding workloads for care-givers with sicker and more older patients and a weakened infrastructure to support patient care.

Nurses are increasingly spending more of their time away from direct medical care. From lifting and moving patients and providing hygienic care to increasing administrative support, over 40 percent of a nurse's hours are spent meeting non health related support activities. This inefficient use of nursing care has directly reduced the level and quality of patient care. Unfortunately, with operating margins the tightest they have ever been, hospitals have scaled back the number of skilled care givers and reduced the mix of qualified nursing personnel to a level where staffing ratios are inconsistent and mandatory overtime has become the necessity.

The "Patient Care Innovation Act of 2001" will lead to the establishment of new, more efficient, postures of patient care.

The legislation establishes a federally funded program of planning grants for the design, and demonstration grants for the implementation and evaluation of new innovative models of patient care delivery that provides quality patient care, recognizes and utilizes the professional competencies of nurses, and creates workplace environments conducive to nurse retention and recruitment, including care giver to patient ratios.

This is an important step. Health care providers need to fundamentally rethink the way in which they organize and deliver patient care to determine if there is a better way to deliver care for both the patient and the care giver. Nurses, health care providers and other direct care givers need to be involved in designing, testing and evaluating new and innovative models of patient care.

The development and testing of new and innovative models of patient care delivery must involve changes in organizational structures and processes; new management practices; greater nurse autonomy and involvement in patient care decision-making; more effective use of support staff; greater interdisciplinary collaboration and the expanded use of technology to reduce manual documentation and repetitive administrative tasks.

Obviously, one solution will not fit all environments. All the more reason for passage of the "Patient Care Innovation Act of 2001". A broad band of responses must be developed if we are to maintain quality patient care and stop the exodus of care givers from the health care profession.

Planning grants will be used to bring together multi disciplinary clinical and administrative teams to assess current patient care delivery systems, collect data, define work and care environment problems, evaluate new approaches and develop innovative models for delivering efficient safe and quality patient care.

Demonstration grants will be used to implement and evaluate innovative models of care to demonstrate and determine their effectiveness in providing quality patient care and increasing the professional satisfaction of nurses within various health care settings.

Health care providers are already struggling to maintain day-to-day operations under restrained payments by Medicare, Medicaid and insurance companies. Grant funding will enable providers to move forward more expeditiously to implement new methods of care while addressing the shortage of health care professionals before it reaches the crisis stage.

Patient care must remain the primary focus of our health care system. The nursing shortage will affect the health care of all Americans unless we act now to create and implement the means to ensure the highest quality of care for all patients. Ultimately, success will mean generating changes in attitudes and practices that have been entrenched in the health care system for decades.

Can the emerging shortage of health care professionals be turned around? To do so, policy makers and planners must go beyond discussing recruitment and increasing the size of educational programs. It will mean generating changes in attitudes and practices that have been entrenched in the health care system for decades. It requires that we engage in a reevaluation of how health care professionals are educated, credentialed and employed. In particular, employers need to create professional work environments that promotes and ensures high-quality, cost effective patient care and that recognizes and rewards the contributions that nurses and other health care professionals make to the very well-being of hospitals and our health care system.

Therefore, I strongly urge all Members of Congress to join with me and sponsor passage of this critical piece of patient health care legislation.

HONORING TWO ESTEEMED RAILROAD INDUSTRY LEADERS, WILLIAM J. DRUNSIC AND ANTHONY M. LINN, FOR CONTRIBUTIONS TO THE STATE OF TENNESSE

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. CLEMENT. Mr. Speaker, as the State of Tennessee embarks upon an initiative to create a commuter railroad system, it is most appropriate that members of the U.S. House of Representatives recognize two esteemed leaders in the railroad industry. I am speaking of William J. Drunsic and Anthony M. Linn, whose personal involvement in the concept and planning of this project have had a tremendous impact and have caused this great effort to stay on course and move forward at a constant and deliberate pace.

Mr. Drunsic and Mr. Linn began their involvement in the railroad industry in Tennessee nearly twenty years ago in March 1983. They have been recognized as leaders in the short line railroad industry for a long while. Today there are some 400 members of the American Short Line and Regional Railroad Association. In Tennessee alone there are 17 short line railroads in operation. Mr. Drunsic and Mr. Linn are either principals or share affiliations with five of the 17 short line operations in the Volunteer State.

Mr. Drunsic, a resident of Manchester Center, Vermont, and Mr. Linn, a resident of Closter, New Jersey, have indeed registered a mark on the railroad industry in Tennessee and in the United States, worthy of this recognition. As Middle Tennessee, and specifically the 5th & 6th Congressional Districts, begin to explore the opportunities of a commuter rail system, these two men will certainly be hailed for their vision and their service toward making this long standing proposition a matter of reality.

Today we congratulate and thank Mr. Drunsic and Mr. Linn for their many contributions to the railroad industry, to the nation, and to the entire State of Tennessee.

Mr. Speaker, I yield back the balance of my time.

EXPRESSING SOLIDARITY WITH ISRAEL IN THE FIGHT AGAINST TERRORISM

SPEECH OF

HON. BETTY McCOLLUM

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 5, 2001

Ms. MCCOLLUM. Mr. Speaker, I rise today in support of House Concurrent Resolution 280. This resolution expresses solidarity with Israel in its fight against terrorism following the recent attacks in Haifa and Jerusalem during the weekend of December 1–2, 2001. This resolution also urges the President to ensure that Palestinian leader Yasir Arafat carries out a sustained campaign against terrorism.

In the latest attacks in this troubled region, Palestinian terrorists took the lives of 26 innocent Israeli citizens and wounded at least 175 others. Those who are responsible for these attacks have committed brutal acts of murder, and no cause can justify their actions. I wish to express my deepest condolences to all of those who have been affected by these tragic events.

As we mourn for the thousands of Americans who lost their lives in the terrorist attacks of September 11th, we also mourn for the innumerable men, women, and children of Israel who have suffered at the hands of terrorists for decades. Now more than ever, the United States and Israel are bound together in the common fight for freedom, security, and tolerance for all.

During the past 15 months of violence in the Middle East, the Palestinian leadership has turned a blind eye to terrorist activity within the Palestinian territories. Terrorist groups have actively recruited new members, planned attacks and carried out violent acts against innocent citizens with little or no fear of punishment by the Palestinian Authority.

Despite numerous commitments made by Mr. Arafat to take action against these terrorists, the violence has continued. The time has come to call on Chairman Arafat and the Palestinian leadership to demonstrate a true commitment to the eradication of terrorism in all its forms. We must insist that Mr. Arafat validate his words with real actions and a demonstrable effort to arrest, prosecute and punish perpetrators of terrorist attacks. We must make clear that we will not tolerate terrorism!

Mr. Speaker, it is clear that the current challenges to the Middle East peace process are monumental. The prospect for peace is not only contingent on the ability of the Palestinian Authority to combat terrorism, but it is also dependent on the level of commitment from the Israeli leadership. Both sides of this conflict must accept certain compromises, or peace efforts will be in vain. However, we must not abandon our vision of peace, security, and opportunity for all Israelis and Palestinians.

IN MEMORY OF MICHAEL J. BURKE

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. PORTMAN. Mr. Speaker, I rise today to honor the memory of Michael Burke, a community leader, a friend and a constituent who passed away on December 6.

Mike was a managing partner of the Cincinnati law firm of Keating Muething and Klekamp, PLL, and Chairman of the Board and Chief Executive Officer of KMK Consulting Company, LLC. He was dedicated, giving, and generous. One of the founders of the law firm, John Muething, said of Mike, "He was a true leader . . . and a constant source of energy and inspiration to others . . ." Don Klekamp, a partner of Mike's for 33 years, recalled that "Mike was an outstanding entrepreneurial business lawyer, but he was more than a lawyer to clients. He was a confidant and trusted advisor."

Very active in his community, Mike was President of Our Lord Christ the King Parish Council, President of the Education Committee, and co-chaired its Capital Campaign to build a parish center. At Ursuline Academy of Cincinnati, Mike was Chairman of the Board of Trustees, Chairman of the Long Tenn Planning Committee, and Chairman of the first Capital Campaign. In 1998, I had the honor of helping to present Mike with the Heart of Gold Award by Boys Hope/Girls Hope. He was also honored as Man of the Year by the Cincinnati Club of the University of Notre Dame.

A graduate of Newport Central Catholic High School, Mike received his B.B.A. from the University of Notre Dame and his J.D. from the University of Cincinnati, where he was a member of the Order of the Coif. He was devoted to his wife, Marcia, and their five children: Tricia, Jennifer, Michael, Brian and Anne.

A close friend, Jim McGraw, managing partner of KMK Consulting, said, "While his journey was cut short, [Mike's] incredible spirit is forever ingrained in the lives of all who worked beside him." All of us who were so enriched by Mike's energy, courage and faith will miss him.

KEEPING THE SOCIAL SECURITY PROMISE INITIATIVE

SPEECH OF

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. STENHOLM. Mr. Speaker, I rise in strong disappointment with the rhetoric coming from both sides of the aisle on this resolution. We do a disservice to our constituents and to future generations when we bury our heads in the sand and ignore the very real financial challenges facing the Social Security system.

Everyone who has examined the financial outlook of the Social Security system understands that we need to take action to make sure that Social Security remains strong for future generations. The Commission to Strengthen Social Security is to be commended for presenting proposals which deal with the financial deficits facing the Social Security system in a responsible and forthright manner.

Those who cry foul on the Commission's recommendations have a moral obligation to tell the American people how they would address these challenges. While it is easy to criticize those who try to deal with this issue, it is far more difficult to put together a plan that can hold up under a thorough actuarial and budgetary analysis. I would say to my colleagues who have come to the floor to criticize the efforts of the Commission that I look forward to seeing your plan to strengthen Social Security.

There is no way to eliminate the $20 trillion unfunded liability facing Social Security without making some tough choices somewhere. Folks who insist that we must preserve benefits exactly as promised under current law must explain where the money will come from to fund these promises.

We can either make some tough choices today to honestly deal with the challenges facing Social Security or we can leave a fiscal time bomb for our children and grandchildren. I, for one, do not want my grandchildren to look back sixty-five years from now and say that if only our granddad had done what he knew in his heart had to be done when he had the chance, we wouldn't be in the mess we are in today.

RAILROAD RETIREMENT AND SURVIVORS' IMPROVEMENT

SPEECH OF

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in strong support of H.R. 10, the

Railroad Retirement and Survivors' Improvements Act of 2001. This critical legislation makes important improvements in the benefit structure for retired railroad workers, especially for widows and widowers.

In the early 1900's, the rail industry was the nation's largest employer. With record levels of unemployment, the Federal Government decided to provide economic incentives to encourage the retirement of older employees, thereby creating more jobs for younger workers.

"Railroad Retirement" was created to provide retirement benefits beginning in 1936 creating retirement incentive for many older railroad employees who otherwise would not have received Social Security benefits until 1942. This program replaced the private railroad pension plans and began to pay benefits in 1936, based on up to 30 years of past untaxed rail service.

The system is now $40 billion short of what would be required to pay benefits to all the workers who have yet to retire and their survivors.

Congress has a responsibility to provide railroad retirees and their survivors with increased benefits, as well as making necessary changes to update and modernize the railroad employee benefit system.

To that end, I urge my colleagues to join me in support of H.R. 10. More than 670,000 retirees and dependents and 245,000 active rail employees will benefit from the improvements made by the Railroad Retirement and Survivors' Improvement Act of 2001. Please support our nation's railroad workers, rail retirees and spouses by supporting this critical reform package. Vote yes on H.R. 10.

HONORING THE SACRIFICE MADE BY JOHNNY MICHAEL SPANN

SPEECH OF

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. EVERETT. Mr. Speaker, I join with my colleagues in the House and with the residents of my home state of Alabama in paying tribute to an American who gave his life in service to freedom.

Johnny Micheal Spann, a native of Winfield, Alabama and graduate of Auburn University, was the first American killed in the ongoing war against terrorism in Afghanistan.

Spann, who served his country for eight years in the U.S. Marine Corps before working as an intelligence officer in the Central Intelligence Agency, gave his life on November 25 at the young age of 32, leaving behind a wife and three children.

On Monday, he was laid to rest among our country's heroes in Arlington National Cemetery in a service that touched the hearts of all gathered along those hallowed hills overlooking our nation's capital.

"Mike is a hero not because of the way he died, but rather the way he lived," his widow noted. "Mike was prepared to give his life in Afghanistan because he was prepared to give his life every day at home."

I was pleased to join my colleagues in support of H. Con. Res. 281, which passed the House Tuesday, honoring Johnny Micheal Spann. I would like to extend my personal condolences to his wife, Shannon, and his family. America shares both the personal sorrow of your loss and the sense of pride for Mike's courageous and dutiful service to the nation he so loved. May God bless you all.

PAYING TRIBUTE TO SHARON BANKS

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to pay tribute to Sharon Banks, Superintendent of the Lansing School District, for being named Michigan's Superintendent of the Year. She was selected by the Michigan Association of School Administration from our state's 600 superintendents for her energy and dedication to the district.

Hired only sixteen months ago to improve the District's substandard test scores and declining enrollment, Ms. Banks has spearheaded significant progress throughout the District. The District lost more than 3,300 students in the 1990's and has struggled to raise their Michigan Educational Assessment Program test scores.

Since arriving, Ms. Banks has launched sweeping initiatives ranging from bolstering literacy programs to keeping kids in school. Enrollment has declined much less than expected with only 30 students leaving the district between 2000–01 and 2001–02, the smallest decrease in more than a decade.

As a result of earning this distinguished award, which will be formally presented at a ceremony in January, Ms. Banks is nominated for the National Superintendent of the Year Award.

Therefore Mr. Speaker, I respectfully ask my colleagues to join me in paying tribute to Sharon Banks for earning Michigan's Superintendent of the Year.

IN HONOR OF MARGARET FELDER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. TOWNS. Mr. Speaker, I rise in honor of Margaret Felder in recognition of her commitment to her church and women's leadership activities.

Margaret Felder was born in Lexington County, South Carolina. She is the oldest of six children. At the age of 12, her family moved to Brooklyn. Margaret is a product of the New York City Public School System. She graduated from Clara Barton Vocational High School with a major in nursing. After a short period in the nursing profession, Margaret decided to give up nursing and turn to a career in business. She has worked at Sullivan, Papain, Block, McGarath, and Cannavo P.C. for the past thirty-three years as an Administrative Assistant.

Margaret is a devoted mother to Stephanie, Claude, Monique, Ebony, her late son, Eliot, daughter-in-law Grace and grandchildren Jean-Pierre and Rayquan. She gives her loving mother, Elaine, a great deal of credit for helping her in this regard. She gives leadership to her family and is aware of the support and love from each of them.

Margaret has been a devoted member of the Berean Baptist Missionary Baptist Church. She is currently active in the Ladies Usher Board, Sunday School secretary, Youth Church Leader, Sisterhood, Summer Day Camp, American Baptist Women ministry, the Bible Institute and the Drama Ministry.

One of her favorite scriptures is Psalm 37:7 "be still before the Lord and wait patiently for him".

Mr. Speaker, Margaret Felder is a loving mother, grandmother and devoted member of the Berean Baptist Missionary Church. As such, she is more than worthy of receiving our recognition today and I urge my colleagues to join me in honoring this truly remarkable spiritual woman.

STATEMENT ON BASIC PILOT EXTENSION ACT OF 2001

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of H.R. 3030, the Basic Pilot Extension Act of 2001. This Member would like to thank the distinguished gentleman from Iowa (Mr. LATHAM) for introducing the measure and the distinguished gentleman from Wisconsin (Mr. SENSENBRENNER), the Chairman of the Judiciary Committee, for his efforts in bringing this measure to the Floor. Additionally, this Member would note that he agreed to co-sponsor H.R. 3030 but was unable to do so under House Rules as the bill had been reported out of the Committee very expeditiously.

Under H.R. 3030, the Basic Pilot Program, which is an employment verification program, would be extended through 2003, as the original authorization expired on November 30, 2001.

Mr. Speaker, the Immigration Reform and Control Act (IRCA) of 1986 correctly prohibited employers from knowingly hiring illegal aliens or people with non-immigrant visas. Unfortunately, at that time, Congress did not give employers the corresponding tools with which to comply with this Act. For example, due to concerns regarding discrimination, employers are limited in the questions they may ask of potential employees to verify if those individuals are authorized to work in the U.S. If the employment verification documents that potential employees produce appear to be legitimate, then employers must accept the documents as legitimate without further inquiry of the potential employee.

During Immigration and Naturalization Service (INS) enforcement raids, certain employers were found to have hired large numbers of illegal aliens, either knowingly or unintentionally, and subsequently they were subject to penalties. As technology has progressed to allow for the cheap and quick production of legitimate-looking fraudulent documents, the inability of employers to distinguish between valid documents and fraudulent documents has significantly increased. It became clear that businesses dedicated to complying with the IRCA needed new tools to assist with the endeavor.

When the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) of 1996 was enacted, it authorized the creation of three employment verification tools, including the Basic Pilot Program. Initially, employers in California, Florida, Texas, Illinois, Florida, New York, and Iowa could voluntarily use the Basic Pilot Program to compare the information received from potential employees with Immigration and Naturalization Service (INS) databases to determine if potential employees could be employed legally in the U.S.

Mr. Speaker, throughout the 1990's, many legal immigrants and illegal aliens moved to Nebraska seeking jobs in the meatpacking industry. Subsequently, this Member began to receive contacts from businesses in his district concerned about their capacity to comply with the IRCA. Therefore, on November 30, 1999, this Member joined his House and Senate colleagues in the Nebraska Congressional Delegation in a letter to then-INS Commissioner Doris Meissner requesting the extension of the Basic Pilot Program to Nebraska. This Member continues to firmly believe that providing Nebraska businesses with the tools to hire a legal workforce is an important component in maintaining a stable economy in the State and in meeting needs to effectively enforce immigration laws in this country's interior. On March 19, 1999, the U.S. Department of Justice granted Nebraska businesses access to the Basic Pilot Program. Currently, about eight Nebraska businesses actively utilize the program.

Mr. Speaker, for Congress to allow the Basic Pilot Program to lapse following the horrific and unspeakable terrorist attacks of September 11, 2001, would demonstrate true negligence. More than ever, the U.S. must fully enforce its immigration laws to protect its citizens from future attacks. In its capacity to identify document fraud and illegal aliens, the Basic Pilot Program can indeed play a role in the fight against terrorism.

In conclusion, this Member encourages his colleagues to vote for H.R. 3030.

H.R. 3005, TRADE PROMOTION AUTHORITY

SPEECH OF

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 2001

Mr. QUINN. Mr. Speaker, I would like to convey my opposition to H.R. 3005, the Trade Promotion Authority Act of 2001. Had I been present, I would have voted "no".

American workers have felt the repercussions of fast track authority since the passage of NAFTA. Millions of American jobs have been lost since then. Over 20,000 workers in New York State have lost their jobs since 1994. My district in Buffalo, New York has been hit particularly hard. The passage of TPA will only exacerbate the dire situation the working people of Western New York are facing. Hard working Americans need trade policy that will protect U.S. jobs and stimulate the economy. This bill will not do that.

I voted against Fast Track in 1997 and 1998. I have been clear in my opposition to TPA in 2001. Unfortunately, I did not know this bill would be brought to the floor during my absence. Although I did not have the opportunity to vote, I remain steadfastly opposed to this measure and assure you that had I been able-bodied at the time, my vote on H.R. 3005 would have been "no".

TRIBUTE TO ST. CAMILLUS ACADEMY

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. ROGERS of Kentucky. Mr. Speaker, today I want to recognize, and offer my congratulations to, St. Camillus Academy of Corbin, Kentucky. This fall, the President's Council on Physical Fitness and Sports announced the state champions of the President's Challenge program for the 2000-2001 school year. And, for the second consecutive year, St. Camillus Academy has earned the distinguished State Champion Award for category one schools in Kentucky. I was exceedingly glad to learn of this award and want to take this time to recognize the students of St. Camillus for their outstanding achievement.

The President's Challenge is a physical fitness program designed to test the fitness of public school children in several activities, including sit-ups, pull-ups, and a long-distance running. Students that score at the 85th percentile or above in all categories of the Challenge earn the Presidential Physical Fitness Award. Schools statewide are recognized by the number of students that have achieved this distinction, and St. Camillus won over all other category one schools in Kentucky. Fifty percent of its students scored at or about the 85th percentile.

Mr. Speaker, this in no small accomplishment. It takes a lot of hard work and effort on the part of children today to reach a certain level of fitness and the importance of fitness as a health benefit cannot be over-emphasized. In announcing state champions, the president's council noted that there is a "growing epidemic of physical inactivity among our nation's youth." Many of our children are suffering from obesity and other ailments as a result of a lack of exercise. We must recognize that physical fitness, in addition to good grades and scholastic achievement, is an equally important component of a good education.

Mr. Speaker, it is fortunate that we, as a nation, can look to many role models for inspiration and encouragement. Of course, we can find several in athletes, professional and amateur, who have striven to achieve and overcome what seem at the time impossible odds. I believe we can include the students of St. Camillus in that category as well. As category one state champion for the State of Kentucky, St. Camillus has proven itself a model school and is deserving of our praise and recognition. Again, I wish to salute the students of St. Camillus for this wonderftil achievement. Thank you.

KEEPING THE SOCIAL SECURITY PROMISE INITIATIVE

SPEECH OF

HON. J. RANDY FORBES

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. FORBES. Mr. Speaker, I rise in strong support of H. Con. Res. 282, which reiterates Congress' commitment to our seniors to keep the promise of Social Security.

For years now, Congress and the public have known that Social Security would soon be facing serious financial challenges due to shifting demographics. With the aging of the baby boom generation, the number of retiring Americans receiving benefits is beginning to overwhelm the number of working Americans paying into the Social Security system. In addition, thanks to important medical advances and healthy behavioral changes, Americans are living longer. The result of these factors is that beginning in 2016, Social Security payments will exceed worker contributions into the trust funds.

This is a scary prospect for the millions of Americans who receive Social Security benefits. Many of those individuals depend upon their monthly Social Security checks to survive. As we fight our global war on terrorism, we must not lose sight of the fact that terror can come in many forms. It is every bit as frightening to an elderly man or woman that the Social Security check might be late—and far more real. Too many of these people are living from one check to the next and balancing food against medicine. As their Representatives in Congress, we should at least provide them with the security of the promise of Social Security.

It is also a scary prospect, Mr. Speaker, for the millions of Americans who are approaching retirement. They have been paying into the Social Security trust funds because they have to, not because they believe in Social Security. In fact, numerous studies have shown that more young Americans believe in UFOs than in their future Social Security checks.

It is clear that Social Security in its current form—the form it has had since the Great Depression—is unsustainable. If we are to keep the promise that so many seniors and working Americans have relied upon for years, we must reform this program. There are many possibilities for reform, including adding personal investment options. The President appointed a commission of experts from business, think tanks, and government to explore these alternatives and to make recommendations to Congress for change. They are expected to vote on their final report today, and

Congress should consider their recommendations with due deliberative speed. We must act quickly, but more importantly, we must act right.

But throughout our deliberations, Mr. Speaker, we must maintain our steadfastness to keep the promise of Social Security. We should not raise Social Security taxes and we should not cut benefits. We must use the innovative spirit that is America's hallmark to meet this challenge and find a way to strengthen and improve Social Security.

Building upon the Social Security lock box legislation that this body has already approved, this resolution lays the groundwork for our coming debate, reaffirming our commitment to Social Security's beneficiaries, in particular, the most vulnerable beneficiaries—the low-income, the women, and the minorities. I look forward to reviewing these issues with my colleagues and developing a real solution to this challenge.

I urge all my colleagues to support H. Con. Res. 282.

PERSONAL EXPLANATION

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. MALONEY of Connecticut. Mr. Speaker, on Tuesday, December 11, 2001, I was detained and therefore missed rollcall votes #483, #484, and #485. Had I been present, I would have voted "Aye" on rollcall #483, "Aye" on rollcall #484, and "Aye" on rollcall #485.

A PROCLAMATION HONORING WWVA RADIO

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. NEY. Mr. Speaker, Whereas, on December 13, 2001 WWVA Radio in Wheeling, West Virginia celebrates its 75th anniversary; and,

Whereas, WWVA Radio began with a 50 watt transmitter in the home of John Stroebel and has now grown to a 50,000 watt transmitter serving 18 states and six Canadian provinces; and,

Whereas, in January 1933, WWVA made country music history when Jamboree went live on the air. It is the second oldest live radio broadcast; and,

Whereas, for the past 75 years, WWVA has received numerous awards and has brought country music, news, and talk radio to people across the nation: and,

Whereas, from the Great Flood of 1936 to continuous news coverage of the September 11th terrorist attacks, WWVA takes pride in serving the public and looks forward to the next 75 years.

Therefore, I invite my colleagues to join with me and the citizens of the United States in thanking and recognizing WWVA for its 75 years of commendable service.

TRIBUTE TO HOLZ ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Holz Elementary in recognition of their achievement as an "exemplary" school.

Holz Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Holz Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Holz Elementary.

TRIBUTE TO ADMIRAL VERN CLARK

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. YOUNG of Florida. Mr. Speaker, I rise today to remember the 60th anniversary of the attack on Pearl Harbor. Memorably described by President Franklin Roosevelt as "a date which will live in infamy," Pearl Harbor Day has taken on added significance since September 11, when America was again "suddenly and deliberately attacked."

Last week, I had the opportunity to participate in the 60th anniversary memorial services at Pearl Harbor. Admiral Vern Clark, Chief of Naval Operations for the Navy, gave a particularly moving speech at the USS Arizona Memorial in which he honored both the survivors of that terrible day and those serving our country today around the world.

I have known Admiral Clark for many years, and his service in defense of freedom is exemplary. He could not have known when he became CNO less than two years ago that he would soon lead our navy in a difficult conflict of uncertain length. However, he is the right man for the job, and with his dedication and that of so many of his brave sailors and pilots, we are certain to prevail in this war against terror.

Mr. Speaker, I am deeply grateful for Admiral Clark's service to our country, and I ask unanimous consent that his Pearl Harbor Day remarks be inserted into the RECORD.

ADMIRAL VERN CLARK REMARKS

Thank you Admiral Conway, Chairman Young, Congressman Abercrombie, Congressman Frelinghuysen, Secretary Higgins, Admiral Blair, Secretary Morales, flag and general officers, distinguished guests, honored survivors of the attack on Pearl Harbor, fellow Sailors, ladies and gentlemen—Good morning.

Pearl Harbor is a special place to this Nation and to the United States Navy. For 60 years now we have remembered this day.

Our ships come and go, and every ship that comes by this site renders honors to USS *Arizona*, paying tribute to this ship and the Sailors our Nation lost that day.

In the peaceful, quiet calm that enfolds this memorial this morning, it is difficult for me to imagine the shock, the chaos, the violence, the death that gripped this beautiful harbor sixty years ago—and several wars ago.

Imagine the smoke, the flames, the shattering noises, the screaming bombs, the rush of torpedoes, the broken ships and planes, and our men running to their battle stations, running to fight, and broken lives. For most of us, these things are simply beyond comprehension.

Relatively few Americans today have come face-to-face with the horrors of war. A diminishing number fought in the global war that—for the United States—began here.

There are very few, indeed, who can say, "I was at Pearl Harbor." Yet such men are among us here today, and they honor us with their presence—the Pearl Harbor Survivors.

By my best count there are 21 of you here today—representing the hundreds who will be in Hawaii for this commemorative event. I want to thank you for coming. But even more so, I want to thank you for your great service to our country. I want you to know that I am very proud to be part of a generation that simply followed you. Collectively, we all salute you this morning.

There are few phrases in the English language that evoke awe, that connote a truly special meaning. But, such is the case with the phrase, "I was at Pearl Harbor."

There is no need for a survivor to say the date—it is branded forever in our national memory. As our President at the time said, it is a date that "lives in infamy."

For those of us who lived in the last half of the 20th Century, it is a date that stands out in American history. it is unique. "Before Pearl Harbor" was quite literally a different era than "after Pearl Harbor." Every American learns the Pledge of Allegiance—every American is taught about George Washington—every American knows about Pearl Harbor. What happened here profoundly altered our national experience. It is part of who we are as a people.

This morning, we come to this place—again. We gather to pay homage to the heroes of a war long over. As we come this time, we are at war again—our homeland attacked.

As we pause to commemorate the bravery and sacrifices of these shipmates, we draw strength from the world-changing events of Sunday, December 7th, 1941—especially here at USS *Arizona* where so many Sailors and Marines are entombed. In this solemn memorial, I am reminded of the words spoken during an earlier war, a terrible civil war. President Lincoln said, "From these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion."

Freedom—Government of the people, by the people, for the people—these are the most important treasures for those who live in the land of the free.

Freedom and democracy are an inheritance, hard-won by past generations for us to enjoy.

But freedom and democracy are also the unfinished work that is left for us to defend, to carry forward, and to hand down to future generations. Now we are at war with enemies who hate freedom and democracy. They want a society of coercion. They want a political order of force. Their brand of tyranny is willing to resort to terror, and the slaughter of innocents.

The Americans of 1941 answered the call. Today, Americans are doing so again. It's our turn. It is time for us to rededicate our lives to the cause of freedom, so that children in our nation and others will enjoy the fruits of freedom.

We citizens of the United States have a profound responsibility to protect this Nation, the self-evident truths on which it was founded and the Constitution under which it has flourished. In this mission, we act not only for ourselves and our society, but in the concert of many nations—including our now close ally, Japan, and the community of nations that recognize the free world must stop the threat posed by this recent version of terror. Together let us stay the course.

In 1941, the attack on Pearl Harbor was followed by grim months of defeat and frustration in the Pacific until the Battle of Midway in June 1942. It was more than three tough years before victory was sealed onboard USS *Missouri*, moored just a few hundred yards away.

As with that struggle, this new war is likely to be long and challenging. To win, we must show the same dedication and fortitude that our forefathers displayed during the Second World War. I have every confidence that we will do so.

On 11 September, your Navy and Marine Corps team was ready. Your Fleet was ready to respond to the orders of the President and the whole Congress. We were ready to fight and we are winning today.

Today's young Americans, young Sailors, young Marines—along with their comrades in the Army, and Air Force and Coast Guard—they are as dedicated, as brave, and as determined as their predecessors. They are as equipped, with the example of fortitude and determination that grew from Pearl Harbor. They are motivated by your examples of service and heroism. They cherish the stories of the greatest generation. They, like you, are carrying the banner of freedom throughout this world.

Many of them are over there right now, afloat and ashore, taking the fight to our enemies. Many are on watch elsewhere in other distant parts of the world. Many are getting ready to go, as their President asked them to do. These young people, of whom I am so proud, are all doing a magnificent job.

With the steadfast support of the American people and our friends around the world, the Soldiers, Sailors, Airmen, Marines and Coast Guardsmen of this generation will do their part to win this war, to secure the blessings of liberty for ourselves and our children and generations of Americans yet to come—just like you did.

To the memory and legacy of those who made the ultimate sacrifice, to those resting in this hallowed place, we extend again the thanks of a grateful nation. We extend the promise that their sacrifice will be honored. All of us who serve and wear the cloth of the nation today—we commit, we promise anew to do our duty so that America will remain the beacon of hope, the lighthouse of freedom, and the bastion of liberty. We make this promise in the memory of those who served and gave their lives in this place.

TRIBUTE TO JERRELL NORWOOD

HON. MIKE ROSS

OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 12, 2001

Mr. ROSS. Mr. Speaker, I was saddened recently to learn of the death of a respected and admired individual in my congressional district, Mr. Jerrell Norwood, of Malvern, Arkansas, who lost a courageous battle with cancer at age 64. Today, I wish to pay tribute to his life and achievements.

Jerrell Norwood spent much of his adult life serving his fellow citizens, and his accomplishments were numerous. For over a decade and a half, Jerrell served as County Fire Coordinator and Director of the Office of Emergency Management for Hot Spring County in Arkansas. He was a long-time volunteer and board member with the local Red Cross. For twenty-one years, he served as the first and only Ouachita Fire Chief, and he spent many years on the Resource Organization Service Excellence (R.O.S.E.) Board, a group dedicated to helping needy citizens.

During his career, Jerrell was responsible for building or improving nearly all of the bridges in Hot Spring County, and in 1994, he helped establish a water rescue for users of the nearby Ouachita River. His accolades include being a two-time Volunteer of the Year for Hot Spring County as well as being named Emergency Coordinator of the Year in 2000.

Jerrell Norwood was regarded with esteem and appreciation by all those who knew him well. His friends, neighbors and co-workers alike praised not only his ability to quickly assess and tackle an emergency situation, but more importantly his energy, dedication, common sense and genuine compassion for helping others. He was truly a man of integrity who gave himself to his work and his community. While his passing is a tremendous loss to the Malvern community and our state, his life and legacy of public service will be remembered for years to come.

I extend my deepest sympathies to his wife, Carolyn, his children, and all his family and friends during this difficult time.

TRIBUTE TO WEBERWOOD ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Weberwood Elementary in recognition of their achievement as an "exemplary" school.

Weberwood Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Weberwood Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities.

Mr. Speaker, I urge my colleagues to Join me in honoring Weberwood Elementary.

TRIBUTE TO DR. STERLING ALEXANDER ROAF, SR.

HON. MIKE ROSS

OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 12, 2001

Mr. ROSS. Mr. Speaker, I wish to pay tribute to the life and accomplishments of a constituent and friend, Dr. Sterling Alexander Roaf, Sr. who passed away recently in Pine Bluff, Arkansas.

A native of Pine Bluff, Sterling Roaf, Sr. was one of nine children born to Rev. Arthur Roaf and Charlotte Boughton Roaf. After graduating from Southeast Senior High School in 1962, he spent two years working on the Cotton Belt Railroad. In 1966, he graduated with honors from the University of Arkansas at Pine Bluff. He obtained his medical degree from Meharry Medical College in Nashville, Tennessee, in 1972 and moved to Los Angeles to complete his residency at Martin Luther King Hospital.

Following his residency, Sterling returned to Pine Bluff in 1976 where he established the Roaf Clinic with his brother Clinton Roaf, a dentist, and practiced obstetrics-gynecology until his death. In 1998, he was recognized by the Arkansas Times as one of Arkansas' Best Physicians in gynecology, obstetrics, and oncology. According to his brother, Sterling delivered some 600 infants a year. He truly brought into the world an entire generation of children and touched the lives of countless others in the Pine Bluff area, and he will be greatly missed by the thousands of patients and families who were impacted by his caring and dedicated work.

Sterling Roaf Sr. was not just a great doctor. He was an active and giving member of his community, a devoted member of the church, and a loving father and grandfather. My heart goes out to his children, his brother and five sisters, and all of his friends and relatives in their loss.

TRIBUTE TO ROBIN HIGGINS

HON. C.W. BILL YOUNG

OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 12, 2001

Mr. YOUNG of Florida. Mr. Speaker, I rise today to remember the 60th anniversary of the attack on Pearl Harbor. Memorably described by President Franklin Roosevelt as "a date which will live in infamy," Pearl Harbor Day has taken on added significance since September 11, when America was again "suddenly and deliberately attacked."

Last week, I had the opportunity to participate in the 60th anniversary memorial services at Pearl Harbor. I was particularly struck by a moving speech given at the National Memorial Cemetery of the Pacific by Robin Higgins, Undersecretary for Memorial Affairs in the Department of Veterans Affairs. Secretary Higgins, from my home state of Florida, was herself a victim of terrorism when her husband, Marine Colonel Rich Higgins was murdered in Lebanon 13 years ago. She and her husband have dedicated their lives in service of this country, and they are two true American heroes.

Mr. Speaker, as we remember the brave survivors of Pearl Harbor and the men and women serving in our military around the world, I salute Rich and Robin Higgins, and I ask unanimous consent that Secretary Higgins, speech be inserted into the RECORD.

The Honorable Robin Higgins, Under Secretary for Memorial Affairs, U.S Department of Veterans Affairs

KEYNOTE ADDRESS PEARL HARBOR SURVIVORS, 60TH ANNIVERSARY

DECEMBER 7, 2001 THE NATIONAL MEMORIAL CEMETERY OF THE PACIFIC

Medal of Honor recipients Mr. Hayashi, Mr. Kellogg and Mr. Finn; Congressman Bill Young from my great state of Florida; Congressman Neil Abercrombie from the great state of Hawaii; Congressman Rodney Frelinghuysen, from the great state of New Jersey; Chairman Myers; distinguished military arid civilian guests; most honored members of the Pearl Harbor Survivors Association; World War II veterans; and all fellow veterans and their families . . . Good morning, and thank you Gene for that kind introduction.

I want to add a special acknowledgement of some special visitors with us today from New York who are here as guests of the State of Hawaii—325 family members of men and women who were lost in the World Trade Center on September 11.

Secretary of Veterans Affairs, Anthony Principi, had very much hoped to be here—and were it not for extraordinary events in Washington, he would have. But he asked me to send you his best wishes. I appreciate and am humbled by the opportunity to represent him and the more than 219.000 men and women of the Department of Veterans' Affairs who stand ready to honor your service to America.

Few occasions merit words like "horrific," "devastating," and "tragic." Fewer still cause a speaker to follow those superlatives with words like "magnificent," "awesome," or "heroic." Yet today—as I stand here in this most sacred of places, this shrine to the sacrifices of so many honorable men and women—I am struck by the notion that what happened on this morning 60 years ago brings into play all those words and probably more.

Let me say that I do not believe we need to replay the events of that morning; I am convinced that no movie, no documentary made today, no well-meaning attempt to recreate for today's generation the horrific events of December 7, 1941, can ever do justice to what you as survivors already know . . . already lived through . . . already redeemed through your own selfless service to America.

I take my cue from the words of Abraham Lincoln who stood on the soil of a great battlefield in 1863 and said, ". . .we cannot dedicate—we cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here, have consecrated it far above our poor power to add or detract."

Here on the gentle slopes and broad fields of Puowaina, rest the heroes of another tumultuous conflict. As magnificent as any National Cemetery could be, it is but a humble gift from a grateful nation to honor those of you who stood for—and those who fell for—freedom that Sunday morning. But it does not pay the full tribute due to the sacrifices offered up on December 7th.

Pearl Harbor . . . NAS Kaneohe . . . Ford Island . . . Battleship Row . . . Hickam Field . . . Wheeler Field . . . Scofield Barracks . . . the Arizona . . .; these were the grounds that were truly hallowed by your sacrifices, consecrated by your blood, and dedicated to your bravery and to the bravery of your friends and countrymen.

Your lives were forever changed by an event so devastating that it would not be for another 60 years—September 11, 2001—that America would again feel the tragic shockwaves of an attack on our home soil.

Perhaps the events of September 11 resonated in your lives in ways that did not resonate among other, younger Americans. Having lost my husband, Marine Colonel Rich Higgins, to a violent act of terrorism 13 years ago in Lebanon, I felt the old wounds . . . still pink from healing . . . open up again when I saw the Trade Center in flames, and the Pentagon—my former duty station—torn asunder.

It is possible, then, that on September 11th, old scars of the heart and mind were once again exposed among your generation of soldiers, Marines, sailors, airmen and coastguardsmen.

But I know and you know this: these two seminal events—December 7th and September 11th—struck America hard but they did not bring her down. No terrorist—no early morning raiding party—has the power to overcome the will and determination of the American serviceman or woman.

I am reminded of a recent editorial cartoon of the Statue of Liberty in which a stern-faced Lady Liberty is cradling a child in her arms. The caption reads, "No one comes between a mother and her children." How true that is for our Nation and for the men and women who, for 225 years, have risen in her defense in the face of the greatest personal risk.

Today is a good day to take a clear look at both our past and our future. It is a day when we acknowledge the debt we owe to those men and women who—because they so cherished peace—chose to live as warriors.

Could anything be more contradictory than a warrior's life? Warriors love America, but they spend years on foreign soil far from home. They revere freedom, but they sacrifice their own. They defend our right to live as individuals, yet yield their individuality for the cause. They value life, yet so bravely ready themselves to die in the service of our country.

But why are some Americans so seemingly willing to fight and, it need be, to die? We fight because we believe. Not that war is good, but that sometimes it is necessary. Our soldiers fight and die not for the glory of war, but for the prize of freedom.

On that December morning, many of you took up a torch that you would not put down for four long years. You valued freedom, and you were willing to sacrifice for it.

And through your selfless sacrifices, you guaranteed a lifetime of liberty to your families, your communities, and your Nation.

It is fitting and proper, then, that those of us who've worn the uniform remember our brothers and sisters, mothers and fathers, sons and daughters—but it is crucial that we share what we feel today with those who have never taken that special risk for their country—so that they may understand.

Soldiers, Marines, sailors, airmen, coastguardsmen, World War Two Merchant Mariners and veterans understand the duty to country that causes a man or woman to risk his or her life to try to make a difference. There is nothing that can take the, place of that selfless devotion.

My husband used to have a small plaque on his desk; it's on nine now and it says: "War is an ugly thing, but not the ugliest of things; the decayed and degraded state of moral and patriotic feeling which thinks that nothing is worth war is much worse. A man who has nothing for which he is willing to fight, nothing he cares about more than his own personal safety; is a miserable creature who has no chance of being free, unless made and kept so by the exertions of better men than himself."

There is a fabric that weaves people of conscience through the ages and around the world. That fabric is bound with the moral and spiritual lineage of men and women of honor, courage and integrity; those who value something more than their own personal safety.

Bound into this fabric are the lives and loves of soldiers and their families from all times, those who came home and those who didn't and those whose fate remains unknown.

The Courts of the Missing here at the National Memorial Cemetery of the Pacific are inscribed With the names of more than 28,000 missing soldiers, Marines, sailors, airmen and coastguardsmen whose names are held in honor along with the more than 38,000 servicemen and women who lie at sacred rest among us today.

Heroes all, they speak to us of patriots' hopes and patriots' dreams, of lives lived to the fullest measure, lives nobly offered as payment for the fabric of a free society.

It is popular today to speak of the Greatest Generation—your generation, the generation of my father, who also served in World War II—but I think the phrase ignores a basic truth about Americans.

I believe every generation of Americans has been, is, and will be, great. We all have the potential for greatness, if by greatness it is meant that in ties of trial, we will meet the challenges.of the times with honor, dignity, arid sacrifice.

But make no mistake; let those who would terrorize us today remember the fate of those who violated our shares once before. And let the 9–11 generation carry the torch of courage and determination you carried in order to rid the world of the evil of the 21st century.

The colonists who fought for liberty in 1776, the citizens who defend a new nation in 1812, the families torn apart by Civil War, the green troops of the Allied Expeditionary Force, the 16 million men and women who wrested freedom from evil during World War II, the Korean War soldiers and their Vietnam colleagues, the young men and women of Desert Storm and, today, the troops fighting to bring terrorist to justice and justice to terrorists.

If we consider that each of these generations of Americans stood firm against the whirlwinds of tyranny to secure liberty for their times and their posterity we must call them all great.

But the generation of the men and women who survived here 60 years ago does merit a special measure of thanks for your contributions to America.

You returned from the battlefield, put aside the tools of war, and took up the tools of industry and technology, of medicine, of science and education, an of community service. In return for all you had accomplished in war—a many of you carried the evidence of sacrifice still fresh on your bodies—you asked only to return to the peace, to the lives and loved ones you left.

And by your humble example you inspired our Nation to move forward on its path to a righteous destiny. Your contribution will not be forgotten. Your generation's greatness will be treasured and remembered.

Such a contribution should be sufficient for one generation—but I don't believe your contribution is yet complete. The next generation will need guidance . . . the next generation will undoubtedly face new challenges and they will wonder how to face those challenges with the courage and strength of character that is the hallmark of your generation.

I encourage our beloved World War II generation, and all our veterans, to share with your children and your grandchildren—with students and scholars and historians—the experiences of your service to America. You have a story to tell . . . you have thousands of stories to tell . . . and in the telling will be the inspiration for the next generation's response to tomorrow's challenges.

Pearl Harbor survivors specifically—have a unique perspective on this kind of brutal assault an America. You can help the rest of us better understand and come to terms with the values that are threatened and the resolve we must have to overcome our fears.

I am honored to share this day with you . . . and to be here in a place that speaks of the Nation's commitment to recognize the sacrifices of those patriots who were ready to give the last full measure of devotion so that we could gather in peace.

May God continue to bless our Pearl Harbor survivors, our World War II veterans, their families, indeed all our Nation's veterans and—especially today those in harm's way. And though I might conclude by asking God to bless America, I need not. Because of you, he already has.

Thank you.

TRIBUTE TO CHAMBERLAIN ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Chamberlain Elementary in recognition of their achievement as an "exemplary" school.

Chamberlain Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Chamberlain Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to Join me in honoring Chamberlain Elementary

COMMEMORATING WORLD HUMAN RIGHTS DAY AND CONGRATULATING TAIWAN'S ELECTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. LANTOS. Mr. Speaker, on December 10th this nation and the global community will observe World Human Rights Day 2001.

World Human Rights Day provides an opportunity to focus the attention of the international community on the most fundamental issue to all of mankind. It is a day of celebration for those, like me, who were liberated and a day of remembrance for those who still live under oppression. Human rights and democracy are like two sides of the same coin—it is impossible to have one without the other. The Republic of China on Taiwan is an example of a democratic nation which fully observes human rights for all of its people. On December 1, Taiwan held a major round of free and fair elections in which every office was contested and competition was fierce. With the strengthening of Taiwanese democracy comes the strengthening of Human Rights for the people of Taiwan.

On the eve of last years World Human Rights Day, President Chen Shui-bian of Taiwan attended a ceremony at the human rights memorial on Green Island, Taiwan. President Chen pledged then to observe the Universal Declaration of Human Rights and the International Covenant of Civil and Political Rights as well as the guidelines from the World Conference on Human Rights in Vienna. President Chen's remarks indicate a serious movement to bring Taiwan back into the international community of human rights observers by recognizing the sanctity and universality of human rights.

Earlier this year, Taiwan's Minister of Foreign Affairs, Dr. Hung-mao Tien elaborated on Taiwan's "Human Rights Diplomacy" announcing to the International Conference on National Human Rights Commission held in Taipei that it is Taiwan's intention to fully participate in international human rights activities such as the Asia-Pacific Forum of National Human Rights Institutions. Moreover, Taiwan wisely recognizes poverty and lack of access to basic social services as violations of fundamental human rights. Minister Tien said in his speech in Taipei that Taiwan is generously using its economic strength to put together an effective set of international cooperation programs designed to help developing nations overcome problems associated with poverty and underdevelopment.

On World Human Rights Day 2001, I applaud Taiwan's achievements and continuing efforts to observe human rights. I hope that other countries will follow Taiwan's excellent example by committing their resources to democratization and improvement of human rights.

NATIVE AMERICAN CULTURAL CENTER AND MUSEUM AUTHORIZATION ACT

SPEECH OF

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. WATTS of Oklahoma. Mr. Speaker, I rise today in support of the development and construction of the Native American Cultural Center and Museum in Oklahoma City, Oklahoma. The Great State of Oklahoma is home to 39 tribal governments. According to the 2000 Census, Oklahoma is home to a population of more than 380,000 tribal members.

Historically, prior to its becoming Indian Territory, Oklahoma was home to five tribes that are considered indigenous to Oklahoma—the Osage, Caddo, Kiowa, Comanche, and Wichita. All other tribes were removed from their ancestral homelands to Oklahoma during the period referred to as the "Indian Removal". The most noted removal was that involving the Cherokees, which is referred to as the "Trail of Tears".

The 39 Indian nations of Oklahoma each have their own distinct culture, traditions, history, and language. This uniqueness should be celebrated. By passing H.R. 2742, we will be able to properly honor and preserve the rich history, culture, and legacy of the American Indian.

I urge my colleagues to join me in supporting the passage of this very important piece of legislation.

IN MEMORY OF JEFFREY THOMAS CLAPPER

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. REGULA. Mr. Speaker, on behalf of the members of the 107th United States Congress, I wish to offer heartfelt condolences to the family and friends of Jeffrey Thomas Clapper.

He was an outstanding member of his community, a much loved son and friend. He will be truly missed by all who knew and loved him.

His generosity and profound sense of duty left a lasting impression on all those who knew him, and his personal sacrifices of time and energy to his country, his community, his family, and his friends stand as testament of an exceptional human being.

Jeffrey Thomas Clapper was bom on June 28, 1967, the son of Thomas and Judith Clapper. A graduate of Hoover High School and Walsh University, Clapper served his country as an Orthotic Specialist in the United States Air Force and his community as a registered nurse and as an EMT with the Greentown Volunteer Fire Department. In each of these roles, Clapper embodied civic virtues we should all strive to meet.

In light of the tragic loss of this outstanding citizen, I offer my deepest sympathy to his family and friends.

TRIBUTE TO WINFIELD H.S.

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Winfield High School in recognition of their achievement as an "exemplary" school.

Winfield High School has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Winfield High School for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities.

Mr. Speaker, I urge my colleagues to join me in honoring Winfield High School.

IN MEMORY OF THE HONORABLE ROBERT HYDER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. SKELTON. Mr. Speaker, it is with deep sadness that I inform the House of the death of Robert Hyder, former mayor of Jefferson City, Missouri. He was 91.

Robert Hyder was born on February 26, 1910, in West Plains, Missouri, a son of L. M. and Mae Hyder. He was married May 18, 1957, to Ruth Lockwood. Robert graduated from Drury College with a degree in geological engineering and from the University of Texas with a law degree. During World War II he served in the Navy as a frogman.

After graduation from law school, Robert served as assistant state attorney general in Missouri and as assistant U.S. attorney general. He then went to work for the Missouri Highway Commission retiring as chief legal council after 23 years of service. Robert then started a private law practice in Jefferson City before deciding to run for mayor.

Robert Hyder served as mayor of Jefferson City for four years, beginning in 1975. His colleagues remember Robert as, "one of the finest mayors I ever worked with" and "a real people person." After leaving office, Robert served on the Cole County Industrial Development Authority board. He was also head of the V.F.W. and the American Legion in West Plains. As a commemoration to his work as mayor, the Jefferson City Housing Authority dedicated the Robert Hyder Apartments and Addition.

Mr. Speaker, Robert was a valuable leader in his community and will be missed. I know the Members of the House will join me in extending heartfelt condolences to his family: his wife, Ruth, and his children, Robert and Mary.

PERSONAL EXPLANATIONS

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. CAPUANO. Mr. Speaker, on Tuesday, December 11, 2001, due to an illness I was unable to travel to Washington and was therefore unable to cast votes on rollcall Nos. 483 through 485. Had I been present, I would have voted in the following manner: "yea" on rollcall No. 483; "yea" on rollcall No. 484; "yea" on rollcall No. 485.

I ask unanimous consent that the CONGRESSIONAL RECORD reflect my intended votes. Furthermore, Mr. Speaker, I ask that record reflect that I am a cosponsor and strong supporter of H.R. 10, the Comprehensive Retirement Security and Pension Reform Act.

PERSONAL EXPLANATION

HON. VITO FOSSELLA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. FOSSELLA. Mr. Speaker, on rollcall Nos. 483, 484 and 485. I was in the hospital with my son.

Had I been present, I would have voted "yes" on all three.

TRIBUTE TO HIGHLAWN ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Highlawn Elementary in recognition of their achievement as an "exemplary" school.

Highlawn Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Highlawn Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Highlawn Elementary.

KEEPING THE SOCIAL SECURITY PROMISE INITIATIVE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. STARK. Mr. Speaker, I rise today in favor of House Concurrent Resolution 282, Keeping the Social Security Promise Initiative.

I support this resolution because I believe that Congress needs to pass a Social Security reform plan that protects the current program. That means I will support reform plans that protect Social Security's guaranteed lifetime benefits, maintain its yearly COLAs, strengthen its important anti-poverty role and improve its protections for low-income earners, minorities and women.

This resolution is very timely. Yesterday, the President's self-appointed Commission to Strengthen Social Security released its final report on Social Security reform. It recommended three plans all of which reduce Social Security benefits in order to divert money to create individual accounts.

Today's Resolution puts this Congress on record as rejecting the President's Commission to Strengthen Social Security recommendations—which include benefit reductions—and hopefully provides the Congress with starting point for reform.

If President Bush and the House Majority are serious about reforming Social Security, they should sit down and engage in an honest debate with representative of all parties to arrive at an outcome that makes the current Social Security system solvent for generations to come while not cutting Social Security benefits.

As Congress acts on Social Security reform, I urge Republicans to keep their "Social Security Promise" by protecting Americans' Social Security benefits for current and future retirees.

PERSONAL EXPLANATION

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. CROWLEY. Mr. Speaker, I would like to speak out of order on Rollcall Nos. 483, 484, and 485, which occurred yesterday on December 11, 2001. Unfortunately, due to circumstances beyond my control I was unable to be here to vote on the following bills. I would like to take this opportunity to record for the record that I would have voted yes on:

H.R. 10, the Railroad Retirement and Survivors' Improvement Act of 2001 which will provide benefits to railroad employees and their beneficiaries;

H.R. 3282, honoring former Senator Mike Mansfield by designating a Federal Building and U.S. Courthouse in his honor; and

H. Con. Res 281, honoring the great sacrifice of Johnny Michael Spann, the first American killed in combat in the war against terrorism.

SIEMENS WESTINGHOUSE SCIENCE AND TECHNOLOGY COMPETITION

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. McCARTHY of New York. Mr. Speaker, I rise in recognition of Shira Billet and Dora Sosnowik, two seniors from Stella K. Abraham High School for Girls in the Fourth Congressional district of New York.

These two teens have accomplished an amazing feat. On December 4, they were awarded the top team prize of $100,000 in the Siemens Westinghouse Science and Technology Competitions. Their ingenious project was the development of a Viscometer to measure the consistency of ultra-thin lubricants. Their achievement is bound to affect the fields of micro-electronics and medical therapy, specifically in the treatment of arthritis patients.

The Westinghouse Competition is administered by The College Board and funded by the Siemens Foundation. It recognizes achievement and invention in the fields of science and technology, and allows high school students to receive national recognition for their research projects. Awards are given to individual and team projects in scholarship amounts ranging from $10,000 to $100,000.

I admire Shira and Dora for many reasons, the first of which is their ability to research, develop and apply such a spectacular invention at the ages of 16 and 17. The two girls have shown high levels of intelligence balanced with concern and dedication to the betterment of their community. Their participation in the Westinghouse research program was just a small part of their busy schedule. Both Orthodox Jews who observe the Saturday Sabbath, Shira and Dora maintain a packed academic and extra-curricular schedule. Attendance at the Abraham School is from 8:30 a.m. to 5:00 p.m., where emphasis is placed on a combination of academic and religious studies. The girls are also co-editors of the school yearbook.

The research program at the Abraham School is relatively new, created just two years ago. Shira and Dora were advised by their chemistry teacher, Rebecca Isseroff, and supervised by Professor Miriam Rafailovich, director of the Garcia Center for Polymers at Engineered Interfaces at SUNY Stony Brook.

I know this prestigious honor is a precursor of things to come. Long Island can expect great things from Shira Billet and Dora Sosnowik. I congratulate and thank them for what they have done and will continue to do for our community.

TRIBUTE CONNER STREET ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Conner Street Elementary in recognition of their achievement as an "exemplary" school.

Conner Street Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Conner Street Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Conner Street Elementary.

AMEND TITLE 49 OF THE UNITED STATES CODE SO AIRPORT SCREENING PERSONNEL CAN BE U.S. CITIZENS OR NATIONALS

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce legislation to amend Title 49 of the United States Code so that the airport security screening personnel referred to in Section 44935 of that Title can be U.S. citizens or nationals.

American Samoa is the only place in the United States in which persons born of non-U.S. citizen parents acquire the political status of U.S. national, as opposed to that of U.S. citizen. According to the most recent data available, only 5.7 percent of American Samoa's population are U.S. citizens, with the vast majority being U.S. nationals.

Enactment of the Aviation and Transportation Security Act into law last month added a requirement that all security screening personnel at airports be U.S. citizens. While I understand and strongly support Congressional intent to improve the quality of the security screening of baggage being put aboard commercial aircraft, I do believe the issue of U.S. nationals should be considered as part of the recent change.

The U.S. nationals from American Samoa have a 100-year history of service to the United States. Just like citizens, these Americans owe their allegiance to the United States and have repeatedly demonstrated their allegiance in important ways. They are not foreign nationals, yet because of this one criterion placed on the hiring of security screening personnel, they will be treated as foreigners if this new requirement added in the Aviation and Transportation Security Act is not amended.

With such a small number of U.S. citizens available in the American Samoa work force, the requirement in the Aviation and Transportation Security Act that security screening personnel be U.S. citizens also greatly reduces the pool of prospective employees. As a practical matter, this will be to the detriment of airline security on all flights within the region, thereby reducing, rather than increasing, security of the traveling public.

Mr. Speaker, I see this amendment as a technical change to the law, and look forward to prompt passage so that security at the airport in American Samoa will remain strong.

HOMELESS VETERANS COMPREHENSIVE ASSISTANCE ACT OF 2001

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Ms. MILLENDER-McDONALD. Mr. Speaker, I rise in strong support of H.R. 2716, the Homeless Veterans Comprehensive Assistance Act. Homelessness remains a prevalent problem among veterans, with roughly one-third of the total homeless population consisting of veterans. With this legislation, we will take a needed step in addressing this problem as we are all aware that more needs to be done to help these men and women get back on their feet.

It is a familiar principle among veterans in our Armed Forces that we do not leave our wounded behind. Homeless veterans are our wounded, and we are leaving them behind. The VA has reported there were about 345,000 homeless vets in our country in 1999, and there will yet be even more homeless veterans as we experience this economic downturn.

This bill sets a national goal to end homelessness among veterans within 10 years. Who is opposed to that? The bill provides funding, authorizes 2000 additional Housing and Urban Development (HUD) Section 8 low-income housing vouchers over four years for homeless veterans in need of permanent housing and who are enrolled in health care provided by the Veterans Affairs Department. The bill contains funding increases for a number of existing veterans homeless programs. It will establish a demonstration program to provide information, including referral and counseling services, to incarcerated veterans and veterans in long-term institutional confinement to assist in their reintegration into their communities.

As we continue to address the needs of our Nation's veterans we should heed the words of President Lincoln who called on all Americans "to care for him who shall have borne the battle." I urge my colleagues to support this important legislation.

TRIBUTE TO CONFIDENCE ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mrs. Speaker, I rise today in honor of Confidence Elementary in recognition of their achievement as an "exemplary" school.

Confidence Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Confidence Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Confidence Elementary.

BILL OF RIGHTS CANNOT BE THE NEXT VICTIM OF TERRORISM

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. WOOLSEY. Mr. Speaker, the terrorist attacks on September 11 struck fear in the heart of every American. Today, we continue to fight a war against terrorism on two fronts—in the mountains of Afghanistan and on the main streets of the United States. The first is a more traditional war against soldiers and war machinery; the second, a war against domestic terrorism.

Within days of the attacks, Congress passed a Homeland Security Bill that included the so-called "Patriot Act." The Patriot Act allows the government to increase its use of wiretaps and surveillance, and enhances its ability to trace e-mail and Internet usage. I voted against the Patriot Act because it intrudes unnecessarily on our civil liberties. We had adequate police and intelligence systems available to prevent 9/11, but they were not used effectively. The inadequate use of these resources is no reason to trample our freedoms.

The Bill of Rights, civil rights and civil liberties must not be the "other victim" of terrorism. As the domestic war against terrorism continues, my concern is that "increased police power" will encroach on our liberties.

In the past month, Attorney General John Ashcroft issued rules to allow the FBI to eavesdrop on communications between attorneys and their clients who are suspected terrorists, ordered prosecutors to interview over 5,000 young, mostly Middle Eastern men in the United States, and supported a system of secret military tribunals that could be used to try alleged accomplices in the September 11 attacks.

Members of Congress and eight former high-ranking FBI officials have questioned the effectiveness of Attorney General Ashcroft's plan to fight terrorism. The tactics that he is proposing are not new. By interviewing over 5,000 mostly Middle Eastern men to gather information about terrorists, he is merely recycling the same "preventive" intelligence-gathering techniques that were rejected in the late 1970s because they did not prevent terrorism and in fact, led to abuses of civil liberties.

In the 1950's and 1960's, FBI Director J. Edgar Hoover used "Red Squads" to collect massive amounts of "preventive" intelligence to deter terrorist attacks. The "Squads" were criticized for abusing civil liberties and they were seldom effective. Because the majority of preventive intelligence investigations did not lead to criminal cases, most terrorist activities went unsolved and most of the terrorists were not apprehended. There is no reason to return to a system that didn't work and has a track record of failure and abuse.

Attorney General Ashcroft wants terrorist suspects to be tried by secret military tribunals. Conducting the tribunals in secret with the possibility of imposing capital punishment by a mere two-thirds vote, is an infringement of our civil liberties. It also undermines our system of checks and balances. Our Democracy retains its integrity in large part because no single branch of government overwhelms another. The military tribunals circumvent the role of oversight control granted to Congress in the Constitution, and allow too much power to the Executive branch.

The strength of the United States does not rest entirely on our overwhelming military superiority. Our country's strength lies in its moral authority, its reliance on the rule of law, and its belief in democracy. The ideals stated in our Constitution and Bill of Rights resonate throughout the world. It is our strength as a just, fair and transparent society that has made us a superpower, and these are the ideals that will ensure our world preeminence in the future.

Just as we cannot win the battle against terrorism in Afghanistan with purely military options, we cannot improve homeland security by infringing on our freedoms. The Bill of Rights cannot be the next victim of terrorism. We will eventually win the military intervention against terrorism, but we cannot lose our national character in the meantime. Fear should not guide our decisions or cloud our judgment. Fear must not muffle the voice of freedom.

THIS WEEK WE COMMEMORATE HUMAN RIGHTS WEEK

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Ms. ROS-LEHTINEN. Mr. Speaker, this week, we commemorate Human Rights Week. On December 10, 1945, haunted by the cruelties uncovered throughout the Second World War, a group of U.N. delegates, including first lady Eleanor Roosevelt, joined together in San Francisco to write what has become the internationally recognized standard for the protection of human rights, the Universal Declaration of Human Rights.

The opening paragraph of the Universal Declaration of Human Rights refers to the "inherent dignity and the equal and inalienable rights of all members of the human family as the foundation of freedom, justice and peace in the world." These words are a reminder to us all that when one people suffer, we all suffer. When one group is oppressed, it erodes the fabric of humanity and, thus, endangers the freedom and liberty of all. These words are a call for vigilance and action.

The struggle for the protection of universal freedoms has always been an arduous one and this year has presented new challenges and hardships, but also opportunities, for those of us in the human rights community, which have only served to strengthen our resolve.

A truly disappointing turn of events was the exclusion of the United States from the United Nations Commission on Human Rights aggravated by the participation of such abominable human rights violators as China, Sudan, Libya, Cuba, and Vietnam. This increased concerns that the continual imprisonment of human rights defenders would go unnoticed despite international pressure for their release.

In the aftermath of the September 11th attacks, as the U.S.'s values of liberty and democracy came under attack, the world once again recognized the need to focus on the plight of oppressed people everywhere. It is my hope that we are ushering in a new era in the human rights struggle marked by a renewed commitment and understanding.

Noting the overwhelming support given to the Afghan people in their battle to free themselves from the shackles the Taliban imposed on them, I am filled with hope and optimism about the future.

As a refugee from an oppressive regime, the struggle for freedom is central to my commitment to human rights. I stand today during Human Rights Week, in admiration and gratitude of those who have perished and currently languish in suffering because they choose to fight for the values of freedom and democracy in their own country. Today we honor them. For them we celebrate Human Rights Week.

HONORING THE CONTRIBUTIONS OF DENIS P. GALVIN TO OUR NATIONAL PARKS

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. RAHALL. Mr. Speaker, this month marks the end of a 38-year career in government service for National Park Service Deputy Director Denis Galvin.

For many people, both within and outside of the National Park Service (NPS), Denny is "Mr. Park Service." The breadth and scope of his knowledge of national park issues is tremendous as evidenced by the wide range of NPS leadership positions with which Denny has been entrusted. Beginning as a civil engineer at Sequoia National Park in 1963, Denny rose through the ranks of the National Park Service to hold such positions as Deputy Regional Director, Manager of the Denver Service Center, and Associate Director for Planning and Development. At two different points in his career, Denny has served as Deputy Director of the National Park Service and on a number of occasions he has been the Acting NPS Director.

Denis is well known as a strong advocate for the National Park Service, defending both NPS employees and the work of the agency itself. It is heartening to see a civil servant who has exhibited such a love for his work and for the agency for which he works.

The National Park Service administers many of our Nation's greatest natural and historical resources. We in West Virginia are blessed to have some of these resources within our borders and I am proud of the work of the National Park Service in preserving and interpreting these resources for the benefit of present and future generations. This work is made possible because of the efforts of people like Denis Galvin.

On Thursday, December 13, 2001 Denny is being honored by his friends and colleagues at a retirement dinner. I join Denny's many friends and colleagues in saluting him for all his efforts on behalf of the National Park System and wish Denny and his family the best in his retirement.

TRIBUTE TO EVANS ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Evans Elementary in recognition of their achievement as an "exemplary" school.

Evans Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Evans Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Evans Elementary.

INTRODUCTION OF MILITARY TRIBUNALS LEGISLATION

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Ms. HARMAN. Mr. Speaker, Today my colleague Zoe Lofgren and I are introducing legislation to authorize the President to use military tribunals to try foreign terrorists captured abroad.

Today's Washington Post details the likelihood that up to 10,000 Taliban fighters and others could be detained in Afghanistan as a conclusion to the military campaign there. The Administration's intention is to interview those who could provide information, and to prosecute the senior leadership—possibly by using several military tribunals set up pursuant to the President's November 13 military order.

This is a good strategy, and I support it.

But to execute that strategy consistent with Constitutional requirements, the use of those tribunals needs specific authorization from Congress.

Our bill provides that authorization and, we believe, important limitations on the use of military tribunals consistent with the Administration's intent.

We hope the Administration will embrace our concepts, and that members of Congress on a bipartisan basis will join us. As attorneys, we believe our bill represents mainstream legal doctrine.

First, we authorize military tribunals to try foreign nationals in venues like military bases or aircraft carriers outside the United States. Our federal courts and courts martial operated pursuant to the Uniform Code of Military Justice are capable of trying U.S. citizens, legal residents, and others within the United States. In this regard, we applaud yesterday's news that Zacarias Moussaoui has been indicted and will be tried in Federal Court on conspiracy charges.

Second, our bill ties those who are tried by military tribunals to actions specifically enumerated by Congress in the Joint Resolution authorizing the use of force following September 11.

Third, we include the same sunset clause contained in the PATRIOT Act: December 31, 2005.

Fourth, we make clear that *habeas corpus* is not waived. Article 1, Section 9 of the Constitution requires action by Congress to suspend this right: a President cannot waive it by military order.

Congressional action will contribute to public and international acceptance of the use of military tribunals by making sure they are done right.

In our nation's history, military tribunals have had an important place in our prosecution of war criminals, but always in conjunction with Congressional action. Our legislation ensures the right balance between protecting our Constitutional principles and taking strong action against terrorists, and I urge all of my colleagues to support it.

TRIBUTE TO KATHY NGUYEN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Ms. Kathy Nguyen, a dedicated hospital worker and resident of the Bronx for over 20 years. Ms. Nguyen became an innocent victim of unfortunate circumstances on October 31, 2001 at the age of 61.

Ms. Nguyen has been described as a loyal and caring woman who was well-known and well-loved in her South Bronx community. Like most Americans, I was shocked and saddened to hear of Ms. Nguyen's passing. I had remained hopeful that she would recover when it was determined that she had contracted Anthrax. Ms. Nguyen was a victim of horrible circumstance and while no family members could be located, she continues to be mourned by a host of friends and neighbors who miss her deeply. Ms. Nguyen will be remembered by the entire nation. While each of the lives lost in the past few months have reminded us of exactly how precious life is, Kathy Nguyen's passing brought home the reality of how vulnerable we all are, whether we are members of Congress, TV personalities, or hospital workers. That is one of the reasons that she will be remembered by the nation for years to come. Mr. Speaker, it is important that she be remembered more than as the first mysterious Anthrax victim, but as a unique and well-loved individual whose presence is missed by many. I am truly grateful for this opportunity to honor her memory.

Mr. Speaker, Ms. Nguyen had encountered adversity more than once in her life. She escaped a war-torn Vietnam in 1975 in search of solace in the United States. She left behind her slain family and friends and began a new life, on her own, in a new country. Ms. Nguyen had been a business woman in her native country, owning and operating a bar in Saigon. The strength and courage this woman must have possessed in order to successfully overcome obstacles in her life are worthy of admiration. Besides Ms. Nguyen's quiet strength, she will be most remembered by her friends and neighbors for being a dear friend. Her friend Gina Ramjassigh was quoted as saying, "Everyone that she touched loved her. She was an aunt to my children and she was the best friend I ever had." Other people who knew Ms. Nguyen have said that she was always reaching out to others.

I ask my colleagues to join me today in honoring a life that was needlessly cut short and in memorializing Ms. Kathy Nguyen.

THE FOREIGN TERRORIST MILITARY TRIBUNAL AUTHORIZATION ACT

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Ms. LOFGREN. Mr. Speaker, Congresswoman JANE HARMAN and I support our Commander-in-Chief in the fight against terrorism. We agree that we may need to convene military tribunals and the bill that we are introducing today would specifically authorize that.

Article 1, Section 8 of our Constitution provides that Congress shall constitute tribunals inferior to the Supreme Court and that Congress shall make rules concerning captures on land and water in time of war.

On September 11th, international criminals terrorized and killed many innocent Americans. These murderers must face swift and unyielding justice if they are not killed in combat and, if we are going to try combatants on Afghan soil, it is likely that a military tribunal is the right forum.

Congress needs to act so that there will be no question that this is legal.

But, as the Supreme Court pointed out in Ex Parte Milligan, 71 U.S. 2, 18 L. Ed. 281 (1866), when courts are operational here in America they need to be used for the trial of criminals. That's why this bill limits tribunals to those being prosecuted abroad. If Osama bin Laden is captured overseas, he will face a military tribunal. If your neighbor is arrested tomorrow in San Jose, he will go to court like any other accused person in America. It is important to note that American law already provides for the safekeeping of classified information and the security of trials. The Classified Information Procedures Act (CIPA) has been part of American law for two decades. It rightly insures that criminal prosecution won't jeopardize national security.

The President's recent military order also appeared to suspend the right of the accused to appeal to courts. In essence, this would suspend the Writ of Habeas Corpus. The Order stated that any individual subject to a military tribunal "shall not be privileged to seek any remedy or maintain any proceeding, directly or indirectly, or to have any such remedy or proceeding sought on the individual's behalf, in (i) any court of the United States, or any State thereof, (ii) any court of any foreign nation, or (iii) any international tribunal."

We are a nation of laws. The most important, our original law, is our Constitution.

Article 1, Section 9 provides that the writ of Habeas Corpus may only be suspended when the public safety may require it and then only in cases of rebellion or invasion. Suspension require Congress to act. It is not the President's prerogative. Even President Lincoln, who felt the need to suspend Habeas during the civil war, had to seek and obtain approval from Congress to do so. We have expressly preserved habeas corpus in our bill.

We have also required the President to report to the Congress about the use of these tribunals and on a classified basis if necessary.

There is a sunset provision for these extraordinary procedures. The use of military tribunals expires on December 31, 2005 with the use of force authorization that Congress granted the President. As with the Use of Force authorization itself, if it is necessary to take further military action, Congress will need to act to extend the war as well as the war tribunals.

We need to make this bill the law so that there will be no question that military tribunals are valid.

We also need to once again mobilize America behind our Commander in Chief in the prosecution of the war against terrorists.

I believe this bill would receive overwhelming support in Congress and we hope it can be swiftly considered.

TRIBUTE TO OVERBROOK ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Overbrook Elementary in recognition of their achievement as an "exemplary" school.

Overbrook Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children, that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Overbrook Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Overbrook Elementary.

PUBLIC HEALTH SECURITY AND BIOTERRORISM RESPONSE ACT OF 2001

SPEECH OF

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. STRICKLAND. Mr. Speaker, I would like to thank Chairman Tauzin and Ranking Member Dingell for their hard work on a significant step towards this country's ability to strongly defend itself against bioterrorist threats. The Public Health Security and Bioterrorism Response Act of 2001 makes important progress toward effective planning and preparedness by our public health system for a bioterrorist attack and the security of our food and water supplies.

I am pleased that the bill includes direct funding of giants that will help our state and local public health departments implement emergency response plans, educate health care personnel, and equip the first responders in our emergency rooms and police and fire departments. The bill will do much to make sure our food supply is protected from attempts at contamination by increasing inspection and tightening port security; it also ensures that we have the tools to investigate any suspected contamination of the food supply by the increasing record keeping and requiring registration by the food industry.

While I support the legislation we are considering today, I look forward to future work on bioterrorism legislation that will expand on this bill. We must require country of origin labeling at the retail level so that consumers can know the source of retail food offerings and consider that knowledge when selecting their purchases. We should ensure that we enact common sense requirements to protect our food supply that are responsible, not overly burdensome. We must expand on provisions in this bill to facilitate the development, production, and distribution of vaccinations that could protect our population against either an intentional bioterrorist attack or the devastating spread of an infectious disease. I believe we should create a national vaccine authority, as recommended by the National Academy of Sciences, to coordinate and aid in these efforts. Finally, we must continue to listen to those who will be on the front lines of any bioterrorist attack, including the doctors and nurses in emergency rooms, hospitals, and health centers and the members of fire and other emergency rescue teams, and help their local communities to meet their needs, restricting federal programs to coordination of these crucial local resources.

Again, I support this legislation and thank my colleagues for their work in crafting it.

STOP CANNED HUNTING, THE RESPONSIBLE THING TO DO

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. FARR of California. Mr. Speaker, Tooday I am introducing the "Captive Exotic Animal Protection Act of 2001" It is a bill to combat the unfair and inhumane practice of "canned hunting."

At more than 1,000 commercial "canned hunt" operations across the country, trophy hunters pay a fee to shoot captive exotic animals—from African lions to giraffes to blackbuck antelope—in fenced enclosures in which the animals have no reasonable chance of escape. Most of the hunts are guaranteed—in that the ranch owner assures the "client" that he will secure an exotic trophy. It's a "no kill, no pay" arrangement. The animals on hunting ranches—procured from exotic animal dealers—have often lived a life being fed by hand and have little or no fear of humans; that fact, coupled with their confinement in a fenced area, all but assure a successful "hunt."

This bill will complement the efforts undertaken by states to restrict this practice. California and other states already outlaw this practice. In November 2000, voters in Montana approved a ballot initiative to ban the practice of shooting animals in fenced enclosures. The individuals who spearheaded this campaign were, it is important to note, lifelong hunters. They were members of groups such as the Rocky Mountain Elk Foundation, the Montana Wildlife Federation, and the Montana Bowhunters' Association—all of which avidly support hunting, but oppose canned hunts. This is a strong indicator that "canned hunts" are out of step with common principles governing responsible hunting.

The regulation of the transport and treatment of exotic mammals on shooting preserves, however, falls outside the traditional domains of state agriculture departments and state fish and game agencies. In short, these animals often fall into regulatory limbo at the state level. In order to address this problem, which directly involves an issue of interstate commerce, since exotic mammals are those which typically are sold across state lines or imported because they are not native to the United States, I am introducing the "Captive Exotic Animal Protection Act."

This bill will halt the interstate shipment of exotic mammals for the purpose of being shot in a fenced enclosure for entertainment or a trophy. It is sensible legislation that is backed by responsible hunters, animal protection advocates, wildlife scientists, environmentalists, and zoological professionals. The Senate has the same bill before it for consideration.

This bill will not limit the licensed hunting of any native mammals or any native or exotic birds. The state fish and game agencies regulate and license the hunting of native species. A federal remedy is needed, however, to deal with the purely commercial interstate movement of exotics destined to be killed at "canned hunting" ranches.

This bill supports responsible hunting, while curbing something so out-of-bounds with hunting norms that hunters and animal advocates alike view it as unfair and inhumane.

TRIBUTE TO SHOALS ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Shoals Elementary in recognition of their achievement as an "exemplary" school.

Shoals Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Shoals Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Shoals Elementary.

ANALYSIS OF SECTION II OF H.R. 2887

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Ms. JACKSON-LEE of Texas. Mr. Speaker, on October 11, 2001, the Committee on Energy and Commerce favorably reported H.R. 2887, the "Best Pharmaceuticals for Children Act." I commend the Committee for its great work to reauthorize legislation to promote labeling of prescription drugs for use in children. However, I am concerned that a section of this legislation may violate the Takings Clause of the United States Constitution. As a member of the Committee on the Judiciary, I have vigorously sought to protect private property rights and to pursue just compensation for those whose property rights are violated. My analysis of section 11 of H.R. 2887, brings me to the conclusion that it would violate current exclusive rights of manufacturers and in turn expose the U.S. government to substantial claims for just compensation. Attached are legal memoranda by Professor Laurence Tribe of Harvard University that validate my concerns:

MEMORANDUM TO THE UNITED STATES CONGRESS—CONSTITUTIONAL ANALYSIS OF H.R. 2887'S PROPOSED AMENDMENT TO HATCH-WAXMAN ACT - ELIMINATING THREE-YEAR CLINICAL STUDIES EXCLUSIVITY PERIOD

(By Laurence H. Tribe)

I have been asked to address the implications under the Fifth Amendment Just Compensation Clause (sometimes called the Takings Clause) of H.R. 2887, which proposes to eliminate the three-year clinical studies exclusivity period under the Hatch-Waxman Act. Section 11(a) of the reported version of H.R. 2887 provides that a generic drug may be approved under the Federal Food, Drug and Cosmetic Act ("FDCA") even when its labeling omits a pediatric use that is protected by patent or marketing exclusivity under Section 505(j)(5)(D)(iii) and (iv). Section 11(b) of H.R. 2887 implies that Section 11(a) applies to already running three-year exclusivity periods.

The FDCA establishes a quid pro quo that H.R. 2887 would retroactively abrogate. In order to gain regulatory approval from the FDA, a pharmaceutical company must invest enormous time, money, and human resources to develop extensive clinical data regarding its drug. At the end of a three-year period, the protected data is opened to the public and may be used by competitors. In exchange, Section 505(j)(5)(D)(iii) and (iv) provide that the FDA "may not make the approval of [a competitor application]. . .for three years." H.R. 2887 now proposes to undo the bargain struck by current law.

Under the Supreme Court's decision in Ruckelshaus v. Monsanto Co., 467 U.S. 986 (1984), and related precedent, the retroactive elimination of the exclusivity period qualifies as a taking of private property for public use and therefore triggers the right to just compensation.

ANALYSIS

1. The Ruckelshaus Decision.

Fifth Amendment analysis must begin with the text of the Clause: "nor shall private property be taken for public use, without just compensation." The meaning of that text as most authoritatively set forth in the Supreme Court's decision in Ruckelshaus v. Monsanto Co., 467 U.S. 986 (1984), which held that the government's use of private proprietary research data for public regulatory purposes constituted a compensable taking. Ruckelshaus is highly instructive because the statutory change at issue in that case was the elimination of an exclusive pesticide marketing scheme, closely analogous to the change effected by H.R. 2887. The fact that Ruckelshaus concerned pesticides, while the instant controversy involves pharmaceuticals, obviously is not material to the constitutional analysis.

The Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") at issue in Ruckelshaus originally limited an agency's use of studies submitted by an initial applicant to support later applicants' efforts to obtain approval of similar formulations. In 1978, FIFRA was amended to weaken that restriction. The 1978 amendments were then challenged in court, and the Supreme Court held in Ruckelshaus that they worked a taking and triggered the right to just compensation.

The Supreme Court noted that, with respect to trade secrets submitted by Monsanto under FIFRA between 1972 and 1978, "the Federal Government had explicitly guaranteed to Monsanto and other registration applicants an extensive measure of confidentiality and exclusive use. This explicit governmental guarantee formed the basis of a reasonable investment-backed expectation." 467 U.S. at 1011 (emphasis added). The Court then explained that "[i]f EPA, consistent with the authority granted it by the 1978 FIFRA amendments, were now . . . to consider those data in evaluating the application of a subsequent applicant in a manner not authorized by the version of FIFRA in effect between 1972 and 1978, EPA's actions would frustrate Monsanto's reasonable investment-backed expectation with respect to its control over the use and dissemination of the data it had submitted." Id.

Plainly, the Supreme Court's decision in Ruckelshaus provides strong support for the conclusion that the elimination of the three-year clinical studies exclusivity period would effect a compensable taking.

2. There is a Protectable Property Right.

I understand that proponents of H.R. 2887 take the position that the elimination of the three-year clinical studies exclusivity period does not work a taking because it does not implicate any property rights at all. I find this surprising, to say the least, because the Government did not even dispute in the Ruckelshaus case that "Monsanto has certain property rights in its information, research and test data that it has submitted under FIFRA to EPA and its predecessor agencies which may be protected by the Fifth Amendment to the Constitution." 467 U.S. at 1001.

Indeed, in Tri-BiO Laboratories, Inc. v. United States, 836 F.2d 135 (3d Cir. 1987), the court upheld the refusal of the FDA to allow a generic animal drug manufacturer to incorporate in its application the research and testing data submitted by another manufacturer which had earlier obtained approval to market the predecessor brand name drug. The FDA insisted that such testing data was proprietary and confidential and that its use "to review generic drug applications would constitute expropriation." Id. At 138. The court agreed that the FDA's rules "provided pioneer animal drug manufacturers with [a] reasonable investment-backed expectation that the FDA would refrain from nonconsensual use of research material." Id. at 140–41. "Use of that material in processing the [competitor's] application, therefore, would constitute a Fifth Amendment taking, requiring payment of compensation by the government." Id. at 141.

The Supreme Court has long held that intangible property rights are protected under the Fifth Amendment's Just Compensation Clause. See. e.g., Armstrong v. United States, 364 U.S. 40, 44 (1960) (materialman's lien protected); Louisville Joint Stock Land Bank v. Radford, 295 U.S. 555, 596–602 (1935) (real estate lien protected); Lynch v. United States, 292 U.S. 571, 579 (1934) (contracts protected). See also Laurence H. Tribe; AMERICAN CONSTITUTIONAL LAW §9–2, p. 591 n.11 (2d ed. 1988) (observing that the Supreme Court has tended toward "a broadened conception of 'property' in takings analysis," "incorporating wholly intangible forms of property").

By the same token, the Court has also opened that the retroactive alteration of the terms on which a patent is granted would work a compensable taking of private property. See, e.g., Richmond Screw Anchor Co. v. United States. 275 U.S.C 331, 345 (1928) (elimination of patent infringement action "is an attempt to take away from a private citizen his lawful claim for damage to his property by another private person, which but for this act he would have against the private wrongdoer. This result . . . would seem to raise a serious question . . . under the fifth Amendment to the Federal Constitution."); William Cramp & Sons Ship & Engine Bldg C. v. International Curtis Marine Turbine Co., 246 U.S. 28, 39–40 (1918) ("rights secured under the grant of letters patent by the United States [a]re property and protected by the guarantees of the Constitution and not subject therefore to be appropriated even for public use without adequate compensation").

Under these principles, the exclusivity guaranteed by Section 505(j)(5)(D) (iii) and (iv), which is mirrored in FDA regulations, see 21 CFR §314.127(a)(7), is a prototypical property right. As the Supreme Court has explained, the right to exclude "is central to the very definition of the property interest." Ruckelshaus, 467 U.S. at 1011, for it is "one of the most essential sticks in the bundle of rights that are commonly characterized as property." Kaiser Aetna v. United Sates, 444 U.S. 164, 176 (1979); see also Nollan v. California Coastal Comm'n, 483 U.S. 825, 830–32 (1987) (same); Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419, 435 (1982) ("The power to exclude has traditionally been considered one of the most treasured strands in an owner's bundle of property rights."). See generally Thomas W. Merrill & Henry E. Smith, What Happened to Property in Law & Economics?, 111 Yale L.J. 357, 360 (Nov. 2001) ("property rights attach to persons insofar as they have a particular relationship to some thing and confer on those persons the right to exclude a large and indefinite class of other persons ('the world') from the thing").

As the Court explained in Ruckelshaus, "[W]ith respect to a trade secret, the right to exclude others is central to the very definition of the property interest. Once . . . others are allowed to use those data, the holder of the trade secret has lost his property interest in the data." 467 U.S. at 1011. "[T]he value of a trade secret lies in the competitive advantage it gives its owner over competitors. Thus, it is the fact that operation of the [statutory change] will allow a competitor to register more easily its product or to use the disclosed data to improve its own technology that may constitute a taking.' Id. at 1011 n.15.

The three-year exclusively period is enforceable by means of a suit against the FDA under 21 C.F.R. §§10.30, 10.35. It is also transferable. See 59 Fed. Reg. 50338, 50339 (Oct. 3, 1994) ("an applicant may purchase an application or rights of data and information in an application (i.e., exclusive rights to a new clinical investigation), from which exclusively would flow").

Thus, the three-year exclusivity period—acquired at great expense and heretofore protected by law—is the very essence of an "investment-backed expectation" that is fully protected by the Fifth Amendment from any taking without just compensation. Penn Central Transp. Co. v. City of New York, 438 U.S. 104, 124 (1978).

Moreover, the confidential and proprietary research submitted by drug manufacturers—which under H.R. 2887 would be used by the FDA in order to approve generic versions of the same pharmaceuticals—also qualifies as a "trade secret" under applicable state law. "A trade secret is any information that canbe used in the operation of a business or other enterprise and that is sufficiently valuable and secret to afford an actual or potential economic advantage over others." Restatement (Third) of Unfair Competition §39 (1995). The Uniform Trade Secrets Act, §1(4), promulgated in 1979 by the National Conference of Commissioners on Uniform State Laws, contains the equivalent definition of "trade secret." Tellingly, confidential information regarding the production of pharmaceuticals is the very first illustrative example of a trade secret provided by the Restatement. See Restatement (Third) of Unfair Competition at §39, Illustration 1. See also MILGRIM ON TRADE SECRETS §1.09 (2001) (providing numerous examples where pharmaceutical information has been classified as a trade secret).

CONCLUSION

The retroactive elimination of the three-year clinical studies exclusivity period would undoubtedly effect a "taking" of "private property" within the meaning of the Fifth Amendment. Any public purposes that may be advanced in favor of H.R. 2887 bear only on whether the taking is altogether void—which it is if the property is not put to a "public use," equated by the Supreme Court with "public purpose." See Hawaii Housing Auth. v. Midkiff, 465 U.S. 229, 239–41 (1984). If property is taken for a "private use"—i.e., a purely private purpose—then the taking violates substantive due process and cannot be saved by an amount of compensation. See, e.g., Thompson v. Consolidated Gas Utilities Corp., 300 U.S. 55, 77–79 (1937).

A "purpose purpose," however compelling, has no bearing whatsover on whether just compensation is required in order to make the taking valid. Compensation for a taking of private property is invariably required precisely when that taking is for a public purpose or use. See, e.g., Jed Rubenfeld, Usings, 102 Yale L.J. 1077 (1993). The Just Compensation Clause is concerned not with the question whether a given taking was substantially justifiable but solely with the question of who should pay for presumptively justifiable takings. As the Supreme Court has often put it, one of the principal purposes of the Just Compensation Clause is "'to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.'" Dolan v. City of Tigard, 512 U.S. 374, 384 (1994) (quoting Armstrong v. United States, 364 U.S. 40, 49 (1960)).

From the fact that just compensation would be required, and the further fact that the Just Compensation Clause is self-executing, see First English Evangelical Lutheran Church of Glendale v. County of Los Angeles, 482 U.S. 304, 315, 316 n.9 (1987), it follows that H.R. 2887 would represent an enormous tax lien automatically levied by the measure's proponents upon the rest of the nation. It would, despite protestations of its proponents that no tax expenditure would be required and thus that no added appropriation or tax levy would be needed, have to be funded either by new or higher taxes or by an equivalent cut in spending on military or other discretionary budget items. H.R. 2887, therefore, cannot be evaluated as though it would provide some sort of pharmaceutical free lunch. Someone's ox, to mix metaphors just a bit, would plainly have to be gored to pay for whatever public benefits the measure might provide. That the cost could quietly and painlessly be laid at the feet of private investors in pharmaceutical companies is a pure mirage. Those investors know their rights, and they know the address of the U.S. Court of Federal Claims.

DIETARY SUPPLEMENT TAX FAIRNESS ACT

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. BURTON of Indiana. Mr. Speaker, I am pleased to be reintroducing this legislation in the Congress. It represents an important and critical step forward to improving our healthcare system. Throughout my career in Congress, I have always led efforts to examine and support complementary and alternative healthcare. In chairing the House Committee on Government Reform, we have learned a great deal about healthcare that represents a marketplace of over $30 billion dollars and is utilized by one out of every four Americans.

One critical item we have discovered is the inequities that exist within the Internal Revenue Code that discourage good health and wellness. For example, many consumers often ask why there are no insurance benefits for dietary supplements, which are used primarily to maintain good health and wellness. Some dietary supplements, like Folic Acid, can help prevent disease or disease risks like birth defects. Many insurance companies would like to offer coverage to their beneficiaries who continually demand this type of coverage. Unfortunately, the tax code does not allow an insurer to offer this coverage without incurring tax liabilities to consumers and higher administration costs. This powerful disincentive needs to be removed so health insurers can begin developing meaningful and cost effective benefits for their beneficiaries and assist them in maintaining good health longer.

I am pleased to be joined by five of my colleagues on the reintroduction of this bill. I am pleased that Mr. CANNON of Utah, Mr. ISTOOK of Oklahoma, Mr. PAUL of Texas, and Mr. HORN of California have joined as cosponsors in this bill. I am also pleased to be joined by the Gentleman from New Jersey, Mr. PALLONE in reintroducing this legislation. It emphasizes two other important things for my colleagues. This legislation is bipartisan and should be supported by members on both sides of the aisle.

I also note last week the White House Commission on Complementary and Alternative Medicine Policy convened for one of its final meetings. This Commission will be issuing an important report and recommendations for the Congress and the Administration in March 2002. One of the several key recommendations that is likely to be made by the Commission is that the Congress begin reforming the Internal Revenue Code to support and encourage health insurance coverage for complementary health care. The federal government should be actively working to remove barriers to coverage and access to complementary health care. I look forward to reviewing that report when it is released next year and work with the Administration to implement the recommendations.

COMMENDING MR. JAMES D. RUTH, CITY MANAGER OF ANAHEIM, CALIFORNIA

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. COX of California. Mr. Speaker, I rise today to commend Mr. James D. Ruth, City Manager of Anaheim, California, who is ending his 45 year career in public service at the end of this year.

After serving in several California municipalities, Jim came to Orange County in 1976 to serve the City of Anaheim as the Parks, Recreation, and Community Services Director. He later served as Deputy City Manager, Assistant City Manager, and, finally, as City Manager. Jim's outstanding services in all of these positions has earned him numerous awards, including being named "Orange County Manager of the Year" and "Anaheim Rotarian of the Decade."

With almost twelve years of dedicated service as the City Manager for Anaheim, which is the tenth largest city in California, Jim Ruth has invigorated Anaheim into an internationally renowned tourist community. Under his leadership, the City of Anaheim became a major contributor to California's booming tourism and entertainment industry.

Most recently, Jim successfully led the city's efforts to establish the Anaheim Resort District, including a multi-million dollar expansion of the Anaheim Convention Center and the creation of the new Disney "California Adventure" theme park. Jim also served as the city's chief negotiator in the construction of the Arrowhead Pond, home of the National Hockey League's Anaheim Mighty Ducks and hundreds of other special events. This concert and sports venue is now second only to Madison Square Garden in New York City in number of events. And, just across the street, Jim paved the way for the renovation of Edison Field, home of Major League Baseball's Anaheim Angels.

Jim's expertise on city issues was invaluable. He improved the quality of life and standard of conducting business in Anaheim. His contributions to numerous industry, civic, and social organizations throughout Orange County will benefit its residents for years to come.

Today, I join my fellow California colleagues to thank Jim for all of his hard work and dedication. I also wish to thank Jim's wife, Linda, who is a public servant in her own right. In behalf of the United States Congress and all of the people of Orange County whom it is my privilege to represent, congratulations to Jim Ruth on his successful term as the City Manager of Anaheim, and best wishes for a well-deserved retirement.

TRIBUTE TO MAJORITY LEADER DICK ARMEY

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. HASTERT. Mr. Speaker, Dick Armey has been one of my closest friends in the Congress, and his contributions to the House of Representatives have been enormous.

Dick Armey is not a natural politician, but he is a natural leader. Dick came to the Congress with the idea that this institution could work better for the American people; that it could be more responsive to the people's wishes; that it could be more responsible with the taxpayer's money; and that it could be play a more balanced role in the lives of the American people.

He will leave at the end of his term with the knowledge that he has made this Congress a better place.

I am proud of Dick Armey; I am proud of his ideas; and, I am proud of his achievements.

I know that he will continue to fight for his constituents and for the American people every day that he remains in this institution.

IN MEMORIAM OF DONALD GLOVER

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. LAMPSON. Mr. Speaker, I rise today in great sadness to honor Donald Glover, who passed away yesterday, December 11th. Donald Glover was a remarkable man who was committed to his community, his country, and above all, his family.

Donald was concerned about Southeast Texas and the people who lived there. He was a long time civic and community leader. He followed me as the Chair of the Jefferson County Democrats and helped thousands of citizens register to vote.

Always a man who believed in equality and justice, he fought hard for working men and women, for senior citizens and for children. His impact on the community could be felt everywhere, he was a positive force in Southeast Texas.

Donald and his wife Helen were a team like Lyndon B. Johnson and Lady Bird. Their "matching AMC pacers" became a sign at any political or community event that the Glovers had arrived and it would not be "business as usual."

He was of the utmost character, and his attributes of selflessness and commitment to others are rare gifts that this nation was lucky to have. Donald Glover was a man who served his community with great pride and devotion. He often thought outside the box to make sure that everyone got a fair shake in life.

His work was part of the fiber of Southeast Texas, and with his passing a great loss will be felt in the spirit and the heart of our community. Today, as an American we lost a great activist, but as a Congressman I have lost a friend.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Meetings scheduled for Thursday, December 13, 2001 may be found in the Daily Digest of today's Record.

MEETINGS SCHEDULED

DECEMBER 14

9:30 a.m.

Finance

To continue markup of H. R. 3005, to extend trade authorities procedures with respect to reciprocal trade agreements; and to consider the nomination of Richard Clarida, of Connecticut, to be Assistant Secretary for Economic Policy, the nomination of Kenneth Lawson, of Florida, to be Assistant Secretary for Enforcement, and the nomination of B. John Williams, Jr., of Virginia, to be Chief Counsel for the Internal Revenue Service and Assistant General Counsel, all of the Department of the Treasury; the nomination of Janet Hale, of Virginia, to be Assistant Secretary for Management and Budget, and the nomination of Joan E. Ohl, of West Virginia, to be Commissioner on Children, Youth, and Families, both of the Department of Health and Human Services; and the nomination of James B. Lockhart, III, of Connecticut, to be Deputy Commissioner of Social Security, and the nomination of Harold Daub, of Nebraska, to be a Member of the Social Security Advisory Board, both of the Social Security Administration.

SD–215

Commerce, Science, and Transportation

To hold hearings on the nomination of John Magaw, to be Under Secretary of Transportation for Security (pending receipt by the Senate).

SR–253

DECEMBER 18

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings to examine issues surrounding the collapse of Enron Corporation.

SR–253

10 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine the limits of existing laws with respect to protecting against genetic discrimination.

SD–106

2:30 p.m.

Foreign Relations

International Operations and Terrorism Subcommittee

To hold hearings to examine the global outreach of Al-Qaeda.

SD–419

SENATE—*Friday, December 14, 2001*

The Senate met at 9:30 a.m. and was called to order by the Honorable MARK DAYTON, a Senator from the State of Minnesota.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Father Paul Lavin, Pastor of St. Joseph's on Capitol Hill.

PRAYER

The guest Chaplain offered the following prayer:

Let us listen to the word of the Lord given us by David in Psalm 140:

"Deliver me, O Lord, from evil men; preserve me from violent men, From those who devise evil in their hearts, and stir up wars every day.

"Save me, O Lord, from the hands of the wicked; preserve me from violent men Who plan to trip up my feet—the proud who have hidden a trap for me; They have spread cords for a net; by the wayside they have laid snares for me.

"Grant not, O Lord, the desires of the wicked; further not their plans. Those who surround me lift up their heads; may the mischief which they threaten overwhelm them.

"I know that the Lord renders justice to the afflicted, judgment to the poor. Surely the just shall give thanks to your name; the upright shall dwell in your presence."

Let us pray.

God our Father, You reveal that those who work for peace will be called Your children. Help the men and women who serve in the United States Senate to work without easing for that justice which brings true and lasting peace. Glory and praise to You, for ever and ever.

PLEDGE OF ALLEGIANCE

The Honorable MARK DAYTON led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 14, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARK DAYTON, a Senator from the State of Minnesota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DAYTON thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Minnesota is recognized.

SCHEDULE

Mr. WELLSTONE. Mr. President, speaking on behalf of the leader, we expect several amendments to be offered and debated today. No rollcall votes will occur today. The next rollcall vote will occur on Tuesday at approximately 11 a.m. on the adoption of the ESEA conference report.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1731, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

Pending:

Daschle (for Harkin) Amendment No. 2471, in the nature of a substitute.

Smith of New Hampshire Amendment No. 2596 (to Amendment No. 2471), to provide for Presidential certification that the government of Cuba is not involved in the support for acts of international terrorism as a condition precedent to agricultural trade with Cuba.

Torricelli Amendment No. 2597 (to Amendment No. 2596), to provide for Presidential certification that all convicted felons who are living as fugitives in Cuba have been returned to the United States prior to the amendments relating to agricultural trade with Cuba becoming effective

Daschle motion to reconsider the vote (Vote 368) by which the motion to close further debate on Daschle (for Harkin) Amendment No. 2471 (listed above) failed.

The ACTING PRESIDENT pro tempore. Under the previous order, the senior Senator from Minnesota is recognized to offer an amendment.

AMENDMENT NO. 2602 TO AMENDMENT NO. 2471

Mr. WELLSTONE. I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 2602 to amendment No. 2471.

Mr. WELLSTONE. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. WELLSTONE. Mr. President, I will be very brief in the summary of this amendment. This amendment restricts new or expanding large confined animal feeding operation, CAFOs, from receiving Environmental Quality Incentive Program (EQIP) funds for animal waste structures. We will go over the definitions as we get into this debate on Tuesday, but, for example, 1,000 animals is equal altogether to 9,090 hogs. These are big operations.

This, amendment also deals with what we call multiple CAFOs. The amendment prohibits an entity with interests in more than one CAFO from receiving more than one EQIP contract, thus prohibiting double payments. This measure helps ensure that this Federal farm conservation programs and the funds are not used to promote consolidation and concentration of livestock production.

The third part to this amendment deals with flood plains. The amendment restricts the use of EQIP funds for new or expanding livestock waste facilities in a 100-year flood plains. Locating a large animal waste facility in a flood plain is contrary to all good conservation common sense.

Fourth, the amendment requires animal operations receiving EQIP funds for structures to also develop and follow a comprehensive nutrient management plan to ensure that the conservation assistance does not end with the storage of manure but that the entire operation be taken into account, including the ultimate disposition of the waste in terms of being applied to the land.

Finally, on payments, the amendment doubles the current annual payment limitation for EQIP, which I would rather not do. The amendment increases the annual payment from $10,000 to $20,000, and doubles the current payment limit per 5-year contract

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

from $50,000 to $100,000 while retaining the current law waiver authority for the annual limitation at the discretion of USDA. The committee bill, by contrast, increases the cap of $50,000 and also a 3-year cap of $150,000.

My colleagues should know that the current average EQIP contract for animal waste structures is approximately $13,000. So this amendment would not affect the majority of those producers who receive and need assistance from this program. We are really talking about the very largest of operations here. And don't forget the existing CAFOs around the country would not be affected, this amendment only applies to new or expanding CAFOs.

I have summarized this amendment. It deals with a growing problem in agriculture; that is to say, the concentration in the livestock sector, the environmental pollution, and, frankly, Federal subsidies that go to these large farming operations and encourage yet more consolidation and more big business and, in this particular case, more environmental destruction.

The amendment is simple. It says we in the Congress should, and will, work to help alleviate the environmental and public health threats posed by these large-scale animal factories. However—I emphasize that word, "however"—Congress should not be subsidizing the expansion of these large animal confinement operations. That is what this amendment says.

My colleagues should know that this amendment has broad support from both the farm and environmental community, from groups such as the National Farmers Union, Defenders of Wildlife, Environmental Defense, Environmental Working Group, Humane Society, National Wildlife Federation, Natural Resources Defense Council, and the Sustainable Agriculture Coalition.

I look forward to debating and adopting this amendment. I wanted to lay the amendment down today. I will get back to this debate on Tuesday.

Mr. HARKIN. Mr. President, I understand the amendment of the Senator from Minnesota has been laid down?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HARKIN. This is the amendment on the Environmental Quality Incentives Program that would allow cost-share funds to all existing livestock operations, but would limit it for the largest ones that are new or expanded after this bill is enacted; is that right?

Mr. WELLSTONE. That is correct.

Mr. HARKIN. I thank the Senator from Minnesota. I rise in support of the amendment. I am proud to support this amendment with my colleague from Minnesota.

During the 1996 farm bill debate, I successfully offered an amendment that limited cost-share funding under EQIP for large confined animal feeding operations. That was the 1,000-animal unit limit that has existed under the farm bill since that time. I offered that amendment in 1996 because of the special environmental concerns associated with these large operations.

CAFOs, as they are called, confined animal feeding operations, CAFOs, these are operations of greater than 1,000 animal units. What that means—that is 455,000 broilers, 4,000 head of veal, 5,400 head of swine of an average weight of 185 pounds—these numbers are for the average number of livestock confined for 45 days over a 12-month period. So it is not 5,400 swine for the year. It is how many are confined for 45 days in any 12-month period. It could be double or triple that number of hogs over the year. That is a lot of animals.

Again, these are large operations. Over the last several years we have seen an increase in the development and enforcement of Federal, State, and local environmental laws regulating waste from animal feeding operations. I believe we need to help producers comply or avoid the need for regulations. We should provide cost-share funds to these existing CAFOs to build structures that will contain waste to protect water quality and to protect the environment generally. However, EQIP money was never designed to subsidize the expansion of livestock operations.

The underlying bill allows the use of cost-share funds for all existing operations, and that is fine. But, it also funds for new CAFOs and expanding operations to CAFOs. That is what is wrong because obviously, if you can use the money to fund expansion, it gives you an incentive to get larger.

This amendment, the amendment of the Senator from Minnesota, does not prevent the use of funds for small operations or for existing CAFOs. But it prohibits cost-share funding for new or expanding confined animal feeding operations; that is, operations over 1,000 animal units. It limits the subsidization of the growth for the very largest livestock operations.

I believe this amendment is consistent with the underlying bill. It still helps livestock producers who are now in operation who need to meet ever stricter environmental standards. We have put more money into EQIP. We have expanded the EQIP program over six times above the baseline over the next five years—from $1 billion to $6.2 billion. So we are putting in a lot of money. I think this is a good way to invest this money protecting the environment, helping the livestock producers meet the more stringent environmental standards.

Again, we have more money, but that money ought to be used for the ones that are there now, the ones that need this help now. We have taken the cap off of limiting funds to large CAFOs in the underlying bill, we have gone above 1,000—again, that is fine. But we don't want people to see the EQIP funds as an incentive. We don't want people to say: Gee, I have 800 animal units. I can go up to 2,000, 3,000 animal units now and the Government is going to come in and help me build these structures. If they want to expand and build facilities on their own, we don't prohibit that, but we don't want to use Government money to encourage that.

So it is a good amendment. I think it should be adopted.

I understand some other people may want to debate it, but the order is we are going to lay this aside for other amendments; is that correct?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arizona or his designee is recognized to offer an amendment.

Mr. HARKIN. I yield the floor.

Mr. LUGAR. Mr. President, before that occurs, since I will be the designee, I just want to make a comment about the amendment of the Senator from Minnesota, Mr. WELLSTONE.

I appreciate what he is attempting to do. I find the situation—one in which I argued fairly strenuously, but I think without necessarily persuading Senators—that the farm bill, at least as it is now constituted, will inevitably increase planting of corn, wheat, cotton, rice, soybeans—those things to which the money is directed. There is strong evidence the USDA pointed out our last farm bill stimulated about 4 million acres of additional production into the program crops.

One might argue that we were not subsidizing expansion. But the evidence is much of this increase in acreage came from our largest, most efficient producers, whose names appear in lists receiving the most subsidies. Perhaps if we were to try all this over again and look with some consistency as we take a look at the livestock portion of agriculture at the same time we deal with the crops and various other parts—and that is what the Senator has sought to do, to take a whole farm, whole income approach—perhaps this amendment might have some more equity. It probably has value for the reasons the distinguished Senator from Iowa, our chairman, has pointed out. Clearly, most persons involved in these reform movements, support the EQIP program. I believe it is an important one with regard to the environment, as well as some equity for livestock producers. They are loathe to admit that this might produce more livestock, greater herds subsidized by the Federal Government. Obviously it does.

The Senator from Minnesota is trying to plug up that particular hole, while it seems to me there are gaping holes in the dike all around that are likely to lead to very large expenditures. I will study the amendment carefully. I will likewise attempt to work with my colleagues to see if we can bring some equity in all parts of agriculture. We will take a look again at the whole farm situation.

Does my colleague wish further debate on the Wellstone amendment?

Mr. HARKIN. No.

AMENDMENT NO. 2603 TO AMENDMENT NO. 2471

Mr. LUGAR. I understand the Senator from Arizona, Mr. McCAIN, has an amendment at the desk. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. LUGAR. On behalf of the Senator from Arizona, I call up the amendment at the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. McCAIN, for himself, Mr. GRAMM, Mr. KERRY, and Mrs. MURRAY, proposes an amendment numbered 2603 to amendment No. 2471.

Mr. LUGAR. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for the market name for catfish)

At the appropriate place in the substitute, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. . LABELING OF FISH AS CATFISH.

Section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, is repealed.

Mr. SMITH of Oregon. Mr. President, I rise today in strong support of the McCain amendment. This amendment will effectively repeal a ban on catfish imports which was quietly tucked into the most recent Agriculture appropriations bill.

It may seem on the face of it that a ban on catfish imports is of little consequence if you are not from a state that produces catfish. However, put in the larger context of the multi-billion-dollar U.S. seafood industry, the implications are clear. If this ban on catfish imports were allowed to stand, it would pull the rug right out from under our own U.S. Trade Representative who is trying to fight similar protectionist actions against the U.S. seafood industry by our trading partners. Regardless of the intentions of proponents of this catfish ban, it has significant impacts for other U.S. fisheries and deserves greater scrutiny than was afforded during the consideration of the Agriculture Appropriations bill earlier this year.

The specific reason why I have come to the floor to speak on this matter is because of its implications for the Oregon pink shrimp fishery. The pink shrimp fishery in Oregon has become increasingly significant to Oregon fishers in recent years as the groundfish fishery has declined. Pink shrimp, along with West Coast groundfish and Dungeness crab form the foundation of the commercial fishing industry in my state. Unfortunately, the successful development of the Oregon pink shrimp fishery will always be handicapped as long as we are unable to get fair treatment in the European market for the variety of pink shrimp harvested in the waters of the Pacific Northwest. The Europeans have been able to shut Oregon pink shrimp out of their market through a tariff policy that is biased in favor of the shrimp varieties found in their waters. With that tariff regime in place, Oregon pink shrimp effectively cannot compete in the European Union. As a result, the situation has had negative impacts on the price paid to Oregon pink shrimp fishers.

Recently, it has been brought to my attention that there may be a similar problem in getting access to the European market for Oregon sardines. The recent reappearance of sardines off of Oregon has been attributed to a significant ocean regime change. In any case, I want to make sure that this resurgent Oregon sardine fishery has fair access to foreign markets as well.

Given time, I hope that the United States Trade Representative will be able to resolve some of these issues with our friends in the European Union. However, that simply cannot happen when we in the United States Senate invoke protectionist measures of our own to keep foreign seafood products from competing here. That is what happened with this attempt to bar Vietnamese catfish from the U.S. market. It is prudent for us to act today to repeal this catfish ban. At the very least, a proposal of such significance should have been subjected to a full debate in the Senate during consideration of the Agriculture Appropriations bill.

I thank the Senator from Arizona for putting forward this amendment. I hope that the Senate will act today to repeal the catfish ban and allow all the issues involved to be considered by the appropriate committees of jurisdiction.

Mr. LUGAR. Mr. President, I understand the order is the Chair might at this point lay this amendment aside. If so, I suggest that.

The ACTING PRESIDENT pro tempore. The amendment is laid aside.

Mr. LUGAR. Is the amendment laid aside?

The ACTING PRESIDENT pro tempore. Yes, it is.

Mr. LUGAR. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, again for the benefit of those in their offices, Senators who are here today, the farm bill is open right now for amendment. Under the agreement made by the leaders, yesterday, I guess, or the day before—obviously there are no votes today. We can still take the amendments. They can be laid down, we can debate them with whoever is here, and they will then be in line for voting when we come back on Tuesday, or further debate, also, when we come back.

I say to my friend, I see my friend from Kansas is here. Maybe my friend from Kansas has an amendment he would like to offer on the farm bill and get it in line so we could, perhaps, vote on this mythical Cochran-Roberts amendment that I keep hearing about but I can't see. It is sort of ephemeral—sort of out there somewhere, but we can't seem to get our fingers on it. Maybe we could get the Cochran-Roberts amendment over here today, lay it down, and start discussing it so we can have it here next Tuesday.

I urge any Senators who have amendments to come over to the floor and lay them down.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, are we on the farm bill?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. GRASSLEY. Mr. President, I will address the Senate for a short period of time today. Next week I hope to be able to speak on this subject with a potential amendment I might offer about the trade aspects of the farm bill.

I start with the premise that we have a farm bill—and we have had farm legislation for 60 or 70 years—with what we call a safety net to give structure to the economics of agriculture, to give some certainty to agriculture, and to help farmers in times of low prices and problems.

So much of farming is beyond the control of the individual farmer. One of those things is international trade. Maybe we don't think of that as often as we do things such as natural disasters that hit farmers, domestic politics which might cause prices to go up or down, and decisions of the Federal Reserve which affect the value of the dollar. Sometimes international policies affect the value of the dollar.

There are just a lot of things out there that affect the family farmer over which they don't have any control. Family farmers tend to be more in the position, unlike most businesses, of having to take a price the market dictates for the products they sell over which they don't have any control. Also, they do not have a lot of control over the cost of their input for the production of their products. They are one of the few segments of our economy that have to pay whatever the market demands for their input, and they receive from the market whatever it pays.

That is why we have a safety net. We have had a safety net for farmers of one form or another. There hasn't been a lot of difference in those programs over the last 70 years.

We tend to speak about farm bills as if this farm bill is much different from the previous farm bill, et cetera. I am not going to go into those things. But there hasn't been that much difference. The premise has been very much the same. We are going to have a safety net for farmers to guarantee a certain floor of income at times of low prices because there is so much affecting the economics of the family farmer that is beyond their control.

I start with the premise—and the extent to which my colleagues disagree with me on this, I welcome their disagreement and this debate on it—that the farm bill, whether it is a 1950-type farm bill, or the 1996 farm bill, or even the one we are debating right now, is meant to have a safety net, is meant to sustain farmers in business during the period of time of low prices, which a lot of times is caused by things beyond the farmers' control. This safety net doesn't guarantee profitability. I don't think there is anything in any farm bill I have ever seen to guarantee profitability.

That is where trade comes in. When we produce 40 percent more than we consume domestically, it means that farmers have to have the ability to export. Export is very important. When there is no profitability in the farm bill, then the only profitability in farming is going to come from the marketplace.

When you produce more than you can consume domestically, that means the world marketplace is where the profitability for agriculture is going to come. In other words, there is not profitability in a check from the Federal Treasury to a farmer when prices are low, as has been the case in recent years, particularly in emergency bills, but there is profitability in exports.

Let me put it this way: the only reason there is profitability for farmers is due to the exportation of our surplus agricultural products. That is why trade is an important part of any discussion of farm legislation, even though the trade policies of this country are decided by other committees. One of those happens to be the Finance Committee on which I serve. The Finance Committee has jurisdiction over all trade policy. The most recent one is just about out of committee now—it had an 18-to-3 vote on final passage—which was trade promotion authority.

That is why sometimes when newspeople ask me, what are we doing for farmers in the farm bill, I give the same spiel you just heard me give about the safety net aspects of farm legislation being very important to helping sustain farmers.

But there is no profitability in the check from the Federal Treasury when prices are low. The profitability for farming is going to come through trade. That is why I like to remind people that trade promotion authority, and other trade policies, are probably as important to the family farmer as what is in a farm bill, and particularly when it comes to profitability.

So I try to look at a farm bill to make sure it has these opportunities. But the most important fact is that we have had trade agreements. The last General Agreement on Tariffs and Trade, which created the World Trade Organization, had certain limits that could be spent in certain categories of farm support.

There is a limit on what we call trade distorting expenditures, that if you exceed those, the United States and, in turn, the U.S. farmer, can be retaliated against legally if those are exceeded. So we have to be concerned about those issues.

I am not here to say that in every respect all of the different farm proposals floating around here are unconcerned with trade implications. It does not matter whether it's the farm bill that is before us, it does not matter whether it is the Daschle amendment to that bill, it does not matter whether it is Senator ROBERTS' and Senator COCHRAN's proposal, and it does not matter even whether it is the House bill; it is legitimate to bring the issue of trade to the attention of our colleagues.

For instance, in the House bill, it is my understanding—and I have not read that bill in its entirety, obviously—but it is my understanding that the House Agriculture Committee was concerned about this, so they put a provision in their farm bill that if the Secretary of Agriculture found that legislation violated the WTO agreements, that it could be suspended. If that is exactly how it works and we have to spend more on agriculture, because that would be trade distorting, due to the fact that prices are low and then we could be retaliated against dollar-for-dollar for the excess expenditure and the farm program has to be suspended, then you are suspending the safety net for farmers at exactly the time they are going to need it. What the bill does is cut off payments when family farmers would very likely need those payments the most.

Now, this can be avoided. Maybe my colleagues who are writing these provisions will say they are taking that into consideration and they are going to avoid it, or they may say the conditions under which this happens are not as dangerous as maybe I lead people to believe. So I am not here to question anybody's intentions or motivations or anything. I am just here to ask my colleagues to give further thought to ways in which the legislation that is obviously going to become law—if it does not become law before this year, it is going to become law early next year; and whenever it becomes law, it is going to become law in ample time so we have it for the next crop-year in 2003 that it is needed—to take these things of trade into consideration.

(Mrs. CARNAHAN assumed the chair.)

Mr. GRASSLEY. Each year our farmers become more reliant on overseas markets to sell their commodities. In fact, last year, farmers in my home State of Iowa exported more than $3 billion worth of corn, soybeans, meat products, and even live animals.

Nationwide, American farmers annually export close to half of their soybeans and 20 percent of their corn production. Given the importance of export markets to American agriculture, the United States must assume a leading role in eliminating tariffs, excess trade-distorting subsidies, and other barriers to trade.

In 1994 we joined our trading partners in the World Trade Organization to discipline domestic agricultural support programs and to facilitate more open trade. The agreement, called the Uruguay Round Agreement on Agriculture, capped the level of trade-distorting support that WTO members can provide to producers.

Worldwide, agricultural tariffs were reduced by an average of 36 percent over a 6-year period. The United States agreed to reduce its own trade-distorting domestic support, or what is referred to as "amber box" spending under this trade agreement, by 20 percent, down to a point of $19.1 billion per year.

The Senate must pass legislation that abides by this commitment or our trading partners could take retaliatory action against our farmers and against our agricultural exports. Unfortunately, the farm bills before us, and I think particularly the House bill—and even the bill that was passed out of the Senate Agriculture Committee—leads our Nation down a dangerous road toward exceeding our "amber box" limits and opening the door to this WTO legal retaliation. Retaliation through higher tariffs on our exports and reduced market access for our farmers would reduce the worldwide demand for our commodities, resulting in an overwhelmingly domestic surplus and depressing domestic commodity prices.

In light of the high stakes for America's farmers, I urge my colleagues to carefully consider the potential impact on America's farmers of a farm bill that could violate our international trade commitments. We need to revisit the piece of legislation that was passed out of committee and work to improve it before we conference with the House because, as I pointed out, I think the House bill has very dramatic problems in this area as well.

Our farmers know how important international trade opportunities are for our commodities. That is why farmers support issues such as trade promotion authority and trade with China. That was such a hot issue last year being dealt with in the Congress. But if we don't practice what we preach regarding our World Trade Organization commitments, how will we ever convince our potential trading partners around the world that they should lower their trade barriers? And that is a goal of not only this administration, but also we have to compliment the previous Secretary of Agriculture, Mr. Glickman, the previous Special Trade Representative, Charlene Barshefsky, when about 15 months ago they tabled in Geneva for negotiation purposes of the agricultural negotiations that were going on under the WTO as it was mandated to happen in 1993 to start in the year 2000. They tabled negotiation positions for our country's farmers that were in the best interests of our farmers of zero tariffs in agriculture.

This administration has followed through on that in the Doha Round that started in early November, which is the new round of WTO negotiations that are going on. And that is what trade promotion authority is all about, to give the President the authority to make such an agreement. We have followed on the very good suggestions of the Clinton appointees on what sort of direction our agricultural trade ought to take.

I don't think there is any partisan disagreement on what we want to do on international trade to help the American farmers. The only thing we have to do is make sure we write farm legislation that is compliant with the intentions of what was initiated in the Clinton administration and followed through on by the Bush administration.

As I have said in the past, the Government can provide support, but only the marketplace can provide profitability. This isn't putting anybody in a position of political posturing if they don't agree with that. I just think it is the cold hard truth about our agricultural economy, if we are going to produce to our potential we must sell our surplus on the world market. We surely don't want the alternative, which is to produce for the domestic market only and find ourselves in a position of taking 40 percent of our productive capacity out of production and, through the Federal Treasury, pay the farmers for doing that. I don't think the taxpayers would support that.

Worse yet, that might sustain farmers; you could even have support high enough to guarantee profitability. But you would ruin the economy of the United States if you produced 40 percent less farm machinery, 40 percent less input into agriculture. A lot of that comes from the small town main street businesses of the America. We don't want to do anything negative to them. We want to keep our rural areas vibrant. That means economic activity.

Economic activity in American agriculture is to produce and to produce not only for the American people but for the hungry of the world, to help our economy, but also to help the economy of other countries as well.

It is a simple fact of life that the profitability in farming ought to come from the worldwide marketplace because the Federal budget is not big enough to provide farmers profitable margins year after year.

If we don't establish a farm bill that helps us to lower trade barriers, we will not be able to assist the agricultural community develop this long period of profitability.

Last week the Food and Agricultural Policy Research Institute, which is located on two campuses—Iowa State University and the University of Missouri—published a paper stating that there was over a 30-percent likelihood that the farm bill coming out of the Senate Agriculture Committee would violate our trade commitments.

They could say the same thing about some other ideas floating around here. They surely could say it about the House agriculture bill.

Think of it this way: If there was a better than 30-percent likelihood that a ship would sink, you wouldn't get on board. The farm bill before us has the potential to impose significant harm on our family farmers by violating the current trade commitments. If this were to happen, our trading partners could refuse to accept our exports and this action, being legal, at the same time would decimate the price of U.S. commodities affected. We can do better.

I hope as the debate on this farm bill continues or the debate on any farm bill continues, these issues of compliance with our international obligations, which is for the benefit of American agriculture, because as we can reduce worldwide tariffs that average about 60 percent down to where U.S. tariffs are single digits on agricultural products, just those facts make it a no-brainer that the United States should pursue free trade policy in agriculture and that it will benefit the American farmer.

If our tariffs are here and the worldwide tariffs average 46 percent, whatever we do to negotiate to bring those down—and remember our goal under the Clinton administration, now followed by the Bush administration, is zero tariff—it is a no-brainer that this is going to affect very positively American agriculture and bring profitability to the farmer.

The only place for profitability in an industry that exports or that produces more than 40 percent more than we can consume domestically, the only profitability then is in the world market.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. CARNAHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

Mrs. CARNAHAN. Mr. President, a few week ago, the Department of Agriculture announced that commodity prices had taken their biggest 1-month drop in more than 90 years.

It has been 5 years since Congress last passed a farm bill. Every year since then, we have needed an expensive bailout bill. These bailouts are usually referred to as emergency disaster assistance. But the real disaster has been our farm policy itself.

The 1996 farm bill provided farmers with flexibility in deciding what, when, and where to plant. But it left them utterly without a safety net. When floods came, the farm bill gave them nothing.

When droughts cut their output in half, the farm bill gave them nothing. When the bottom fell out of prices, when the cost of fuel skyrocketed, when armyworms destroyed an entire crop, the farm bill gave them nothing.

Only when Congress passed emergency spending bills did farmers get any relief. That is a raw deal for the people who feed our Nation—and the world. How can farmers and ranchers plan for the next year's crop not knowing what programs will be in place?

It is time for Congress to act on a new farm bill—one that promoted competitiveness and consumer choice, while providing adequate income to farmers.

This fall, I wrote to Chairman HARKIN outlining my priorities for the farm bill.

I shared with him the recommendations I have heard from farmers across Missouri. I am pleased so many of these ideas were included in the bill reported by the committee.

First and foremost, this farm bill recognizes the need for a safety net. The safety net is counter-cyclical—to give farmers assistance when they need it the most. It will buffer our farm economy in difficult times, and allow small producers to stay in business.

The bill also allows producers to update the baseline acreage used to calculate these payments, to ensure they reflect the realities of today.

Earlier this year I proposed legislation to expand tax credits and other incentives to promote ethanol, soy-diesel, and other value-added products.

I am pleased that this new farm includes an energy title that will harness the potential of these clean, renewable fuels.

They provide valuable economic development, they give farmers a greater market for their product, they cut pollution and they decrease our reliance on foreign oil.

I applaud Chairman HARKIN and the committee for crafting a farm bill that strongly encourage the continued development of biofuels. I hope amendments will be added that will further promote the use of these fuels.

The farm bill passed by the Agriculture Committee makes a historic commitment to conservation. It allocates $20 billion over the next 10 years in new spending for conservation programs. That is $5 billion more than the House passed, and we need every penny.

The farm bill would invest almost $750 million in conservation efforts for Missouri over the next 5 years.

The bill protects the property rights of landowners. It encourages producers to remove sensitive land from agricultural production. It also offers incentives for continuing conservation practices and adopting new ones. If offers technical assistance for farmers and ranchers. It gives greater opportunities for private landowners to voluntarily expand conservation on forested lands. And it provides livestock producers with resources to build waste management systems.

I also believe we need country-of-origin labeling, as called for under this legislation. America's farmers grow the best products. They are the most efficient. They sue chemicals that are proven to be safe. And they live by the strictest environmental standards in the world.

I believe consumers, if given the option, would choose American products every time.

Now more than ever, Americans are concerned about food security. They want to know where their food is coming from. Country-of-origin labeling would not only help our livestock producers, but would also assure consumers that the products that they buy are safe.

We need measures to help rural America and help the family farm stay in business. Missouri farmers have urged me to assist them in efforts to revitalize rural communities and promote economic development. Rural America needs improved drinking water, telecommunications, and other infrastructure. This bill provides funding to address many of these needs.

And it increases access to capital for rural business ventures, particular equity capital.

I am particularly concerned about our young farmers who need financing to begin farming or to stay in the business.

Under this bill, the Direct Loan Farm Service Agency Program of the Farm Service Agency will be strengthened to assist these young producers.

In addition, a new farm bill must include a strong nutrition title. We must provide the Food Stamp Program with the resources it needs. We cannot abandon families who have been hit hard by the recession, or those struggling to move from welfare to work.

Chairman HARKIN's bill invests more than $6 billion in this important title. The House bill provides only half that. But with so many people out of work, so many children going hungry, we need the full amount.

Chairman HARKIN's nutrition title will make the Food Stamp Program work better for the people it serves. It makes the process of applying for food stamp benefits more efficient. It helps families moving from welfare to work by extending transitional benefits. It restores the value of food stamps to help poorer families keep up with inflation. These changes will mean a great deal to those who are struggling with the essentials of daily life.

One deficiency of this bill is that it does not address the issue of competition. There is a growing problem of vertical integration and concentration among agribusiness firms. The small family farm is becoming an endangered species, and that's just not right.

We need a strong competition title to maximize consumer choices. We must facilitate farmers' choices in marketing products and meaningful price competition.

I hope that over the course of the next few days, this bill can be improved with a competition title that will ensure we have a vibrant farm economy.

Mr. President, this farm bill isn't perfect, but it makes sense for Missouri's farmers. And it makes sense for America. It expands markets. It protects the environment. It is fair to small family farmers. And, most importantly, it provides a safety net when farmers need help.

Fundamentally, this bill is about ensuring that the hardworking men and women who produce the food that feeds the world can earn a decent living. These farmers deserve our full support.

Once again I thank the chairman and the committee, and I hope the Senate will act quickly on this legislation.

I yield the floor.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Utah.

Mr. HATCH. I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. HATCH are printed in Today's RECORD under "Morning Business.")

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Iowa.

AMENDMENT NO. 2604

Mr. HARKIN. Madam President, I know two Senators are waiting to speak on the bill. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. GRASSLEY, Mr. FEINGOLD, Mr. WELLSTONE, and Mr. ENZI, proposes an amendment numbered 2604.

Mr. HARKIN. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract with certain individuals)

On page 941, strike line 5 and insert the following:

Subtitle C—General Provisions

SEC. 1021. PACKERS AND STOCKYARDS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended by adding at the end the following:

"(12) LIVESTOCK CONTRACTOR.—The term 'livestock contractor' means any person engaged in the business of obtaining livestock under a livestock production contract for the purpose of slaughtering the livestock or selling the livestock for slaughter, if—

"(A) the livestock is obtained by the person in commerce; or

"(B) the livestock (including livestock products from the livestock) obtained by the person is sold or shipped in commerce.

"(13) LIVESTOCK PRODUCTION CONTRACT.—The term 'livestock production contract' means any growout contract or other arrangement under which a livestock production contract grower raises and cares for the livestock in accordance with the instructions of another person.

"(14) LIVESTOCK PRODUCTION CONTRACT GROWER.—The term 'livestock production contract grower' means any person engaged in the business of raising and caring for livestock in accordance with the instructions of another person.".

(b) CONTRACTORS.—

(1) IN GENERAL.—The Packers and Stockyards Act, 1921, is amended by striking "packer" each place it appears in sections 202, 203, 204, and 205 (7 U.S.C. 192, 193, 194, 195) (other than section 202(c)) and inserting "packer or livestock contractor".

(2) CONFORMING AMENDMENTS.—

(A) Section 202(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(c)), is amended by inserting ", livestock contractor," after "other packer" each place it appears.

(B) Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)), is amended by inserting "or livestock production contract" after "poultry growing arrangement".

(C) Sections 401 and 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221, 223), are amended by inserting "any livestock contractor, and" after "packer," each place it appears.

(c) RIGHT TO DISCUSS TERMS OF CONTRACT.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), is amended by adding at the end the following:

"SEC. 417. RIGHT TO DISCUSS TERMS OF CONTRACT.

"(a) IN GENERAL.—Notwithstanding a provision in any contract for the sale or production of livestock or poultry that provides that information contained in the contract is confidential, a party to the contract shall not be prohibited from discussing any terms or details of any contract with—

"(1) a legal adviser;

"(2) a lender;

"(3) an accountant;

"(4) an executive or manager;

"(5) a landlord;

"(6) a family member; or

"(7) a Federal or State agency with responsibility for—

"(A) enforcing a statute designed to protect a party to the contract; or

"(B) administering this Act.

"(b) EFFECT ON STATE LAWS.—Subsection (a) does not affect State laws that address confidentiality provisions in contracts for the sale or production of livestock or poultry.".

Mr. HARKIN. I send this amendment on behalf of myself, Senators GRASSLEY, FEINGOLD, WELLSTONE, and ENZI. I will just take a few minutes to describe it because I know Senator COCHRAN and Senator ROBERTS are waiting to speak.

With this amendment, I would like to continue on one of the important themes I have stressed throughout the farm bill debate, competition issues in agriculture. In fact, the occupant of the chair, the Senator from Missouri, spoke about that a few minutes ago, about needing better competition in agriculture.

We had a competition title in the original farm bill. I thought it was extremely important. That was defeated but for one provision, country of origin labeling. That succeeded on an independent vote in committee, but the rest of the title did not make it through committee.

Some of us vowed to resurrect a number of provisions on the floor, not the whole title but a number of key provisions that were in the competition title. Beyond the amendment I speak about, two amendments were agreed to yesterday which I cosponsored. Senator FEINGOLD introduced an amendment which prohibits forced arbitration in livestock and poultry contracts. That amendment was adopted. After that, Senator JOHNSON from South Dakota offered an amendment that prohibited the ownership of livestock by packers. That amendment was adopted.

The amendment I offer today will address one more issue in the competition arena and that is livestock production contracts and the right of a farmer to discuss those contracts with his closest advisers.

As I said, the cosponsors are Senators GRASSLEY, FEINGOLD, WELLSTONE, and ENZI. The American Farm Bureau, National Farmers Union, as well as dozens of other farm, community, and religious organizations, support the amendment. And for good reasons. Farmers are concerned about competition.

A 1999 Iowa State Extension Service Rural Life poll indicated that 89 percent of Iowa farmers thought there was too much power concentrated in the hands of a few large agribusiness firms. A similar poll recently released by Kansas State University that targeted 27 farm and ranch States found that 77 percent of producers favor maintaining or strengthening current antitrust laws.

To address just a small part of that concern, the amendment I introduced today will provide some minimal protections to livestock production contract growers. The amendment does two things. First, it closes a significant loophole in the Packers and Stockyards Act.

Presently, the act protects farmers who sell livestock to packers. The Packers and Stockyards Act also protects those who grow poultry for others under production contracts. That was adopted in 1935. So since 1935, it has applied to production contracts in poultry. But the act does not protect those who raise livestock under production contracts for packers in other areas, such as for swine and cattle.

Again, in 1935 production contracts were not a big issue in livestock. It was a whole different world at that time. Since that time we have seen the growth of production contracts, both in hogs and now extending into cattle. The amendment would close this loophole so farmers who raise livestock under production contracts will be protected by the prohibitions against unfair and deceptive practices under the Packers and Stockyards Act.

Second, the amendment will allow a producer to share his or her contract information with their business adviser, landlord, executive or manager, attorney, family, and State and Federal agencies charged with protecting parties to the contract. I understand in some States farmers already have some of these rights, but many farmers tell me they feel intimidated to share their contracts with even their trusted advisers, with their banker. That is because the contract specifically says that none of the terms of the contract are to be discussed with anyone else. So the farmer feels very intimidated about discussing that—and, frankly, could face either a lawsuit or the loss of the contract if, in fact, that farmer does discuss that with an with a banker.

Again, as I have said, the first part deals with production contracting. Right now these arrangements—production contracting arrangements—are like a franchisee-franchiser relationship. It is becoming more prevalent in hogs and growing in the cattle industry.

When we passed the Packers and Stockyards Act in 1921, the industry was different. Livestock was owned by the farmers. They took it to the stockyards. The packers bought the livestock at the stockyards. That is why we passed the 1921 Packers and Stockyards Act, because the packers and stockyard owners were collaborating and conspiring to drive down prices for farmers. So Congress passed the Packers and Stockyards Act to prohibit these unfair practices in 1921.

The act currently addresses relationships only between packers and those who sell livestock to packers. It does not address production contracts. Right now, as I said, more and more of these production contracts are becoming common.

An Iowa State study indicates that 34 percent of the hogs in America are raised under production contracts. Current law does not address this current situation, and this amendment closes that loophole and provides protection to livestock production contract growers.

Again, because of their relatively weak bargaining position, farmers feel intimidated under these contracts. The amendment would specifically limit livestock contractors from engaging in unfair, deceptive, and unjustly discriminatory practices, section 202 of the Packers and Stockyards Act; and second, it gives the farmers the right to discuss terms of their contract with certain people: a legal adviser, a lender, an accountant, an executive or manager, a landlord, a family member, or a Federal or State agency with responsibility for enforcing a statute designed to protect the party to the contract.

Importantly, this amendment doesn't require anyone to share any information. It doesn't require that the contract be made public in any way. It does not affect the confidentiality clauses that state farmer can't share the information with a neighbor, or with the contractor's competitors. They can still do that. It is important to note the distinction.

Again, this amendment takes a couple of small steps to protect farmers against unfair and deceptive conduct in the livestock and poultry contracting business.

It will provide some protection for these growers and bring them more in line with the poultry growers since 1935. They have had this protection since 1935. It is time now to extend it to our cattle and to our swine producers and other livestock producers in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. ROBERTS. Mr. President, I rise today to discuss the pending legislation and the responsibility that we have in the Senate to carefully craft our Nation's future farm program policy. Note that I said "carefully craft."

In doing so, I am being joined by the distinguished Senator from Mississippi, my good friend and colleague, the former chairman of the subcommittee on appropriations for agriculture on the Senate Appropriations Committee, THAD COCHRAN. I do not know of any Senator in the Senate who has been more of a champion for our farmers and ranchers throughout our country. We refer to him as "our banker" on the Appropriations Committee, who has the tremendous responsibility and does it so well in making sure we meet our budget guidelines while also ensuring the needed investments we must make in agriculture.

I feel quite honored and privileged to have him as a coauthor of the alternative amendment to the bill pending in regard to farm program policy.

I also thank his staff, Mr. Hunter Moorhead, who has worked extremely hard many hours; and my two staffers, Mike Seyfert, who is sitting to my right, and I would like to let his wife Christy know he is here. He has been by my side early morning, day, and night for the past week. I want to let her know he is really doing fine. Matt Howe, who is sitting in the back, has helped me tremendously. We are only as good as our staff.

We think we have come up with a positive alternative with the current legislation which makes a great deal of sense. I thank THAD COCHRAN for his leadership and help and for being a coauthor on this amendment.

This legislation directly affects the daily life and well-being of every citizen in America and many throughout a very troubled and hungry world. You can't read the headlines about Afghanistan and not realize there is a humanitarian effort now taking place with many organizations. That effort is made possible by the food which is produced in this country going to our troubled and hungry world—and the modern miracle of productivity of American agriculture.

But more particularly, this legislation directly affects the livelihood of America's farm families, those who persevere and prevail despite all sorts of obstacles not of their own making and things beyond their control. Yet despite the tough times, they feed us and those in need, and their record of productivity is, indeed, a modern miracle.

So here we are, my colleagues, on a Friday morning with several Senators present. We have had quite a debate over the last 3 or 4 days on yet another farm bill.

Counting the years I have been here as a staff member, a Member of the House, and a Member of the Senate, this is my sixth farm bill. I can recall the former esteemed chairman of the House Agriculture Committee, the venerable Bob Poage of Texas who used to describe farm bills in this way:

> My colleagues, is this the best possible farm bill? He would say:
>
> No, but it is the best farm bill possible.

There is a difference.

That is usually the way legislation works as we try to reach a compromise and pass the "best bill possible."

We need to certainly do that this time around. Our Nation's farmers and ranchers remain in the midst of very difficult times. We are not in very good shape in regard to farm country.

The challenges that we face today in the domestic and global marketplace and the revolutionary times we face today in agriculture are certainly unique.

I had hoped we could carefully craft a bipartisan bill and pass it out of the Senate Agriculture Committee.

As a reminder, we did that in achieving significant crop insurance reform just a session ago. It took 18 months. That bill was coauthored by myself and Senator Bob Kerrey, the former Senator of Nebraska. In fact, we have had more interest in that particular bill than almost any bill I have been associated with since I have had the privilege of public office.

In farm country, if you call a meeting of farmers, and if I happen to be the speaker, there may be 30, 50, or 100 farmers present, depending on where you call a meeting. With crop insurance, you will have 1,000.

Those of us who are privileged to serve American agriculture are very much aware of the fact that we have a very disparate and independent bunch of farmers and ranchers. We know they are in much better hands if we work together, if the agriculture posse tries to ride in the same direction, more or less, despite our differences.

I regret to report to you, Mr. President, and my colleagues and our farmers and ranchers, that I don't think that is the case today. We, unfortunately, are at odds both in terms of policy, and some would even allege there is just a tad bit of politics being played in this year's farm bill deliberations. That is not only too bad, but it is downright counterproductive. In fact, in Dodge City we say it is "a dirty shame."

For the record, I thank the chairman of the committee. I thank him for asking my advice and for meeting with me and my staff to see if we could reach an accord on a bipartisan bill.

We just had a discussion to see if there was some way we could work this out. I hope we can. The chairman, his staff and mine met for several hours in private discussions. I believe we made some real progress toward a bipartisan proposal that could, and I think would, have garnered support of the majority of members on both sides of the committee.

Certainly the Harkin-Roberts bill would have caused some double takes and some jaw dropping on the part of a few veteran farm bill watchers. I am sure of that. I sincerely appreciate the effort by the chairman, who is a good colleague and a friend.

The key was in the mailbox, according to that old Country Western song. And he said: Come on in. Let us work something out.

We left town Friday before Veteran's Day, and I believe some progress was being made. Unfortunately, something happened during the weekend. When we returned the following week, both the key and the mailbox were missing, and we were told to plan immediately for a very different bill and some different marching orders.

I remember an old television program called "Name That Tune." They would listen to the song on the record. Then two people would race down the corridor and grab onto something, and say: I can name that tune in about 3 seconds. I guess that is sort of dating myself. Unfortunately, with regard to the new committee bill, others have named the tune—more particularly, leadership—and there was a new game. It was called "Name Your Price"—a game that is still in progress, by the way.

The end result was a bill that is now going back to loan rates and target prices as income protection. And the committee bill was passed on a party-line vote.

Now, I do not question the intent of people who truly believe we ought to go back to loan rates and higher target prices. I just think that is not the way we ought to go. I think we have a better alternative. I do not question the intent of my colleagues. But I do question the process and the policy, and both, in my view, are counterproductive. That is about the nicest way I can put it.

It is one thing, my colleagues, to decide you are going to do a partisan bill, but it is another to deny the minority of the right to review the language of the bill and, as a result, the right to debate in an effort to, once again, carefully craft policy that will better enable the farmer and the rancher and the consumer to survive the fast-changing and dynamic environment in today's agriculture.

Just when farmers and ranchers need new tools and new policy, and a new reality check, the committee is playing the lead role in "Back to the Future."

My colleagues, we did not even receive a final copy of the commodity title of this bill until 1 o'clock a.m. on the same morning of the markup. Now, that alone is ludicrous and a black mark on the committee. For those of us who have no offices to work from—I am one of those who is a Member of the ever-increasingly disgusted "Hart Homeless Bunch" where we do not have an office, no access to files, limited access to computers, limited access to telephones, and limited access to e-mail due to closure of the Hart Building—the situation was impossible. One o'clock in the morning we got the mark.

Markup on the committee bill started at 8:30. I was still trying to write my statement to summarize my concerns at 8:47. I noted it on the clock. Staff had not even had time to read the bill, let alone carefully craft a substitute with Senator COCHRAN, which we finally did. I mentioned before, I have been through six farm bills and some pretty tough debates with strong differences of opinion, but at least I knew, or staff knew, what was in the bill.

Now, there is more than one way to "skin the minority cat" than to put his head in a bootjack and pull on his tail. That is no way to run a committee. Certainly, that was not the way it was done when our distinguished ranking member, Senator LUGAR, was chairman.

I understand that maybe I am erring on the side of being too harsh. Maybe this effort to lock up $73 billion for agriculture over 10 years, in a 5-year farm bill, to meet the requirements of an already outdated and unrealistic budget and to accommodate the party leadership and old partisan constituencies, and to satisfy the insatiable needs of different commodity groups and farm organizations and your same party colleagues, was just too overwhelming. I don't know. It is a daunting task. It is a tremendously daunting task. I know; I have been there. And I sympathize and I empathize.

This task must be overwhelming, Mr. President, because the show is still going on. I would like to say last-minute major policy changes stopped when the bill passed the committee, but it did not. This bill is probably about 1,000 pages. I meant to have a copy of the bill to see if I could lift it, but I am not going to go through that.

Staff reports just a small $15 billion scoring problem with the dairy section of the committee-passed bill, something that may be of interest to the Presiding Officer. The answer was a "technical correction" that solved the problem that completely changed the content of the language in the dairy section. Now, that is quite a technical correction.

When we have the final bill language for floor debate and action, and wade through it, we not only find dramatic changes to the dairy title, but significant changes to the conservation title as well. It is like Topsy; it tends to grow with each passing day and each passing vote.

Mr. President, so much for process. After all, fair and reasonable deliberation is in the eyes of the beholder. Process does not mean much to the producer down at the feedlot or the country elevator or the coffee clatch. But, by golly, policy does. Policy sure counts. It counts because it directly affects the farmer's pocketbook and his future.

Today, as I said before, we are not in very good shape. I do not criticize this bill because of intent or even the politics of bringing back outdated farm program policies simply because it is in the calcified bones of its authors and supporters. We all have our prejudices. I criticize this bill because I think it will be counterproductive, because I do not think it is going to work, that it will take us back to policy that does not fit today, and it will increase additional farm assistance in the future. At the same time, through its use of front loading of spending and budget manipulation, the bill mortgages what we call future baseline or our ability to write future farm bills.

Latest figures: $45.2 billion over 5 years in regard to the Daschle-Harkin bill. That leaves $28.3 billion for the second 5 years. Basically, if we do this, we have eliminated much of the baseline in the outyears. We need to find $16.9 billion when we write the next bill just to get back to this first 5-year level. We are mortgaging our farm bill future.

There are also two other considerations of no small notice. In its current and ever-changing form, it will be almost impossible to conference with the House. The President opposes it. The administration opposes this. They have a statement of administration policy opposing this. More about that just a little bit later.

Let me spell it out. The bill before us takes us back to past farm program policies of trying to provide income protection with higher loan rates and target prices. Now, there is no question that the farmer needs income protection with all the variables that he has to face and all that has gone on that is not talked about much in regard to critics of agriculture spending: the loss of the Asian market, the value of the dollar, different buying patterns, the European Union spending incredible amounts of money, and on and on and on, a glut all across the world in regard to commodities, which is unprecedented. Not many people really take a look at that when they try to criticize the farm program policies that are spelled out either by the distinguished chairman or by Senator COCHRAN and myself.

At the same time, it pays for higher loan rates and target prices by phasing out direct payments to the farmer and by cutting some $2 billion from the bipartisan crop insurance reforms we passed last year. Now, I am not happy about that. We spent 18 months putting together crop insurance reform as one of the tools that we promised when we passed the Freedom to Farm bill. The Freedom to Farm bill was passed on one side. And then there were about six other promises that we made to try to complement that bill.

No farm bill by itself can do what we all want to do on behalf of the American farmer. It took 3 years to pass the crop insurance reform. Here we find that we are virtually phasing out direct payments. In order to pay a higher loan rate and target prices, we are cutting $2 billion from the crop insurance reform we passed last year. That is wrong.

This business is supposed to provide a better safety net again by phasing out direct safety net payments and cutting crop insurance, the one program we have passed in the last years that prompted an overwhelmingly positive response from farmers.

I want to restate that. I do not think I can restate it too many times. The bill takes money from a bipartisan reform bill passed last year to pay for a "scheme"—that is not a nice word—a plan that is shaping up to be a party-line battle. I do not think that is progress.

Now, my friends, we have been down this road before, and it did not work. Some continue to insist that higher loan rates will mean more safety net protection for producers and will prop up prices. I know that. I have listened to that argument during six farm bills. It is an old argument. It is a good argument, but it is a misconception, in my view.

First, our farmers only receive a payment under the marketing loan program, the loan program, if the market price is below the loan level and if the farmer actually produces a crop. If the producer does not have a crop to harvest, if there is a crop failure, of which we have many—that is why the distinguished Senator from Mississippi, in his role on the Appropriations Committee, steps forward year after year, to make ends meet—when farmers suffer from crop failures, all across the country, guess what. Then there is no payment. So the loan rate really does not provide any income protection for a farmer who does not have a crop. When he needs it the most, the assistance is not there.

Second, under the target price proposal, which, by the way, does not take place until 2004—until 2004—farm prices have to be below the target price level to receive a payment.

The problem is, crop failures often result in reduced supplies that cause high prices above the target price. That occurred in Kansas in 1988 and then 1993. In 1995 there was a freeze, a drought. Again, a producer may have no crop, and if prices rise because of decreased production and supplies because of crop failures, there may well not be the so-called target price countercyclical payment.

Go through the history of past crop failures where they occurred, count the bad years. It is possible that a farmer could have no crop to harvest, still receive no assistance through the loan deficiency program and the so-called countercyclical programs in the committee bill. If that happens —and I hope it doesn't—does anybody here believe those producers and their farm organizations will not be back asking for additional emergency assistance or, for that matter, a higher loan rate or target price? It has happened before.

I remember the late 1970s, the American Agricultural Movement came to Washington. Was that an experience. As a result, we simply increased the target price from $2.41 to $2.90. I think that was what it was. The distinguished chairman of the committee at that particular time was Ambassador Tom Foley, Speaker Foley, from the State of Washington.

What happens is, we simply increase the loan rate or the target price. That is not a safety net. Relying on loan rates and target prices under those circumstances is not a safety net. It is a hammer. I think the farmer prefers the safety net.

All of the uncertainty and unfair competition and lack of an aggressive, consistent trade and export policy is why we moved away from the higher loan rates and target prices and provided a guaranteed direct payment that the producers and their lenders—don't forget the lenders—could count on every year, especially when they suffered a crop loss.

We made a deal. We made a contract. We even had a colloquy on the House floor. Is this a contract? Can't take it away? No. And we wrapped up what we thought was a reasonable investment in regards to farmers and farm programs only to face unbelievable changes about two crop-years after that, and we had to move to some emergency help. Even that was under the rubric or the architecture of the 1996 act.

Again, I am very concerned that the proposal before the Senate basically pays for higher loan rates and target prices through a virtual phaseout of these payments by 2006. This is the wrong way to go. We do not think we should take away a payment our farmers and lenders can bank on—no pun intended—when they are drawing up operating plans for each crop-year.

We also need to remind everyone that the commodity title before us today tends to be less environmentally and conservation friendly than the proposal Senator COCHRAN and I will put forward. Ours is the better bill in this regard because it is not coupled to production. That is a big difference. When you have a payment program that is more dependent on actual production, there is a greater incentive to farm fragile land and use excessive chemicals and pesticides to improve yields. That is why the 1996 act was the most favorable to the environment passed up to that date.

This bill, with some differences in conservation, will have that as a hallmark. I do credit the chairman of the committee for focusing on conservation. But if you couple production and your payments, that is what will happen under the committee-passed proposal. Here again, we go back to the future.

In addition, we made a conscious decision between two basic choices when we wrote the last farm bill. We could continue on a course of micromanaged planting and marketing restrictions that have often put our producers at a competitive disadvantage in the world market, or we could pursue a course that would eliminate these restrictions and allow farmers to make their own planting decisions based on domestic and world market demands, while also receiving guaranteed levels of transition payments.

That, in fact, was the primary purpose, the primary goal of the 1996 act and the much maligned Freedom to Farm bill. It was not to take the Government payments and transition them and march the farmer off the cliff when the free market does not exist. It was, in fact, to give more decision making power and decisions to the farmer and, with that flexibility, as I have indicated, five or six other initiatives: Tax policy changes, crop insurance reform, regulatory reform, aggressive trade policy, and sanctions reform. We might have been a little naive in thinking we could accomplish this, but I would hope we could accomplish this prior to consideration of the next farm bill. That was the goal.

Before these changes, farmers used to put the seed in the ground according to dictates issued by the Department of Agriculture. It was what I called a command-and-control farm program policy. We lined up outside the ASCS office, now the FSA office, walked in and talked to Aunt Harriet. She made out all the paperwork and forms. And you set aside this ground and then you waited on Washington to figure out how much you had to set aside and what you could plant, when you could plant it. We were paying farmers for not growing anything. We lost market share. We used to have 24 percent of the world market share in terms of global exports. Now we are down to about 18. Guess who is 17? The European Union. Guess who is going to be 18 next year and we will be 17, if we pass this bill? The United States. That is not right. That was a dead-end street.

We are pleased that whatever proposal will be before us does at least maintain the planting flexibility. At least we did retain that. But we are also concerned that because of the increased focus on loan rates and target prices, we may end up with budget exposures that will force us back to set-asides and supply management—it would be an easy thing to do—in order to avoid excessive budget costs. Then we are really back to the future. That would be one of the most counterproductive things we could do for U.S. agriculture which must compete in a global marketplace. We may not like it, but that is the way it is.

Furthermore, since the committee bill or the substitute's basic tenet is raising loan rates, let me reflect for a moment on what the purpose of a loan rate is. This seems to be the nexus of the dispute between the two bills. Is the loan rate a market clearing device, or is it price support? I don't think it can be both. If we set the price at $3 on wheat and $2.08 on corn—and you could do the corresponding number with other crops—it very well may become a ceiling on price.

We also understand the belief among many Members and some producers that a higher loan rate is a greater incentive to put the crop in storage and simply wait for a higher price. That is the alleged goal of the loan program.

The question is, Would that result in a greater income for farmers, or does it mean that they will simply pay higher storage and interests costs that would more than offset any increase in the loan rate? We have to ask ourselves what raising loan rates does for those producers who again suffer no crops and disaster.

We are well aware of the problems our friends in the northern plains have faced in the form of floods and blizzards, crop disease in recent years. Time and time and time and time and time again, with chart after chart after chart, we have seen our distinguished colleagues and friends across the aisle come down to the floor, 4, 5, 6, and 7 years straight, and talk to us about the blizzards and the intemperate weather, the infestation, and goodness knows what else. These are regional weather problems that would have occurred regardless of the farm policy we put in place.

I grieve for those farmers. I empathize with those farmers. We have that in high-risk country in Kansas as well; not to that extent, but at least we know what they are talking about. Can we guarantee that higher loan rates would have done anything for these producers because they had nothing to harvest? The answer is no. They wouldn't have gotten a payment without the crop under higher loan rates. So does it make sense to spend $73.5 billion on a new policy that won't provide assistance to producers when they need it?

It is because of these concerns that Senator COCHRAN and I are offering our amendment to this legislation. Our bill is the only one of these two proposals that is, No. 1, nonmarket or production distorting.

No. 2, it provides a guaranteed direct payment to producers when they suffer a crop loss, when they need it the most.

No. 3, it provides a new, innovative approach to a countercyclical program, which I will describe in a moment.

No. 4, it creates a stronger footing for our international trade negotiators by enhancing the level of green box support we are providing to our producers.

Let me stop for a minute and indicate that on the Daschle-Harkin bill we have been warned by the administration that box may not be amber, it may be red. We can get to the cutoff very quickly. If we are successful in the WTO negotiations—and I don't know if we will be or not—it could conceivably result in the WTO really taking us into the proceedings where the United States government and the Secretary of Agriculture would have to come back to our producers and ask them to give money back. Senator GRASSLEY has a bill to address that, and it is a very important bill. I can't imagine it would come to that, but why go down that road to begin with?

So certainly, this bill doesn't have that problem because you are in the green box, not the amber box. Those are the boxes we define as to whether you are WTO legal or whether you are working out an international trade agreement with which you can work.

No. 5, let me say this is supported by the administration, supported by the President, and can be conferenced. All these groups and commodity organizations that have come in here and written letter after letter saying "move the bill," if you want to move the bill, that can be conferenced with the House Agriculture Committee, pass Cochran-Roberts, and it can be signed into law this year.

I think our approach is clearly the better way to go as it provides a direct payment that reflects the unique and very difficult times we face in agriculture today. As I have said probably 10 times—and now I will say it for the 11th—it ensures that our producers will get assistance when they need it the most, when they have no crop to harvest.

While our colleagues across the aisle have looked to the past in creating their countercyclical program, we have looked to the future. This is a unique program. It would ask the farmers and ranchers to pay a little attention. We have proposed the creation of a farm savings account, set up by a producer, in conjunction with the Department of Agriculture, at the bank of the producer's choosing.

Under our proposal, a producer can place a portion of their yearly earnings into a farm savings account. The Secretary of Agriculture will then provide a matching contribution of up to $10,000, which will be based on the producer's level of contribution and the total number of producers who participate in the program.

The total level of funding in the account at any one time cannot exceed 150 percent of a producer's 5-year average adjusted gross revenue. In addition, a producer can only pull funds out of the account in two instances: No. 1, when his or her adjusted gross revenue for the year falls below 90 percent of their 5-year adjusted gross revenue, or when the producer retires.

By putting in these withdrawal triggers, we are setting up a countercyclical program that will only be triggered when an individual producer's gross revenues fall below their historical levels. Thus, it becomes truly a countercyclical program that guarantees that a small, or regional, crop loss will not prohibit producers from obtaining assistance when they need it the most. Under the committee proposal, and the substitute—a thousand pages or more—producers may not receive assistance, again, when they need it the most.

There are three additional important points we want to make regarding this farm savings account. I want to make sure our colleagues understand this.

First, participation is voluntary. A producer only participates if he wants to, but the incentive is that they will receive a matching payment from the Secretary of Agriculture.

Second, specialty crop and livestock producers are eligible for this proposal. How many times have we heard the livestock producer and those who represent specialty crop producers—more especially from the Northeast—complain that the farm program left them out? That is not the case here. The producers of fruits, vegetables, forestry, and livestock are all eligible to receive matching payments from the Secretary. Ours is the only proposal that will provide assistance directly to specialty crop producers.

While the proposal across the aisle provides for specialty crop commodity purchases, where most of the funding goes to large cooperatives or businesses, ours goes directly into the hands of the specialty crop producers.

Finally, we want to clear up some false statements that have been put forward regarding our savings accounts. They are not tax provisions. These are not tax-deferred accounts as have been proposed in separate legislation in this and previous Congresses—I am for those, by the way. However, they can earn interest at a rate determined by the bank where the account is established.

Mr. President, the choice between the two proposals could not be clearer on the commodity titles, as I have demonstrated. The proposal put forward by the committee takes us back to the policies of the past while our proposal looks to the future and is more consistent with the bipartisan proposal passed in the House that largely maintains current loan rates and provides reasonable direct payments to our producers.

We also have serious concerns with the proposed conservation title. It has been changed considerably from what passed the committee, and, in an effort to attract votes, it is dangerously mortgaging future farm bills by taking funds from the budget baseline in the years beyond the 5-year length of this proposed farm bill. I already referred to that in terms of the one figure, $45.2 billion over 5 years, leaving only $28.3 billion for the second 5 years. So that is what we are talking about.

Specifically, they are jeopardizing the future of some of our most popular and successful environmental programs, including the Environmental Quality Incentives Program—EQIP—Wetlands Reserve Program, Wildlife Habitat Incentives Program, and the Farmland Protection Program.

Their proposal frontloads funding for these programs and then provides for draconian reductions in the baseline for 2006 through 2011. At the same time, it greatly increases funding for something called the Conservation Security Act. That is a new, interesting, but untested program in 2006 through 2011.

I don't argue that the Conservation Security Act's goal of providing conservation incentives on working lands is not a good one. It is a good one. In fact, in our alternative we set aside a portion of our EQIP funds for activities on working lands. But I don't think it would be right, and I think it would be a critical and unfortunate mistake, to eliminate the future of many of the successful programs I just mentioned in 2006 and beyond and, instead, stake our conservation success on an untested program.

We also remind colleagues that those programs that would face the most severe cuts and restrictions in the outyears are those that most directly impact wildlife, livestock, and dairy producers.

Is this really the way we want to go? Senator COCHRAN and I don't believe so. That is why you see a significant investment in current conservation programs and the ramping up of these conservation programs in our bill. We gradually increase funding for the popular programs that farmers now enjoy and participate in over 5 years for all of the specific purposes that certainly are commensurate with the worth of the programs.

Let me say that we are not trying in this effort to point out the differences between the bills, to create a partisan fight in response to what happened regarding the process of the debate. We are simply putting forward what we believe is better policy and a more responsible use of the funds available to it.

The time is short in this session of Congress, and even shorter as we speak today on Friday. If we are serious about really finishing the farm bill this year, we should pass our proposal, which is very similar to the bipartisan bill passed by the House and, again, which could be conferenced with that bill in a matter of days.

Our alternative does not slow the process. Some are trying to say we are slowing down the process. We point out that all the other titles of the substitute proposal—Senator COCHRAN and I sat down and looked at each and every one of them—we put forth are very similar to those titles passed by the Agriculture Committee. We do not have a quarrel with those. We do not have any dispute.

Except for shifting some money from mandatory to discretionary and eliminating the partisan use of crop insurance reform funding as an offset, we have largely left those titles intact. We agree with many of the principles that are contained within these titles. As I said, there is no dispute.

We always try to pass the best possible bill when we are considering farm bills. I do not believe the underlying bill is the best we can do. It is not time to reinvent the wheel and go back to the policies of the past. We are at another one of those historical crossroads in agricultural program policy. We can look forward or we can look back. We can choose to return to the failed policies of the past and put our farmers and ranchers at a competitive disadvantage on the world market at the same time our dependence on the world market actually continues to increase, or we can take the necessary steps to provide our producers and trade negotiators with the tools necessary to open foreign markets and meet the demands of the world market.

The critics of our proposal have in past years stated on the Senate floor that one day we will wake up and discover that we are no longer the leader in agricultural exports. I just mentioned that we are about 18 percent in all of the commodity exports globally. The EU is 17, and the trend is not good. It is just like we lost the market in regard to automobiles. It is interesting to note that many of the pitfalls suffered by the U.S. auto industry in the seventies and early eighties were based on an unwillingness to change policies and adapt to the desires of the consumer market.

Could there be a similar effect for agriculture if we proceed with the proposal that is put forward by the committee and continue down the path of programs that will make us uncompetitive in world markets and hamper our bargaining power at the WTO negotiating table?

My colleagues are correct. The choices we make today and in the next few months will affect the future of agriculture in the United States. My hope is that we will continue to look, with our producers, toward the future, as I have indicated, and not in the rearview mirror and at the broken policies of the past.

I have a letter that was addressed to the Honorable TOM DASCHLE, majority leader of the Senate, and the Honorable TRENT LOTT, the minority leader, from quite a few commodity groups and farm organizations urging progress on the farm bill so we can get it done this year.

I emphasize again that I want the best possible bill we can get. Some producers in Kansas have been in touch with me and asked: Can we get this done?

I said: I hope so. But would you support a bill that would provide you $1.3 billion less over 5 years in Kansas than the bill we have proposed? Would you support a bill that robs crop insurance reform to pay for higher loan rates which may depress the market? Would you support a bill that has a brand new conservation package that out on the high plains we really do not know that much about? And all of the additions that have actually been proposed? The answer to that is no. The answer to that is we want a better bill, and if you have a better bill that can be conferenced more quickly and supported by the administration, it seems to me that is the way to go.

Which bill has better results for Kansas farmers? There is an outfit called the Agricultural Food Policy Center—the acronym is called AFPC—at Texas A and M University. They estimate our proposal will provide $1.3 billion more in Government assistance to wheat farmers from 2000 to 2006. It also shows sorghum producers will receive more funding, and according to analysis by the Food and Agricultural Policy Research Institute (FAPRI) Cochran-Roberts/Roberts-Cochran will result in higher market prices, i.e, overall returns from the marketplace, while the Daschle-Harkin bill will actually drive prices lower than what would occur if the current farm bill remains in place with no changes.

It is the same in Montana and in other areas of the country, according to the FAPRI study, an independent study.

Sure, I want a bill. I want to get it done. I want to get it done as fast as possible, but I do not want to support the worst possible bill of the two.

I thank my colleagues for allowing me to speak at great length. I apologize to my colleagues for taking this much time. I have not had an opportunity to talk about this yet. I have amendments to offer, but I wanted to take this time to fully explain my personal view and the hard work that went into the alternative that I think certainly merits the support of the majority in regard to where we go with the next farm bill.

I yield the floor.

Mr. COCHRAN. Mr. President, I am pleased to join the distinguished Senator from Kansas in offering a substitute, an alternative, to the Daschle proposal for agriculture legislation. It is important we recognize we are involved in a process that does naturally and routinely, whenever Congress addresses farm legislation, take a considerable amount of time.

At the outset, I am disturbed by hearing news conferences are called for the purposes of highlighting how Republicans are obstructing or slowing down the consideration of this farm bill and are putting in jeopardy the passage of a farm bill before this session of Congress adjourns. That is totally unfair and unjustified.

If we look over the history of farm bill consideration, the 1996 farm bill, for example, under which we are now operating, there were over 300 amendments considered to that farm bill during the consideration by the Senate. There have been only a handful of amendments considered so far during this farm bill debate. They have all been germane amendments, all conscience efforts to improve the bill or change it in a way that will help provide more support that is needed by farmers in this perilous economic situation we are in, or in other ways changes farm policy the Senate has a right to consider.

There are going to be amendments. I do not know how many amendments are now pending. I am told there are over 30, according to our count last night. The point is, this is a serious issue. It has huge ramifications, not only for those involved in agricultural production but also for American consumers and the agricultural economy worldwide. So it is not a subject that ought to be flippantly or quickly rammed through the Senate under the pressures of the last closing days of the session.

If this was thought to be an appropriate time to bring up a farm bill by the Democratic leadership, under the obvious constraints of the time we have available, why did they wait so long? Why did they wait until the last few weeks of a session of Congress to bring up a bill such as this? The House passed a bill much earlier in the year, even though at the time many of us thought it was not necessary to pass a bill that early. The legislation we are under now does not expire until next September. Farmers are worried, and justly so, that because of declining balances in the Federal Treasury, more pressure on the budget to wage a war against terrorism, to deal with the realities we have to confront on that subject, it may be more difficult to get the level of financial support for production agriculture than we may be able to get if we could act during this year. So that is really one of the reasons.

Another reason is so there can be a predictable level of support committed by the Federal Government to production agriculture, those who are involved in planting the crops, those who are involved in financing the planting of the crops, a level of certainty and predictability so they can make plans for this next crop-year. So that is a legitimate concern as well.

So we are trying to accommodate those concerns and interests, but it is very difficult. The pressures are tremendous to get this done and to get it done quickly and get it to the President so it can be signed and enacted into law.

That brings into question, which process or which proposal, which alternative, will likely serve that goal? I suggest it is the Cochran-Roberts bill and not the Daschle substitute. The Daschle substitute has an enormously high level of loan rates in it. That is one of the big problems because that is not going to become law. That is just not going to happen. That is pie in the sky. It is not a realistic expectation, under the circumstances we have today, for a new farm policy to be enacted quickly without people understanding all the ramifications. It is such a dramatic departure from current law, past policies, and the impact it is going to have on commodity prices, the production levels of commodities will distort the world market to such an extent it is unacceptable. That is the big problem.

There are other problems with this bill as well. There are huge numbers of new mandatory spending programs contained in this Daschle bill. In the rural development section of the bill, which we considered in our committee, there are numerous new mandatory spending programs. What is that? These are programs where the spending of the money is directed by law at prescribed levels for certain activities in rural development. Those programs that have been authorized in the past authorized funding levels, and the appropriations process then analyzes the availability of funds, tries to deal with the allocation of resources in a fair and justifiable way, after hearings and consideration of what the needs are each year, so annually we make a decision as to how much money is to be spent.

This bill is going to predict and mandate over 5 years how much money has to be spent for each of those rural development programs. That is new. That is a dramatic change. That is really not good policy. The Senate had not heard about that, had not talked about it, but that is in this bill. That is in the Daschle substitute.

I complained about it during the markup. We received the markup papers in the middle of the night before we marked up at 9 a.m. This is another part of this rush to legislate. The committee did not take time to have hearings, to consider carefully the options for a new farm as did the House. The House had hundreds of days of consideration prior to the beginning of the markup of the House bill. They had hearings all over the country, hearings in Washington. Our committee had some hearings.

There was a transition that made some difference. In March, the party majority switched in the Senate and the new leadership of our committee had the responsibility of taking over abruptly. That made it a little more difficult. There was a startup problem. We have had the anthrax business in the Senate. Senators have been displaced from their offices. Staff members have been displaced from their offices. There have been problems. There have been challenges to the ability of the Senate to work quickly to respond to the legitimate needs we have for appropriations legislation and other legislation. That is the reality of the situation.

There are amendments that I may offer on the rural development side. In fact, the Cochran-Roberts bill changes these mandatory spending programs into authorized spending programs so we can annually make decisions about the level of funding available and justified. Instead of being able to project a long period into the future of budget surpluses, which was the case, we are confronting a new reality. We are not going to have as much money in surplus in the Federal budget as we expected. That may affect the funding levels realistically available for some of these rural development programs. All of them sound good, but we have to view them in the context of budget realities and legitimate needs and how effectively these funds will be used to try to address the problems they are designed to solve.

One other aspect of difference between the Cochran and Roberts bill and the Daschle substitute is the conservation title. We have a very strong conservation title in our bill. The commodity title is different, as well, not only in the loan rates I mentioned but also in the predicted constant level of Government support made available, directed to producers of agricultural commodities.

Let me point out in some detail the differences in the commodity title in Cochran-Roberts compared with the Daschle substitute. Our bill maintains planting flexibility with a fixed payment throughout the 5-year life of the bill. In the last few years, Congress has provided producers with supplemental assistance because of the depressed prices and because of natural disasters which have struck many States. The combination has created disastrous situations. Congress has responded. There is no guarantee under the budget realities of today that we are going to be able to continue that level of ad hoc special emergency funding to provide those levels of support in the future. That is another reason the Cochran-Roberts bill determines in advance and sets out in clear language and numbers in the bill the amount of payments the Federal Government will make to producers of agricultural commodities.

Another aspect of our bill that is different is we maintain the successful marketing loan programs with loan rates that do not distort market prices. They do not encourage overproduction and therefore have a depressing effect on market prices.

A new farm savings account is authorized in this legislation. This will be money available to farmers from the Government to match their own savings they invest in order to cushion the effect of years where commodity prices are lower. There are naturally going to be ups and downs in market prices in agriculture as there are in a lot of other economic activities. This account creates a new 401(k) program for farmers. The Federal Government will match the money that the farmers put into these accounts.

Another change that farmers will appreciate in this legislation we are proposing is a provision allowing them to update their base acres. A lot of farmers are convinced the system, the way it works now and the way the program is administered, penalizes them because it contains out-of-date information and is not an accurate reflection of the number of base acres that are farmed and on which the payments can be calculated under this program. This process allows farmers to be paid on a more recent production list.

The conservation title I mentioned briefly. Let me point out specifics in the conservation title in Cochran-Roberts and why it is a very strong commitment to the conservation of soil and water resources in our country. There are higher levels of authorization for the programs that have proved to be successful in encouraging farmers to produce their crops in environmentally friendly ways. The centerpiece of the conservation title is the Environmental Quality Incentives Program, known as EQIP. Under the current EQIP, there is an authorization level of $200 million per year, or $1.2 billion over the 6-year life of the bill. The Cochran-Roberts substitute raises that authorization by $450 million, to a level of $1.65 billion for the life of the bill. The Conservation Reserve Program is also increased from 36.4 million acres to 40 million acres. The Wetlands Reserve Program is increased to 250,000 acres annually. The Wildlife Habitat Incentives Program authorized at $25 million annually is increased to $100 million each year. The Cochran-Roberts substitute contains a generous level of support for conservation programs.

In summary, these are the reasons why the Cochran-Roberts bill is a preferred alternative to the Daschle substitute. It is trade friendly; it is consistent with the WTO rules; loan rate levels are consistent with the House bill, which makes the bills more easily conferenced. The Daschle-Harkin approach is not going to be easily conferenced with the House. In my view, it will be impossible to conference with the House. It cannot be reconciled with the House because of that fundamental major departure. Cochran-Roberts provides a strong commitment to conservation. I mention that again because some are suggesting we are not providing enough support for conservation programs in our alternative. That is just not true.

We have a farm savings account which will help counter adverse price cycles. The administration supports our bill. The President will sign a bill that is based on the principles of the Cochran-Roberts bill. Support for Cochran-Roberts will produce a bill and a new farm law, not just a campaign issue.

I urge Senate support.

Mr. CRAIG. Mr. President, the last few years have been very hard on all of Agriculture because what farmers are getting for crops often does not cover the cost of production, let alone make a profit.

Because of the prolonged slump in commodity prices, earlier this year we were on the floor debating additional assistance to farmers. I supported the $5.5 billion in emergency farm aid for the last 3 years, because I believe if we want our farmers to stay in business and our rural communities to survive, we must help them until prices come back. However, Congress cannot keep doing these ad hoc disaster bills. We must provide more certainly to farmers across the Nation, which is why I am pleased Congress is taking up the farm bill. However, I am disappointed that such a bipartisan issue has been made partisan. It is my hope that we still have time to pass a farm bill with good agriculture policy to help our farmers, ranchers, and rural communities. That is why I support the Cochran-Roberts alternative. A proposal that will provide support for our farmers when they need it and not send signals to produce when the market can not bear the production. Harkin has high loan rates which cause farmers to produce for the loan deficiency payment, the over production cause prices to be further depressed.

I also support the improvements to the sugar program. The authority for inventory management will help restore balance to U.S. sugar market and prevent more of our farmers from going out of business. The elimination of the marketing assessment was long over due. as sugar was the only commodity to be taxed for debt reduction. Sugar is an important crop to my state and these improvements will help it remain a viable part of Idaho agriculture. Harkin does all of this and gets rid of the loan forfeiture penalty. This proposal does not contain a so-called national dairy program that benefits some dairy farmers at the expense of farmers in my State. We should work on a national policy that is fair to all farmers and that makes us more competitive on the world market. I am pleased that dry peas, lentils, and chickpeas were included as a farm program. Loan rates and LDP's will help these crops remain competitive with wheat and canola in rotations along the northern tier states, this is in Harkin. I also support the nonrecourse loans for wool and honey. Our wool growers have seen wool become an expense rather than additional income from their sheep, this program will help to overcome that. Both wool and honey, as other commodities, have been adversely impacted imports and it is time these commodities have programs as other commodities do. I am pleased with the increases in EQIP. Environmental Quality Incentives Program, funding and the improvements to this program that is vital to our cattlemen who are working to comply with water quality issues.

The grasslands reserve program is a proposal I introduced earlier this year and I am pleased that it was incorporated in this amendment. This proposal will help keep working landscapes intact which will benefit the ranchers, rural communities and wildlife that are dependent upon them. There is much more to this amendment in all of the other titles but I will not go into detail, rather I would like to congratulate Senators COCHRAN and ROBERTS for assembling a well-balanced piece of legislation that works to address the different needs in every region of our country.

The PRESIDING OFFICER (Mr. CORZINE). The Senator from Montana.

Mr. BURNS. Mr. President, I rise today in support of the Cochran-Roberts approach to this problem. I think it is a middle-of-the-road approach to where we are under today's policies, what was proposed and what was voted out of the Agriculture Committee.

Yesterday there were a few of us who believed the cloture vote was not a good experience. Most of us who had amendments, and substantive amendments, had not been able to talk about those amendments or even file them. We believe they are very important. We all have the habit, in this debate, of being a little bit provincial. We look at what we need in our States. What we have experienced in the State of Montana—in the last 3 years especially, but basically we are in the middle of a 5-year drought. That cycle does not appear to be breaking in our State. We had a little snow here 3 weeks ago, but since then the temperatures have moderated and, again, we are into a very dry fall. It is unusual for Montana.

We have had winters when it has been very good in my State, even though we are on the northern tier. Nonetheless, it has been a dry fall and of course we live in the part of the country where, if it does not winter, it does not summer. We are afraid of that again.

The present legislation, the Daschle substitute, still offers some very troubling proposals. The day before yesterday, an extended debate was headed by our good friend from New Mexico, Senator DOMENICI. In the conservation title there is a section title dealing with CRP, to thrust the Government into a position where they can buy out, or coerce out, a farmer or rancher's water rights. This would involve going around the State water adjudication process, going around water trusts that have been set up for States such as Oregon and Montana and other Western States.

We are still looking at that section. Even though it was amended to allow States to opt into the program, we are still looking at it because I think the whole subsection of the conservation title should be stricken. We could talk about that and offer another amendment on that, but that would not be productive during this debate. But I do have a couple of amendments I am going to offer now.

I ask unanimous consent that other pending amendments be set aside.

The PRESIDING OFFICER. Is there objection?

In my capacity as a Senator from New Jersey, I object.

Mr. BURNS. While we are in the process of reviewing that, there are other areas of this legislation where we could offer amendments, areas which I believe have to be addressed by this body and by this Government.

We have a situation on the northern border with our good friends in Canada that is intolerable when it comes to movement of farm chemicals back and forth across the border. We have farmers in Montana who farm both sides of that international boundary. We would like to normalize those labels of like chemicals that are labeled to do the same things. So far, we have not been able to do that. I think it would be inappropriate, again, to offer an amendment, hard and fast, where we could deal with that problem. But I will be submitting some language because this does involve the EPA, the Department of Agriculture, and it also involves our International Trade Representative. To get them involved, report language is going to be needed in order to deal with that problem.

We could also talk about captive shipper in those areas where we only have one railroad. There is an old saying in Montana that you farm the first year for the Government, the second year is for yourself, and the third year is for the railroad, because they take about a third of your crop just to move it to the processor or to the export terminals. We are in a position where it costs us more than it should. It is funny that you can ship grain from Omaha to Minneapolis or Portland cheaper than you can ship it from Montana. We have to deal with that, and so far we have not been able to come to grips with how to deal with monopolies in a State, especially when it impacts the movement from a State that produces raw materials.

Of course, we have that situation in grain. We have the situation in coal. It impacts the cost of energy. It also impacts the cost of farming. We forget around here that agriculture buys retail and sells wholesale, and usually pays the freight both ways.

We could also get on the old populist line, that what is lacking in agriculture today is that for years—and I suggest this to my friend from Kansas—for years we lived on the part of the consumer dollar that ranges from 15 cents to 20 cents. That is not true today. We are down to 9 cents or 10 cents.

We have no lever in the market. We can't just go to the marketplace and say: No, it cost me $4 to produce the grain. I am not going to sell it for less than $4; that would be silly. Because that is like going to a store or tractor dealer or fertilizer guy, who can say: No, it cost us so much for the fertilizer, and this is what it is going to cost you. And guess what. We pay them. But a farmer doesn't have that leverage in the market that he once had.

Yesterday we had an amendment dealing with packer concentration, basically, saying the packers could not own livestock, or, if they did, they could only own it for 14 days prior to the scheduled slaughter. I don't know how you get 14 days and I don't know how you define that—that is yet to be determined.

There is a reason for this. There is going to be a reason we should deal with the Packers and Stockyards Act, because that is a law that was written way back in the 1930s and it has never been amended or changed in a substantive way. Back in those years when I was a lad, I would say 80 percent of the livestock that was marketed went through terminal markets. We can remember the great stockyards in Kansas City, Omaha, Chicago, Minneapolis, or South St. Paul, Sioux Falls, and Sioux City, East St. Louis—all the great terminal markets. Over 80 percent were marketed that way. Packers specifically in that law were prohibited from owning a commission house or stockyards.

There was a reason for it. Back then, we had the "big five." There was Wilson, Swift, and Cuttahay. I have a fantastic memory, but it is short. Back in those days we had the five major ones when we talked about livestock marketing and processing. Now the movement of slaughter animals to market is reversed. The chicken industry is a horizontal and vertical entry. In fact, I would say it is done 75 percent of the time in the hog business. They have "chickenized" the hog business. But in cattle, they have not. If 80 percent of the cattle are going to move to the plants without going through a stockyard, or commission house, or an auction market, then another firewall has to be built.

There is a very good reason for that. The intent of the law was good, and it worked. It worked to benefit the producer. That is why the amendment that was voted on yesterday in the Chamber which came from the livestock area was successful.

I ask the Chair, How are we doing? Can I offer my amendments?

The PRESIDING OFFICER. The Senator may offer his amendments.

Mr. BURNS. I ask unanimous consent to set the pending amendment aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. Thank you very much. I appreciate that.

I offer this amendment, and I will talk more about it later. But it is a limitation on the amount of acres that one landowner could put into CRP.

The CRP is a well-intentioned program, but it has been changed. I guess it evolved. It has been done mostly through Executive order rather than through legislation.

I think it is about time that we get the Conservation Reserve Program back to its original intent. The intent was to set aside those undesirable or highly erodible acres, and the Government would reimburse the farmer for good conservation practices. It was very successful. I don't know of a time in Montana when we have had a better habitat for our upland game birds—grouse and pheasant.

We had the situation where some people under farm programs were plowing from fence row to fence row. Lands that should have never ever been broken were going into cropland.

We kind of killed two birds with one stone. We said: OK. Let us set some of those lands aside. Maybe that will cut back a little bit on production. That will give us a better market. But those highly erodible and marginal lands could also be used for a very good use—for the environment and the maintenance of our habitat for our wildlife.

I don't know of a farmer or rancher who doesn't like a little bit of wildlife around. I know I do. My father even planted little areas of lespedeza, and put four rows of crops around it. It was covered with quail in those areas. They are a marvelous bird.

This amendment deals with the amount of land you can put into CRP.

There is also another reason for this amendment. We have seen in rural areas that our smaller towns have dried up. We have seen very good productive land put into the Conservation Reserve Program. Instead of the farmer selling the land to a young farmer, they have put it in there. And they go where the snow does not fly.

It is really not a bad deal, when you think about it. But it is counterproductive to our communities when the biggest base is production agriculture. Those lands should be kept in production. After all, the American people have decided they want their insurance policy, called "plentiful food." They want the quality and the quantity. They also want the grocery store open 24 hours a day. That is the reason for this amendment.

I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2607 TO AMENDMENT NO. 2471

Mr. BURNS. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] proposes an amendment numbered 2607 to amendment No. 2471.

Mr. BURNS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To establish a per-farm limitation on land enrolled in the conservation reserve program)

On page 205, strike lines 8 through 11 and insert the following:

(c) MAXIMUM ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary";

(2) by striking "36,400,000" and inserting "41,100,000"; and

(3) by adding at the end the following:

"(2) PER-FARM LIMITATION.—In the case a contract entered into on or after the date of enactment of this paragraph or the expiration of a contract entered into before that date, an owner or operator may enroll not more than 50 percent of the eligible land (as described in subsection (b)) of an agricultural operation of the owner or operator in the program under this subchapter.".

Mr. BURNS. Mr. President, that is the amendment on which I just had the opportunity to speak.

I ask unanimous consent that the amendment be laid aside and that I be allowed to offer the second amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2608 TO AMENDMENT NO. 2471

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] proposes an amendment numbered 2608 to amendment No. 2471.

Mr. BURNS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program)

On page 212, strike lines 13 through 15 and insert the following:

reduce the amount of payments made by the Secretary for other practices under the conservation reserve program.

"(j) PER-ACRE PAYMENT LEVELS.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall conduct a study to determine, and promulgate regulations that establish in accordance with paragraph (2), per-acre values for payments for different categories of land enrolled in the conservation reserve program.

"(2) VALUES.—In carrying out paragraph (1), the Secretary shall ensure that—

"(A) the per-acre value for highly erodible land or other sensitive land (as identified by the Secretary) that is not suitable for agricultural production; is greater than

"(B) the per-acre value for land that is suitable for agricultural production (as determined by the Secretary).".

Mr. BURNS. Mr. President, this amendment also deals with conservation reserve. The original intent was to take those marginal and erodible acres out of production and set them aside.

This amendment pays the landowner more for the acres that he sets aside that are the lower class lands and soils and pays less for the productive land.

This is an incentive for the farmer or rancher to set aside the land that we really want to see in the Conservation Reserve Program, and it will do everything that we wanted to do that I spoke of on the first amendment.

It is fairly straightforward. If we think this program is important, then we must fulfill the intent of the program and give the producer the incentive to carry it out. I think that is what this does.

I will offer amendments as we go along, but those are the two main amendments that I wanted to offer to the Daschle substitute of the farm bill.

I hope as we march down this road to try to craft this legislation that we can at least take a commonsense look at these amendments.

It seems in agriculture when you start talking about a farm bill everybody becomes a farmer. Sometimes we get led astray when we are not living in the real world on what it is like in the country.

I want to tell you that there is only one problem in the country; that is the price. Everything else would go away if we were getting a fair price for the product. The price we get now has very little to do with the cost of the final product we buy in the grocery store.

As I said, we were very happy when we used to receive 15 to 20 cents of the consumer dollar. Now we are down around 9 or so. That becomes a real strain.

I thank the Chair, and I thank my good friends who are managing this bill because it is difficult to do that, at best. But we will start talking about two other items and offering some report language that deals with those items so that we can start the process to deal with that. Those items deserve to be debated. I think everybody in this body needs to know the particulars of what is involved with captive shippers and the problem we have in the normalization of labels when we talk about farm chemicals and fertilizers.

Mr. President, before I yield the floor, I ask unanimous consent that my amendments be set aside and we return to the amendment that was considered before I offered my two amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. I thank the Chair.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, this morning we have had a generous discussion of farm policy. Some see me come to the floor of the Senate and say: Oh, no, here comes the farm speech again. Probably that is the case because family farming is very important to this country, to its future, and the passion I have for trying to do something to keep a network of food producers in our country represented by families living on farms in America is a passion that doesn't dim. And so I will respond to some to the discussion to date.

We have been debating the farm bill all week. Today we are in a town largely vacated. We don't have record votes. The Chamber is largely empty. We are in a situation where we will now take the farm bill into next week because we had a cloture vote to try to cut off a filibuster yesterday, and we did not succeed. Fifty-four Members of the Senate voted to restrict debate so we could finish the farm bill, and that was not enough. It requires 60 votes.

We have some in this Chamber who have decided to slow-walk this farm bill. While that is not unusual—that happens on legislation—no one has actually confessed to that strategy. They just have done it. Actually, on a good day no one accuses the Senate of speeding. But on bad days, this is almost glacial in terms of its movement. That is what has happened in recent days with respect to the farm bill.

I listened carefully to the discussion this morning and to the discussion earlier in the week with respect to those who don't like the farm bill that came out of the Senate Agriculture Committee. I am reminded of the person who knows the cost of everything but the value of nothing.

We have had a lot of discussion with respect to a farm bill, and it is about numbers—carryover stocks, loan rates, direct payments, a whole range of numbers. No one really talks of values.

This debate is much more than just a discussion about numbers. It is a discussion about values: What kind of a country do we want to be. What kind of an economy do we want to have? Who do we want to produce America's food? Does it provide security to have a network of family producers scattered across this country, producing America's food? Does that produce a more secure food supply? Those are the questions we also ought to be discussing.

I have expressed to my colleagues previously my feelings about farming and family farmers and ranchers in my State and other States. The Presiding Officer today is from the State of New Jersey. It is a large State, an urban State. His experience and background would be different than mine. I come from a town of 300 people. The Presiding Officer likely grew up in a town slightly larger than that.

It seems to me that all of us coming together in this Chamber represent the gridwork of America, bringing different perspectives and different values from different parts of the country together in a discussion about who it is we are and what we want to be. That is why I rise to talk for a moment about family farming in North Dakota and what it provides for our rural lifestyle.

My little town of 300 people just had their last high school prom last May. It was the last high school prom because it was the last year of their high school. I graduated many years ago from that same school in a class of nine. There were seven boys and two girls.

(Mr. INOUYE assumed the chair.)

Mr. DORGAN. Well, the years passed and passed, and some more years passed, and they came to last May when the high school in Regent, ND, was closed. They held their last high school proposal. So the Regent Ranger basketball team and that high school are history. That is happening across much of the Farm Belt in the small towns that are shrinking like a plum to a prune, just shrinking up.

So the question for many is, Does it matter? Isn't that the inevitable march of progress, the drumbeat of moving ahead? Isn't that inevitable? Why not just accept it?

There are things that we lose in this country when we decide that that which is rural doesn't matter. I will give you some examples. I have mentioned before these examples. Nonetheless, they are important. If you are in need of a hotel room and are in Marmarth, ND, this evening, there is a hotel in Marmarth, ND. No one works there, however. You just go in and you take a bed, and the next morning when you leave, there is a cigar box attached to the inside of the door and they would like you to put some money in it, if you can. That is how you get a hotel room in Marmarth. Admittedly, it is a small town. Marmarth has 70 or 80 people now. It is an old railroad bunkhouse that they use as a hotel. The door is open for you if you need a place to sleep. Just put some money in the cigar box.

That is part of a system of rural values that I think is important to understand. Another part of my State, down the road, also in the southern part of the State, is Havana, ND. People magazine did a story about Havana. They have a cafe in Havana, a little restaurant, but it is also a very small community. I believe it is under 100 people—perhaps just under 200. In any event, in order to keep the restaurant open, because they can't afford to keep it open under regular circumstances, they asked the townspeople to sign up each week for when they can work there for 2 hours—for free, for nothing. That is the way the community keeps the small town cafe open.

In Tuttle, ND, a little town of less than 100 people, they lost their grocery store. That wasn't satisfactory to the people in Tuttle, so the city council decided they would build their own grocery store. So you have a city-owned grocery store there. Some would call that socialism, but they simply wanted a grocery store, so the city built it. I was there the day they opened the new grocery store. They asked me to come. They cut a ribbon on Main Street. They had the high school band out on a beautiful day. The sun was shining, the wind was blowing gently, and the high school band played on the streets to celebrate the opening of the city-owned grocery store. Good for them.

In my hometown of Regent, they had a robbery. They had not had one for an awful long time. The county sheriff from Mott came rushing over in his car. He had his lights and siren on because he doesn't get a chance to use them that much. He came rushing in and discovered someone had stolen some money from a home. He investigated and announced that there was no sign of forced entry because these folks had gone on vacation for 2 weeks and had not locked their house. They had left some cash in their home and someone had stolen some cash. But there was no sign of forced entry because, having left for vacation for 2 weeks, they didn't lock their home.

The county sheriff said to the residents: There are two things you ought to consider doing. One, if you are going on vacation, consider locking your home. Two, if you are going to leave your vehicle on Main Street, consider taking your keys. The people in my hometown down at the cafe talking about that discovered there was a practical problem for the first suggestion. Most people didn't have keys for their homes. Regarding the second recommendation, the county newspaper pointed out that the county sheriff thought people should remove keys from vehicles on Main Street when they parked. They asked a rancher how he felt about that. His response was: Well, the question I have about the sheriff's suggestion is, what if somebody needs to use my pickup truck?

So that is where I come from. That is a set of rural values that you won't find in some other parts of the country. These are wonderful places in which to live and raise children, places with good neighbors. So this is more than just about dollars and cents. It is more than just about graphs and charts that people show with lines and bars on them. It is about values, a value system.

Let me speak for a minute about what is happening in rural America. The discussion we have heard this morning is about our plan versus their plan. Well, look, every plan that existed in the last 30 years had been a plan during which, when implemented, we have had this relentless march away from rural America.

There is a Lutheran minister in New England, ND, who told me that she conducts four funerals for every wedding. She says: For every wedding I conduct in my Lutheran Church, I conduct four funerals.

I thought, that is the opposite of that movie, "Four Weddings and a Funeral." In rural America, it is four funerals and a wedding. Why is that the case? Because the population is growing older, young people are leaving, family farmers are going broke. This rural lifestyle of ours is decaying and atrophying. The question is whether the Congress cares about it, whether there is a public policy in Congress that matches the kind of public policy Europeans have already embraced that says: Do you know what we want for our future? We want a network of food producers represented by families, producing food on the land across Europe. We want that for food security purposes and for economic and cultural and social purposes. They have done it. Go to Europe and go to a small town and ask yourself whether that town is living or dying. It is alive. Do you know why? Because families out there are making a living on the land producing crops.

This country points to Europe and says it provides subsidies to its farmers, as if it is an accusation. Yes, it does, because that is the kind of economy it wants. When prices for food collapse on the international markets, Europe says they want to maintain a network of farmers in rural Europe. So, too, should the United States decide that family farmers matter. Family farming is much more than just the act of planting a seed. Family farming produces communities. It is the blood vessel that creates small communities. It is where we raise children and educate children, and those family values that start on the farm and roll from family farm to small towns to big cities nourish and refresh the value system of this country. That is why this issue is important to some of us.

We can ignore this, we can pretend the problem doesn't exist, and we can say everything is just fine. But that ignores the truth—the fundamental truth that somewhere all across rural America this morning families were waking up on farm after farm after farm wondering how long it is going to be before they lose their farm. How long before they lose their hopes and dreams of trying to make a living by scratching the land and planting a seed, how long?

You can't imagine the letters we receive from people who have lost everything. A woman called me a while ago. She and her husband got married just out of high school and started a farm. That was about 25 years ago. It was a dairy operation. If anybody knows anything about dairy, you know how hard that is. You milk every day, twice a day, early in the morning and at night. She said for 25 years they have scrimped on everything; they don't go to town on weekends or at night, and they don't spend money foolishly on anything. They wait an extra year to buy Levis for their kids for school. They called me and told me a story.

She said: The bank says they are going to foreclose on us because the price of milk is too low and we can't make a living milking 80 cows. What are we going to do? It is the only thing we know. It is what we decided to do after high school. Our dream was to run a family farm. We have done it for a quarter century. We are not trained for other things. Can you help us?

That plaintiff cry, "Can you help us," comes from all corners of rural America to the U.S. Congress, asking: Do you care whether family farms produce America's food? If you do, give them a decent opportunity to make a living if they are good managers.

That brings me to the point of the numbers. When a family farm in rural America today raises a bushel of wheat, they are paid a pitiful sum for that bushel of wheat by the grain trade because the grain trade says that food they produce isn't worth anything.

It is inexplicable to me that in a hungry world where half a billion people go to bed at night with an ache in their belly because it hurts to be hungry, our farmers are told their food has no value. It is just inexplicable. That is what the grain trade says to the family farmer, but that food the grain trade tells the family farmer has no value is put on a railroad that in most places charges monopoly rates to a farmer to haul that grain to the market.

From that market, a cereal manufacturer will take from that bushel of wheat a kernel and puff it, and by the time they get that puffed kernel of wheat and stick it in a cereal box, seal it up, put bright colors on the box, send it to the grocery store, and put it on the shelf, they will sell that for $4 for a small box. All of a sudden that food does have value. It just had no value for the person who bought the tractor and planted the seed and took the risk.

The value is to the company that took the kernel of wheat and puffed it, or the rice or the corn and flaked it and created the pop and the crackle, and then sold it for $4 or $5 a box. That is where the value is, apparently.

Farmers have increasingly lost their share of the food dollar as they are pressed from above and pressed from below by increasing monopolies in virtually every direction that a farmer looks—hauling their product, selling their product, buying their chemicals, buying their seed in virtually every direction. Then when the Federal Government gets about the business of dealing with trade, saying to farmers, by the way, we will let you sell overseas that grain you raised, we discover the trade agreements this country has negotiated with others are fundamentally bankrupt in the way they treat family farmers.

We negotiated one with Canada and sold out American farmers, just sold them out. We negotiated one with Mexico and sold out American farmers. And the list goes on.

Farmers need a little help. Farmers are asking Congress to stand on their side for a change.

Let me go to this question of what kind of plan will work. We have a plan before the Senate that comes from the Senate Agriculture Committee. I know the administration does not like it. I also know some of our colleagues who spoke this morning do not like it very much. The administration wrote a statement of administration policy; it is called SAP. There is an acronym for everything in this town. They said supporting prices is self-defeating.

The point is, we really should not support prices for family farmers. And I fundamentally disagree with that. If a big economic interest has a headache, this town is ready to give them an aspirin, fluff up their pillow, and put them to bed. This town is ready to help them at the drop of a hat.

How about a family farmer who does not have much power? How about a family farmer who discovers the grain they sell has no value? Colleagues say: Supporting prices is self-defeating. It is not self-defeating. Supporting prices for family farmers is an effort to help this country maintain a network of food production that promotes domestic security in this country, promotes a lifestyle and a culture in America that is very important. It is not self-defeating at all.

We have brought this bill out of the Senate Agriculture Committee, and Senator HARKIN and many others brought it to the floor of the Senate. It was reported out unanimously. Every title of the bill but one was voted on unanimously, and that was the commodity title. That title was voted on and had a Republican vote, so it has a bipartisan flavor to it. This bill was virtually unanimous coming out of the Senate Agriculture Committee.

Despite the fact there is an urgency to get this done and get it done now—we are trying to get it done by the end of the year—yesterday we could not break a filibuster because some do not like the price supports in the bill.

Today we have a discussion by some who say they want to offer an amendment. We have been waiting for that amendment for, I believe, 4 days now; the amendment will reduce price supports for every single commodity. It will reduce the price supports for wheat, corn, barley, oats, oil seeds, and soybeans.

It seems to me reducing price supports—and the bill that came out of the Senate Agriculture Committee, in my judgment, is not generous enough, but at least it gets us at the starting line of what we need to do to help family farmers—reducing price supports from that level, in my judgment, would make no sense at all.

The proposition is: Let's have a direct payment to farmers that has no relationship to price. That is Freedom to Farm, too. That is the current farm law. The current farm law, Freedom to Farm—which title is sort of incongruous, in my judgment, but nonetheless that is the title to it—has nearly bankrupted rural America.

Every single year Freedom to Farm has been in force, we have had to do an emergency bill at the end of the year to keep people afloat. Why? Because the underlying farm legislation is awful. It does not work, and everybody in the country knows it does not work.

The proposal that says what we really need to do now is have a fixed payment, notwithstanding what prices are in the marketplace, is saying: Let's continue what we have been doing. Freedom to Farm is a proposal that says: Let's have 7 years of declining payments. It does not matter what the market is.

If the market is $5.50 a bushel for wheat and you do not need the help, you are going to get it anyway. That is what Freedom to Farm is. They did not calculate that instead of $5.50 a bushel for wheat, it collapsed to $2.50, and Freedom to Farm was a miserable pittance in terms of what farmers needed to stay out of bankruptcy.

The circumstances are that a substitute is going to be offered that says: Let's go back to a fixed payment, and if prices improve, we will still give payments. That is not my interest. In my judgment, family farmers do not want a payment. If they get $5.50 for a bushel of wheat, they do not want, they do not need a payment, and they should not get a payment. It is just very simple.

What we ought to be doing for family farmers is something that is a countercyclical program that when prices are collapsing and times are tough, we help. When times are good, we do not need to help. That is common sense, in my judgment.

The bill that was brought to us by Senator HARKIN does exactly that. It makes a policy U-turn and says: Let's understand Freedom to Farm did not work, and let's put in place something that is truly countercyclical. It retains all the things farmers want; that is, planting flexibility. They want the flexibility to make their own planting decisions, and they should have that. Absolutely. They have it under the current law. They will have it under the new law. That makes good sense.

It does not make any sense to begin, even before this bill is passed, pulling the rug out from under price supports saying somehow we want to provide less to family farmers than they need to survive.

This is an extraordinarily important time. We are not in session today with votes. We are in session but have no votes. We return with votes on Tuesday. We will be working Wednesday and through the remainder of the week, I expect. We expected and hoped we would get this farm bill that came out of the Senate Agriculture Committee passed by yesterday or the day before. We were not able to break a filibuster. So now we have to, on Tuesday, come back and see if we can—or perhaps Monday with no votes but then Tuesday with votes—see if we can provide some additional votes on amendments and get to the end stage.

My hope is those who have been developing this slow-motion strategy will understand that it serves no real interest. We are going to finish this bill. The only thing that will have been accomplished is we will have delayed dramatically the ability to pass a farm bill, and we will not have had the opportunity to have a conference with the House of Representatives if this goes much longer.

We have a Republican chairman on the House side who is anxious to get to conference. Congressman COMBEST—good for him—told the White House and the administration some months ago when they said, Don't write a farm bill this year; we do not want you to write a farm bill, Congressman COMBEST said to his own party: It does not matter what you want; we need a new farm bill, and I am going to do it. Good for him. I commend him. He is a good, strong guy who pushed ahead and did it. He wants to go to conference with us; the sooner the better.

My colleague, Senator HARKIN, has now brought a bill out of the Senate Agriculture Committee, and we should be in conference today had we not had a filibuster.

Hopefully we can be in conference next Wednesday. We owe it to the family farmers in this country to get this bill done and get it done right.

We will, I suspect, hear from a lot of family farmers in the coming days through their farm organizations. Every farm organization in America, every one that I am aware of, has asked this Congress to do this job now. Farm organizations and commodity groups have said: We support this job being done now. It is just inexplicable to me that on behalf of family farmers this Congress will not rush to good policy. If this were some other economic sector with big companies and lobbyists filling the hallways, Congress would be rushing off and saying, When can we get this done? But somehow when it comes to the farm bill, we have people who do not seem very anxious to complete the work.

I began by talking about small towns and values, and let me end again by saying this is about values. What does this country want for its food production in the future? Does it want family producers? If it does, then it has to develop public policy that complements those desires. I mentioned before that Europe has done it. We have not. Some of our friends point to Europe and say they are subsidizing their farmers. Yes, they are doing that. Good for them.

Do you know why they are doing it? Because Europe has been hungry, and it has decided it is never going to be hungry again. We have people who are just benign about family farmers. We have people who say it does not matter who farms America. We have big agrifactories that can line up tractors on farms from California to Maine. That would be fine. All that has been lost is families. Yard lights are not needed if there is nobody living out there. One can fly from Los Angeles to New York and see almost no lights then. I do not think that advances America's interest. I think that retards it.

I think there is a difference in terms of this country's future about who produces America's food, and if we stand with family farmers and believe in a future with family farmers producing America's food and believe the values that come from rural America are important to our country's future, then it seems to me we have an obligation and an opportunity now to do the right thing.

Doing the right thing is passing the bill that came out of the Senate Agriculture Committee, getting it into conference, and joining with Congressman COMBEST and Senator HARKIN in getting this bill to the desk of the President. I do not know whether the President will sign it. That is up to him. It is not our job to anticipate what this President might or might not do in agricultural policy. It is our job to write the best farm bill possible, and that is what we should be about doing.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I take the remaining few minutes we are in session today to respond to earlier statements of my colleagues, Senator ROBERTS and Senator COCHRAN.

Before I do that, I will respond to the editorial in the Washington Post today at the bottom of the editorial page, entitled "A Piggy Farm Bill." I thought in honor of that I would wear my piggy tie today. I have a tie with pigs on it, but they are little pigs, not big pigs. That is what the farm bill is about—helping the little person, helping the family farmer who does not have a lot of economic power like the big corporations and the big businesses all over this country.

The Washington Post has it all wrong. They say the farm bill "would institutionalize the insupportable excesses of the past few years. . . ." Excessive spending in the farm bill is what they are alleging. They say we are spending too much money, we should not do this because it is too much money going out to our farmers.

I had my staff do a little research. I thought I would put it in light of what we are spending in this country. During the Depression, public support to farmers was first established. In 1940, Federal farm support accounted for 3.9 percent of the Federal budget and .4 of a percent of the U.S. gross domestic product. In 1963, farm support accounted for 3.1 percent of the Federal budget and .55 of U.S. GDP. Over the last 3 years, Federal farm support has accounted for about 1.1 percent of the Federal budget and .2 of a percent of U.S. GDP.

In the farm bill we have before the Senate, S. 1731, for the next 5-year period, Federal farm support is projected to account for about .65 percent of the Federal budget, the lowest ever, and .1 percent of U.S. GDP, the lowest ever. In 1963 it was .55 percent of U.S. GDP.

When the Washington Post says we are spending too much of our national income on agriculture, I have to wonder, what are they talking about? Look at the past. We are spending less and less of our national income on agriculture. I will have more to say about that next week.

Now I will respond to Senator ROBERTS and Senator COCHRAN, and Senator GRASSLEY, my colleague from Iowa, who spoke this morning about the possibility that this bill would violate the WTO. He was greatly concerned about making sure we maintain our support to agriculture within the WTO limitations. I agree. I believe we should. We helped hammer out the WTO; we should remain within it. However, we should not be slaves to it to the point of neglecting the interests of U.S. farmers just because of WTO limitations.

Here is the data. This chart is complex, but under the so called "amber" box we are allowed every year $19.1 billion to spend on support for agriculture in this category. That is what the concern is about. Right now the ceiling is $19.1 billion. That is what we are allowed to spend under WTO annually. Right now, the yellow is where we are, at a little over $11 billion. Under the projections of S. 1731, the bill before the Senate, under the baseline projection, we will go up to slightly less than $15 billion over the 5 years, in any given year over the 5 years; the maximum would likely be right at $16.6 billion—a lot less than the $19.1 billion we are allowed.

To hear some Members talk, one would think our support to U.S. farmers ought to be way down here. But as my colleague from North Dakota, Senator CONRAD, pointed out, time and time again, if we are down there, we are unilaterally disarming against the Europeans who are way up here. My point is, under the bill in the Senate, we are nowhere near coming to the $19.1 billion allowed under the WTO. I hope people do not have some kind of scare tactics out there that we cannot do anything to have an effective farm program. We cannot have loan rates. No, we cannot do that. We cannot have countercyclical payments. No, that might disrupt WTO. I will point to this chart next week to show we are nowhere near the $19.1 billion.

My main objective on this farm bill is to have a sound farm bill for our farmers. My principal goal is not to satisfy the bureaucrats at the World Trade Organization in Geneva, Switzerland. I repeat that: My principal goal is to help farmers in America, it is not to satisfy the bureaucrats at the World Trade Organization in Geneva, Switzerland. We want to stay under the $19.1 billion. And we will. But there is no reason we have to be so intimidated that we do not design a program that utilizes fully our ability to operate within that $19.1 billion.

We have a safety valve in our bill. If the Secretary of Agriculture at any time estimates we are going to be above the $19.1 billion, she can take action ahead of time, in an orderly manner, to limit our support to U.S. agriculture.

Second, in response to trade, we have been diligent in our farm bill in responding to the needs of our farmers to sell their products abroad. In this bill for five years, we devote $1.1 billion in added funding to promote trade overseas, such as through the Market Access Program and in the Foreign Market Development Program, Food for Progress, and a new biotechnology and trade program. Over 10 years, the CBO estimates that our bill would provide a total of $2.1 billion in added funding for advancing our trade opportunities overseas.

Again, the bill we have before the Senate, S. 1731, came out of the committee on a voice vote and with a unanimous vote on all titles—you cannot get much more bipartisan than that; every single title was unanimous, except the commodity title. It was not unanimous, but it was bipartisan.

Senator ROBERTS earlier this morning said our bill would take us back to the failed agricultural policies of the past. I have heard that phrase so many times before—I thought we had given up on that phrase. Which farm policy is he talking about that failed? Obviously the most failed farm income protection policy we have had is the so-called Freedom to Farm policy of the last 5 years. Don't take my word for it. Ask any farmer in America what they think about the Freedom to Farm bill. They have suffered through years of depressed incomes and have had to rely on the uncertain prospect of emergency farm income assistance year after year. You will not find a more failed agricultural policy in this country than Freedom to Farm.

But the Cochran-Roberts bill continues Freedom to Farm. That is all it is. It is the son or the daughter of Freedom to Farm. It is Freedom to Farm II. I say to all my friends in agriculture, if you like Freedom to Farm, you will love Cochran-Roberts because that is exactly what it is.

When my friend from Kansas, Senator ROBERTS, says the farm bill will take us back to the failed policies of the past, he must be talking about his own proposal because it is Freedom to Farm that has failed us.

What we do is we build four strong legs for farm income support in our bill. Yes, we do keep direct payments, but not as much as what Cochran-Roberts does. Then we have modestly higher loan rates to help farmers when they need it the most. We have a countercyclical payment to farmers when prices are low. And we have conservation payments to farmers for being good stewards on their land.

The Cochran-Roberts bill is really focused on only one thing, direct payments, exactly what we have had under the failed Freedom to Farm. There is a farm income stabilization account proposal, but it is only an add-on to the direct fixed payments. So if you have low prices, you get the same payment as you got when you had high prices.

I will admit that if we have high prices for the next 3 or 4 years, the Cochran-Roberts bill will give farmers more money than what they would get under S. 1731. That is what they told farmers in 1996. In 1996 we had high prices for agricultural products. It was a good year for farmers. So they said: Oh, what we will do is we will have these direct payments out there. No matter what you get, we will have the direct payments. It looked good to farmers. Then commodity prices went in the toilet, we had very low prices, and every year for the past four years Congress has had to come in with an emergency bailout, emergency money for farmers. Is that what Cochran-Roberts wants? More of that? Where every year we have to come back, again and again, for more emergency money for a failed farm program? That is what will happen. That is what will happen if Cochran-Roberts is adopted. It will be just like we had in the last 5 years.

At least under our bill we have better loan rates, loan rates that will guarantee farmers that they will not get any less than a certain amount. Couple that with our countercyclical payments, and farmers will know that no matter how low that price goes, they will have income protection at a set level. They are going to have that support in our legislation.

My friend from Kansas said the problem with loan rates is you have to produce the crop to get the loan rate. If you do not produce it, if you do not get a crop, you don't get a loan rate. Every farmer knows that. That doesn't come as any big revelation.

What he is saying is their direct payment is better because they put more money into direct payments than into loan rates. So if the producer does not have a crop, there is at least the higher direct payment. I am surprised to hear my friend from Kansas say that the direct fixed payments are needed to cover crop loss. He has been taking credit, with former Senator Kerrey from Nebraska, for being the author of the crop insurance reform bill that we passed last year. That bill beefed up the crop insurance program, both in terms of loss of crops and in revenue protection. So not only do you have crop insurance but you have revenue loss insurance. That is what crop insurance is there for. That is why we put money into it.

The Senator from Kansas with good reason touted his crop insurance bill last year. Now he must be saying that crop insurance is not enough after all to protect against crop losses. I don't know for certain if that is what he is saying. I look forward to hearing from him on that question next week.

So that is what crop insurance is for. If you have a lost crop, that is why we have a very sound, good, crop insurance program. The reason we have a loan rate is so at harvest time, when prices are the lowest, that is when farmers need the money and that is when they can get that loan rate. And it goes to the farmer. It doesn't go to the landlord in the way direct payments do. It goes to the farmer. That is where the loan rate goes.

The Senator from Kansas said farmers and lenders can bank on direct payments. He forgot one thing: And landlords can bank on it, too. There is probably nothing that has driven up land prices more and created more of a land price bubble in the last few years than Freedom to Farm payments. AMTA payments are creating a land price bubble out there that has created real uncertainty and risk.

So what our bill does is provide direct payments that phase down but continue. We also have modestly higher loan rates. We keep those loan rates at the set level. We don't allow the Secretary to reduce them.

Under the current farm bill, the Secretary may reduce loan rates. We say she cannot any longer. We also establish a good countercyclical payment in case of low prices. And of course we have our direct payments under the conservation program.

So, again, that is why I believe S. 1731 is a more balanced bill. It is one that has a safety net for farmers. Yes, I will be the first to admit that if prices are high—they aren't now—but if prices are high, farmers will receive more payments under Cochran-Roberts. If you believe the prices will be high, as they were in 1996, you may want to vote for Cochran-Roberts. But if you think we will have some years where prices are low, as they are now our bill is the better bill. And look at the projections. We are not having projected huge increases in prices in our commodities in the next few years. S. 1731, the bill that is before us, the committee-passed bill, is the one that provides that safety net to farmers.

Last, I want to thank so much our majority leader, a valuable member of our committee. He is someone who knows agriculture intimately, who has spent his entire adult life, in both the House and the Senate, working on behalf of farmers. Senator DASCHLE has provided the leadership that we need to get this farm bill through committee and here on the floor. He has taken that leadership position to make sure that our farmers have that safety net, that we have good conservation programs, and other programs in this bill, including especially the new energy title in this farm bill.

I pay my respects to Senator DASCHLE for his great leadership on this. He has provided that leadership because he knows what the farmers, not only of South Dakota, need, but he knows what farmers all across this country need. They need the bill we passed out of committee. And we need to get it done.

We are here on Friday. We will be back again the first of the week. We will have another cloture vote on Tuesday, and we will see if our Republican colleagues are willing to let us come to closure on this bill.

I say to my good friend from Indiana—and he is my friend; I know we have a little disagreement here on some aspects of this bill, but this is the crucible of democracy, to work these things out. Senator LUGAR knows I respect him highly and have great admiration for him.

I hope we can obtain a finite list of amendments; I hope we can list those amendment and bring this bill to closure early next week. The farmers and rural communities of America are demanding this. They need it. They need it before the new year comes. I am hopeful next week we can bring this to a close and we can give the farmers the Christmas present they need and they deserve, and that is a farm bill that they can count on, one that will shore up farm income, one that will keep us within the WTO limits, but also one that will make sure that if there are low prices, we are going to be there for our farmers and we are going to have a countercyclical payment and we will have that safety net there for farmers which we have not had in the present farm bill.

Again, I hope we can bring this matter to a close early next week.

AMENDMENT NO. 2604, AS MODIFIED

Mr. HARKIN. Mr. President, I send to the desk a technical modification of my amendment No. 2604.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, the amendment is modified.

The amendment (No. 2604), as modified, is as follows:

On page 941, after line 5 insert the following:

SEC. . PACKERS AND STOCKYARDS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended by adding at the end the following:

"(12) LIVESTOCK CONTRACTOR.—The term 'livestock contractor' means any person engaged in the business of obtaining livestock under a livestock production contract for the purpose of slaughtering the livestock or selling the livestock for slaughter, if—

"(A) the livestock is obtained by the person in commerce; or

"(B) the livestock (including livestock products from the livestock) obtained by the person is sold or shipped in commerce.

"(13) LIVESTOCK PRODUCTION CONTRACT.—The term 'livestock production contract' means any growout contract or other arrangement under which a livestock production contract grower raises and cares for the livestock in accordance with the instructions of another person.

"(14) LIVESTOCK PRODUCTION CONTRACT GROWER.—The term 'livestock production contract grower' means any person engaged in the business of raising and caring for livestock in accordance with the instructions of another person.".

(b) CONTRACTORS.—

(1) IN GENERAL.—The Packers and Stockyards Act, 1921, is amended by striking "packer" each place it appears in sections 202, 203, 204, and 205 (7 U.S.C. 192, 193, 194, 195) (other than section 202(c)) and inserting "packer or livestock contractor".

(2) CONFORMING AMENDMENTS.—

(A) Section 202(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(c)), is amended by inserting ", livestock contractor," after "other packer" each place it appears.

(B) Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)), is amended by inserting "or livestock production contract" after "poultry growing arrangement".

(C) Sections 401 and 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221, 223), are amended by inserting "any livestock contractor, and" after "packer," each place it appears.

(c) RIGHT TO DISCUSS TERMS OF CONTRACT.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), is amended by adding at the end the following:

"SEC. 417. RIGHT TO DISCUSS TERMS OF CONTRACT.

"(a) IN GENERAL.—Notwithstanding a provision in any contract for the sale or production of livestock or poultry that provides that information contained in the contract is confidential, a party to the contract shall not be prohibited from discussing any terms or details of any contract with—

"(1) a legal adviser;

"(2) a lender;

"(3) an accountant;

"(4) an executive or manager;

"(5) a landlord;

"(6) a family member; or

"(7) a Federal or State agency with responsibility for—

"(A) enforcing a statute designed to protect a party to the contract; or

"(B) administering this Act.

"(b) EFFECT ON STATE LAWS.—Subsection (a) does not affect State laws that address confidentiality provisions in contracts for the sale or production of livestock or poultry.".

Mr. HARKIN Mr. President, I yield the floor.

Mr. LUGAR. Mr. President, I appreciate the comprehensive statement the chairman has just concluded. Likewise, I have appreciated the statements of Senator ROBERTS and Senator COCHRAN because they have also given a comprehensive view of their thinking regarding their substitute amendments. Senator BURNS of Montana offered constructive amendments this morning, as did Senator WELLSTONE, to initiate our process earlier in the morning.

I believe it has been a good day, a constructive debate. Senators who are following the farm bill debate have a pretty good idea of the parameters of the present discussion and likewise the choices that are going to be before us on Tuesday when amendments come up for further debate and votes.

Let me interject into the debate today what I thought was a timely editorial which appeared in the editorial page of the Washington Post this morning. I was startled by the headline of the editorial, which is: "A Piggy Farm Bill".

It says:

> The Farm bill that Democratic leaders—Majority Leader Tom Daschle, Agriculture Committee Chairman Tom Harkin—are trying to push through the Senate before Congress adjourns for the holidays is obscene.

Those are very strong words to describe legislation we are now discussing.

> It would institutionalize the insupportable excesses of the past few years, in which billions of dollars in supposedly emergency payments have regularly been made to some of the nation's largest and least-needy producers.
>
> In the House, the Republican leadership won approval of a similar bill over mild administration objections in October. Senate passage would make the indulgent policy hard to alter when Congress reconvenes and the bills are put before a House-Senate conference committee next year. Farm lobbyists and their congressional supporters would far rather the Senate vote now than then, when the excessive supports in the bill are likely to look less affordable. But that's all the more reason why the Senate should delay.

I am not in agreement that the Senate should delay, but I do take at least some cognizance of the Washington Post's evaluation of where things stand to date.

> Congressional Republicans passed a farm bill in 1996 that was supposed to reduce producers' reliance on government payments; they would provide for the market instead. Still in effect, that act provides basic payments mainly to grain and cotton producers of roughly $10 billion a year. In each of the past few years, however, Congress has also provided billions of additional "emergency" payments. The effect of the new bill would be to regularize those, thereby abandoning the five-year experiment in supposed market reform.

That is a severe indictment that this farm bill abandons the philosophy of Freedom to Farm in 1996.

I continue with the editorial:

> Some of the extra money in the Harkin bill—a couple of billion a year—would be directed to conservation programs. The policy is good, and the political effect has been to buy off environmental groups that might otherwise have opposed the broader pig-out in which they now share. A little of the extra would also be used to shore up the food stamp and lesser feeding programs for the poor. But these are relatively small amounts and a sop to conscience.
>
> Sen. Richard Lugar tried the other day to change the priorities in the bill—limit the farm supports, spread them across more producers and use the bulk of the savings to strengthen the feeding programs, especially food stamps, which have been allowed to wither a bit. He lost 70 to 30; only three Democrats supported him. It's possible there will be other such efforts before the bill is passed. This bill is not redeemable, but it is improvable. At the very least, a larger share of the enormous sum could be spent on people in need instead of on large producers who

love to preach free enterprise but not to practice it. Is that not something Democrats support?

We still have an opportunity to make substantial improvements on the priorities as well as the aspects of programs in which moneys provide a safety net, provide proper incentives to produce for the market, and provide support for our trade negotiators.

Each one of us at one time or another has given many speeches about the salvation of American agriculture coming from the great productive mechanism of our farm situation and exports and feeding people around the world—the humanitarian aspects as well as the commercial ones. That has been elusive for a great number of reasons—some beyond our control as the European Community and others have stymied these efforts. Nevertheless, our farm bill should not do so.

I appreciate the chairman's careful attention to the green and amber payment situation of the WTO. I have no doubt this is going to come into play in the event we pass a farm bill coincident with that which now lies before us without taking more precautionary measures. That concerns me and a good number of others who are simply interested in the prosperity of this country generally. Movement of goods and services in foreign trade I believe will enhance all of our wealth, especially that of agricultural America.

I think we have to take a look at priorities. I thought the initial amendment offered this morning by Senator WELLSTONE of Minnesota was very interesting. It clearly has the effect of limiting payments to large feeding operations. The whole intent of it was to suggest that the import of the current bill that lies before us might stimulate overproduction of livestock and further subsidize the overproduction. I think he is probably right.

What we are doing with regard to the row crops—the so-called program crops—in a very big way stimulates overproduction, and has for the past 5 years, and is bound to do more of this. That is what I find to be very difficult as I look at the future and see a farm bill deliberately creating overproduction and low prices.

The cycle of this, Mr. President, as you well know, is that prices go lower, and people give speeches that they can't ever think of a time when they were lower and, therefore, an emergency payment is needed. And it is debated first in June, July, and August with regularity, fully predictable. It is fully predictable now in the event we pass this bill.

Despite all the protestations to the contrary, we will be back. The distinguished chairman will hear the drumbeat of persons who want him to bring another farm bill out 6 months after he passes this one to remedy the deficiency. There will be low prices created by overproduction and stagnation in world trade, which exacerbates the problem.

There could be a year in which the weather situation is truly disastrous. I remember such a year in 1988 in which as many as 20 States, as I recall, had such severe weather problems, and a delegation of Senators talked to President Reagan in the White House and advised him that literally half the country and most of the agricultural country had been devastated by drought in particular. And the President supported a fairly large emergency proposition at that time.

Usually, as the distinguished chairman has pointed out, the weather devastation situations are less than 20 States, and therefore Senators come a crop at a time, or whatever happens to have been in harm's way.

As Senator HARKIN complimented Senator COCHRAN earlier on, Senator COCHRAN, at least in recent years, often had been there to add money to the Agriculture appropriations bill to help those folks out. But that really has not been enough.

The general proposition is that prices are low and, therefore, a double AMTA payment has been sent out. The chairman has pointed out correctly, the AMTA payments may not be the proper vehicle for total equity. They may include people who no longer are in farming but had a history, as in the 1996 bill. But for purposes of efficiency, so money would get to farmers, the rolls are there at USDA. They have been utilized. The money was gone as of the end of August of this year. It was received, to the applause of country bankers who were assured of getting repaid and farmers who were thinking about getting back in the field again. I understand that, as does the distinguished Presiding Officer.

All I am pointing out is that I had hoped, in this farm bill, we would not repeat this cycle of predictable results. It does not do justice to farmers in the United States who, at some point, do want to produce for the markets and do want to have a safety net that is not unpredictable. And any safety net based upon loan rates is certainly unpredictable. It may, in fact, be a cap on prices as opposed to a support.

I hope that some version, at least, of the concept I presented—namely, that farmers have assurance of some percentage of income every year, some money with which to purchase that assurance—I think, in fact, mechanisms, through bipartisan wisdom, have been set up in the crop insurance program that provide the mechanics for that kind of safety net.

I had attempted to propose a formula in which—using whole farm income applicable to all 50 of our States equally and to all crops and all livestock operations—money would be provided through a voucher, but money, indeed, from the Federal Government, a transfer payment from taxpayers to assure a safety net for farmers, but with assurance, year in and year out, of a certain stream of revenue.

If Senators were to suggest that perhaps 80 percent, as a proposition, is too low a net, I would certainly be prepared to take pencil and paper in hand with any Senator and try out 85 percent. That is the level of crop insurance that I purchased for my own farm operation this year under the policies we have adopted. I think that is a sound thing to do, and to have a marketing strategy based upon the certainty you have 85 percent of your crop before you even plant it. That is possible under current legislation and, in fact, I think to be encouraged with producers all over the country who are always at risk.

But I hope we will move toward more of a basis as I have suggested as we proceed through the debate. I certainly will encourage that as I listen to alternatives that are presented.

Mr. President, this concludes at least my thoughts for the day on the agriculture bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I will just take a couple of minutes, not so much in response to the Senator. But as I listened to my friend from Indiana—the very thought-provoking speech he made—I had some further thoughts.

My friend, the Senator from Indiana, said that under the bill we have, we could expect more emergency farm assistance bills. I know he said farmers will be coming to the chairman saying: We have to have an emergency bill.

If we continue on the present course, that will be true. But we have built into S. 1731 a countercyclical payment program that has an income support wherein we should not have to come back.

I will say this: The reason we had—I believe for each of the last 4 years—to come in and provide for emergency funding for agriculture for farmers was because there was no effective safety net under Freedom to Farm.

I would ask my friend from Indiana to go back before Freedom to Farm, to go back before that was enacted—and I could be wrong; I have not researched this thoroughly—but I cannot remember in all the years I have been here that we came in with that kind of annual emergency funding because of low prices for farmers. We came in, sometimes, with disaster payments for a drought, flood or a hurricane, or something like that, but we did not as far as I can remember—and I can be proven wrong—but I cannot remember coming in with legislation because prices and income were so low we had to pass emergency legislation to get money out to farmers broadly based all over America. That started with Freedom to Farm, when we took away that safety net.

If we continue on with the Freedom-to-Farm type program, I dare say, yes, you are right, they are going to be coming to me and saying: We need emergency funding.

That is why I feel so strongly about the safety net provisions we enacted in S. 1731 with the countercyclical type of payments. If prices are low—and the lower they go, the larger the payment. On the other hand, if prices are good, then there is not the need for payments that magnitude.

So under that scenario, I really do not see why we would have to come in with emergency legislation other than some naturally occurring disaster or something like that, I say to my friend.

Mr. LUGAR. If the Senator will yield?

Mr. HARKIN. I am delighted to yield.

Mr. LUGAR. The Senator, I think, is historically correct. Within my memory, we had the 1988 crisis with the 20 States. As I recall, we passed some legislation to alleviate that during the appropriations process. That is, at least, my recollection.

Mr. HARKIN. Wasn't that the credit bill we did then?

Mr. LUGAR. No. It was this huge emergency created by the drought. And many of us were involved, in a bipartisan way.

Mr. HARKIN. Yes.

Mr. LUGAR. Probably the Senator himself. The memory grows dim as you go 13 years back in the farm business.

Mr. HARKIN. That is true.

Mr. LUGAR. I suppose my query is just this: You are correct, we have had all these annual situations since the 1996 legislation. But in this particular year, the Secretary of Agriculture, at the time we were debating the emergency in August, pointed out the net farm cash income was $61 billion. And this is historically an all-time high in terms of income in the country. It was higher than last year, but the last year was more than the year before that. In essence, even in the face of much higher net farm cash income, we have been reappearing.

The safety net under the bill we now have, of course, was these AMTA payments. These were the fixed payments that went to farmers regardless of what else happened. They were to diminish after 7 years, and have been heading down from, say, $5 billion of Federal expenditures into the $4 billion range, and so forth, each year, and then the loan deficiency payments, at least for certain of our rural crops.

For example, in my State $1.89 for corn is the loan deficiency payment level, which means you have $1.89 regardless of what the market price is, however low it may be recorded. At the time, admittedly, $1.89 seemed like a price that would not be approached as frequently as it now is.

During harvest time, we are regularly below $1.89 in terms of people coming into the elevator at that point. So this has led to much greater Federal Government expenditures; $6 billion, I think, last year to loan deficiency, and not just for corn but for other crops. But that was meant to be the safety net. And it is arguable as to whether it should go higher or lower. It depends upon the Federal outlays, I suspect, quite apart from the fact that more production occurs.

I saw yesterday, as perhaps the chairman did, on the cover of USA Today, their first page, a chart on soybean production in the country. Soybean production, right through the Freedom to Farm experience, had been going up every year. This year's crop is prophesied to be a whopper and, clearly, an all-time high. Given planting intentions, it might appear that next year's would follow.

I mention this because I hope the chairman is right. Let us say, for example, his bill and the Daschle substitute are adopted, but as it turns out farmers think their incomes are not adequate. My point, I suppose, has been that a part of the reason, even in the face of what I think have been fairly record incomes in the aggregate, although not for all States and not for all crops, and a fairly good safety net, is that both of the political parties represented in this body have been competitive for the allegiance of farm voters and people who were sympathetic to farmers.

I admit, throughout these emergency bills, it has been my privilege to serve as chairman. I have stood with you or with Senator LEAHY managing these bills. I was perfectly aware on our side of the aisle that a large majority of our Members wanted more money for farmers. It appeared that was true on your side of the aisle. Whoever was managing this legislation was left with at least the thought of trying to get it right technically so the farmers got the money in as soon a time as possible so, if there were emergencies, these were met, right now as opposed to the hereafter.

So we strove to expedite a process that clearly our membership wanted. That seemed to be true on the other side of the Capitol as well.

None of these bills were vetoed by whoever was President during this period of time. If the White House had a budget objection to these, it was pretty mild or nonexistent.

I mention all this because I think that helps explain a part of the impetus for this bill. In other words, there is almost an annual expectation of correction or of enhancement of whatever may have occurred. Most of us have voted for that. The two of us may even have helped manage it in one form or another, to try to bring it into clear channels, to have the proper hearings and committee meetings. It may very well be—you are not discovering this but sort of enduring the process—that the expectations of Members on both sides of the aisle are very large when it comes to their States and their constituents. As you strive to find a majority to vote for a farm bill, for a final product, to get the bill out and on to conference, you are forced daily to take into consideration the needs of various Members, some of them very legitimate and poignant. In the same way on our side of the aisle, we attempt to do likewise.

I say this not in sympathy because the chairman is a strong person and fully able to take care of himself and the situation. But I had hoped perhaps to try to guide the process in a different direction.

I would admit, having heard the debate and having seen the votes as recorded dutifully by the Washington Post and others, 70 to 30 is not close. I understand that. On the other hand, we were trying to find something that, as the chairman has pointed out, may have been too much of a change all at one time, may not have been completely understood in terms of the arithmetic, how people come out. So I accept that fact. But nevertheless, I thought it was important to try to make some arguments for maybe a new day somewhere over the horizon.

In the meanwhile, I will continue to work with the chairman with the product we have at hand.

One reason why it has not moved expeditiously is that I suspect there are still some lingering thoughts on both sides of the aisle about limiting payments, for example. We heard a little bit of that from Senator WELLSTONE this morning with regard to the EQIP program and specific extensions of livestock. I think we will hear more from the distinguished occupant of the chair and maybe others who have been concerned about the equities here involved. Therefore, in part, perhaps, the land bubble situation created not only, as the chairman says, by the AMTA payments but by overextension, as people plant for the program, fully supported by this, but sometimes at the expense of their smaller competitors who do not have the research background, the capitalization, even the managerial skills, but for whom our farm bills have been dedicated, the saving of the small family farm or even the medium-size farm in a situation that appears to be more consolidated as time goes on.

Each of these amendments that deal with limits will get into this philosophically, and they are important to hear.

Senator GRASSLEY's comments today about trade—and the chairman has responded to that very ably—this is still a troubling area in which all the ramifications are not clear, and they do bump dangerously into the 19.1 or the area of the charts that the chairman had which were helpful in giving some idea as to where all of these different lights appear. We will have to be careful there because clearly we need to export. We need if not an overall WTO breakthrough, at least a good number of bilaterals that will be helpful to us.

These are issues that are not easily resolved, but I think they will be as we have debates commencing again on Tuesday, as these issues come up again.

I look forward to working with the chairman in a vigorous attempt as we proceed on Tuesday.

Mr. HARKIN. I appreciate my friend's comments. Quite frankly, I find little with which I can disagree. Everything you have said is basically correct in terms of the historical analysis, where we are, and the various pressures that go on in the Chamber. We all understand that. I will take a little bit of sympathy anyway. I don't mind. But we all have these different demands and expectations, as the Senator full well knows from his stewardship of this committee in the past.

The only further thing I might point out again is the old numbers game. Last year was the highest net cash income, things like that. We have heard that before. I think I mentioned this to the Secretary one time. I said: If your income last year was $1 million and mine was zero, our average is $500,000, so why should I have any help? So last year the livestock sector in America did pretty darn well. The crop sector was low, but if you averaged it all out, it looked pretty good. If you just look at the crops, we weren't in very good shape. That is basically what this bill is about, the crops.

The last thing I will say again to my friend, I am not so upset about the amount of money we spend on agriculture. The Washington Post editorial this morning, I know, called it a piggy bill. I said earlier, in honor of that I wore my piggy tie today. It has little pigs on it. We are in favor of the little pigs.

I pointed out earlier—I don't know if my friend from Indiana caught this—that I looked at historically how much of our GDP we spent on agriculture: In 1940, about four-tenths of a percent of U.S. GDP on agriculture; in 1963, .55 percent of U.S. GDP on agriculture; over the last 3 years, two-tenths of a percent of U.S. GDP; under our bill, S. 1731, projected about .13 percent of GDP. I don't think that is a lot of our gross domestic product, .13 percent to spend on agriculture. I don't think that is a lot.

Again, we can debate on how the funds are spent. I do not agree on how it all has gone out. The bigger you are, the more you get. Almost every day we have had a hearing in the committee, I always ask the same question: Should we support every bushel, bale, and pound that is produced in this country?

That is what I think the debate ought to be—how we fashion those programs to help shore up a safety net, but not to encourage people to get bigger and actually use the Government largess to help people get bigger and to artificially boost up land prices. Certainly, that is a principle motivation for my focus on greater support for conservation and on a new program of income assistance tied to conservation.

I have said enough on this matter today. I yield the floor.

Mr. SMITH of Oregon. Mr. President, I rise today to recognize the importance of the Food Stamp Program addressed in the farm bill. I was recently surprised and dismayed to discover that a recent USDA study found Oregon to have the highest rate of hunger in the nation. I think my colleagues would also be surprised to discover how many people in their own home States go to bed hungry.

I have long been concerned that in many cases, children across the country are going to bed hungry simply because America's families do not know about the resources available to them through the Food Stamp Program. It is astounding to note that among persons eligible for this important program, participation rates dropped from 74 percent in 1994 to 57 percent in 1999. More worrying is the fact that participation rates are also low among working poor families with children and the elderly. With additional outreach and targeting, the Food Stamp Program can make it easier for families to access the food support they need with dignity. I am pleased that improvements to this vital program are currently being addressed on the Senate floor as part of the reauthorization of the farm bill.

I would also like to take this opportunity today to recognize the other side of nutrition support: our Nation's network of food banks. Places like the Oregon Food Bank in my home State are filling the plates of America. The Oregon Food Bank and its coalition partners have been working overtime to identify and address the root causes of hunger. Today, I would like to salute them for their hard work and dedication, which has come to fruition in the recent opening of a statewide food recovery and distribution center, all under one roof. Food banks are a vital component of the safety net for America's families, but they alone cannot meet every need. They are straining under the growing demand for emergency food, but we can help them by maintaining a strong Food Stamp Program.

In a country as blessed with abundance as ours, no family should go hungry, and I encourage my colleagues to support improvements to the Food Bank Program in the farm bill.

Mr. GRASSLEY. Mr. President, for years I have worked to decrease our reliance on foreign sources of energy to accelerate and diversify domestic energy production. I believe public policy ought to promote renewable domestic production that burns clean energy. That's why, earlier this year, I introduced the Providing Opportunities With Effluent Renewable, or POWER Act, which seeks to cultivate another homegrown resource: swine and bovine waste nutrients.

The benefits of swine and bovine waste nutrient as a renewable resource are enormous. Currently there are at least 20 dairy and hog farms in the United States that use an anaerobic digester or similar system to convert manure into electricity. These facilities include swine or dairy operations in California, Wisconsin, New York, Connecticut, Vermont, North Carolina, Pennsylvania, Virginia, Colorado, Minnesota, and my home State of Iowa.

By using animal waste as an energy source, a livestock producer can reduce or eliminate monthly energy purchases from electric and gas suppliers. In fact, a dairy operation in Minnesota that uses this technology generates enough electricity to run the entire dairy operation, saving close to $700 a week in electricity costs. This dairy farm also sells the excess power to their electrical provider, furnishing enough electricity to power 78 homes each month, year round.

The benefits of using an anaerobic digester do not end at electricity production. Using this technology can reduce and sometimes nearly eliminate offensive odors from the animal waste. In addition, the process of anaerobic digestion results in a higher quality fertilizer. The dairy farm I referenced earlier estimates that the fertilizing value of the animal waste is increased by 50 percent. Additional environmental benefits include mitigating animal waste's contribution to air, surface, and groundwater pollution.

The amendment I am offering will allow livestock producers the option of developing methane recovery systems as a structural practice under the Environmental Quality Incentives Program. This option will provide livestock producers another opportunity when determining what is best for the future of their family farms. Livestock producers will have the ability to meet their own individual energy needs and possibly supply green, renewable energy to other consumers.

Using swine and bovine waste nutrient as an energy source can cultivate profitability while improving environmental quality. Maximizing farm resources in such a manner may prove essential to remain competitive and environmentally sustainable in today's livestock market.

In addition, more widespread use of this technology will create jobs related to the design, operation, and manufacture of energy recovery systems. The development of renewable energy opportunities will help us diminish our foreign energy dependence while promoting "green energy" production.

Using swine and bovine waste nutrient is a perfect example of how the agriculture and energy industries can come together to develop an environmentally friendly renewable resource. My legislation will foster increased investment and development in waste to energy technology thereby improving farmer profitability, environmental quality, and energy productivity and reliability.

This amendment is good for agriculture, good for the environment, good for energy consumers, and promotes a good, make that great, renewable resource that will reduce our energy dependence on foreign fuels. It is my hope that all of my colleagues join with me to advance this important piece of legislation

Ms. SNOWE. Mr. President, I rise today to praise the consensus that has been reached on dairy programs within the farm bill we are considering today. The farm bill, which needs authorization every 5 years, not only addresses farm income and commodity price support programs, but also includes titles on agricultural trade and foreign food aid, conservation and environment, nutrition and domestic food assistance, agricultural credit, rural development, and agricultural research and education.

I am particularly pleased that the Harkin bill before us restores the safety net for diary farmers in Maine and in 11 other States in the Northeast and Mid-Atlantic with a provision that will again give monthly payments to small dairy producers only when fluid milk prices fall below the Boston price of $16.94 per hundredweight.

As my colleagues are aware, the successful Northeast Interstate Dairy Compact was allowed to expire on September 30. Throughout New England, this compact literally kept small dairy farms in production. When it was in effect, this compact paid for the program by adding a small incremental cost to the price of milk already set by the current Federal milk marketing order system, which determines the floor price for fluid milk in New England.

Along with 38 of my Senate colleagues and the legislatures and Governors of 25 States, I have made numerous attempts throughout this past year to have the compact reauthorized and a new Southern Compact authorized. Dairy compacting is really a States rights issue more than anything else, as the only action the Senate needed to take was to give its congressional consent under the Compact Clause of the United States Constitution, Article I, section 10, clause 3, to allow the 25 States who requested to compact to proceed with these two independent compacts.

Unfortunately, we could not get a majority of votes for the Senate's permission to allow dairy compacting to go forward even though half of the States in the country had requested this approval. So, since my number one agricultural priority has been to assure that Maine dairy farmers have a safety net when prices are low that would allow them to stay on their small family farms, I have attempted to bridge the gap with opponents of compacts.

I am very pleased that we were able to forge a compromise that is included in the Harkin amendment in the nature of a substitute to the Agriculture Committee-passed farm bill that pledges $2 billion to help dairy farmers throughout the Nation. Most important to me, the provision provides $500 million to establish the very safety net for New England dairy farmers, and also for farmers in the States of New York, New Jersey, Pennsylvania, Delaware; Maryland, and West Virginia, that was provided by the Northeast Dairy Compact, that of monthly payments to producers when the price of Class I, or fluid, milk drops below the Boston, MA price of $16.94. These States produce approximately 20 percent of the Nation's milk and under this provision will receive about 20 percent of the funding, so this is a very fair balance of payments.

Dairy farmers from other States will also benefit through a $1.5 billion provision that will extend the current national dairy price support system for farmers in the other 36 contiguous States, requiring the Commodity Credit Corporation, CCC, to purchase surplus nonfat dry milk, cheese, and butter from dairy processors, thus protecting the industry from seasonal imbalances of supply and demand.

The authority for this price support system that pays $9.90 per hundredweight was due to expire this December, but was extended for 5 months, or until May 2002, in the fiscal year 2002 Agriculture appropriations bill. The farm bill before us extends both of these dairy programs for 5 years.

Do I believe this is the best way to fund dairy programs? In my estimation, the Northeast Dairy Compact was preferable because not one cent came out of Federal funds and it also had no appreciable effect on consumer prices.

So, the provisions in the farm bill we are considering, unfortunately, will cost the Government $2 billion. This is not much considering the billions of dollars that go to for price supports for other farm commodities, but it is Federal money nonetheless. But, the reality is that compromises must be made to ensure that the majority of Senators feel that a consensus has been reached that they can live with, and I thank the Senators from the upper Midwest, who did not want a compact-like dairy program for their region but preferred direct yearly Federal payments, for working together with us on the dairy provisions.

My motive throughout this year has been a simple one: I do not want to see one more small family dairy farmer in Maine, or in any other rural area of the country, go out of business. And I do not want to see any more acreage of pastoral farmland in New England, most of which has been in families for three generations, turned over to suburban sprawl. So I am pleased with the compromise and feel that my goal has been reached, not for myself, but for the dairy farmers to whom I have pledged not to give up the fight.

The farm bill before us also recognizes the diversity and regional differences in agriculture, and shifts $1 billion to voluntary agriculture programs, especially in regions that have been traditionally underserved by past farm bills, such as my State of Maine, I want to thank the bipartisan group that worked with me through the "Eggplant Caucus", an ad hoc group of bipartisan Northeast Senators, to make these funds a reality and for bringing regional equity through an increase in Federal funding to our States.

This conservation funding, for which Maine stands to receive a minimum of $12 million a year for the next 5 years, will help our farmers improve water quality, restore wildlife habitat and stave off suburban sprawl. In the past, more than half of our farmers have been turned away from conservation assistance because these popular programs have not had the funding to meet the applcations.

More funding for the Environmental Quality Incentives Program, or EQIP, for instance, will allow many more farmers to enroll in contracts to manage natural resource concerns. The voluntary program offers cost share and incentive payments and technical assistance to design and install practices for locally-designated natural resource priorities.

Another aspect of regional equity in the bill are provisions that improve assistance to our Nation's fruit and vegetable growers, the specialty crop sector. This growing sector of the U.S. farm economy represents almost one-fifth of all farm cash receipts and a growing portion of our Nation's agriculture exports. I am very pleased to note provisions for a fruit and vegetable pilot promotion program and a USDA purchase program for specialty crops, providing funds so that the USDA can purchase those fruits and vegetables that are the most prevalent crops grown in the Northeast to be used in the Federal nutrition programs, such as potatoes, blueberries and cranberries from my State of Maine.

I would like to add that I have heard from farmers in my State of their support for the creation of tax-sheltered savings accounts, or "rainy day accounts", to which farmers could contribute during prosperous years, and from which they could draw during lean years. While not contained in the Harkin bill, I believe this idea should be further explored on its merits, and would hope that the Senate would consider hearings on this in the near future.

Taken in its totality, the Harkin bill gives our dairy producers a safety net through a mutually agreeable dairy program, regional equity in the disbursement of federal funding for voluntary conservation programs, funding for a variety of forestry programs important to our private landowners, and promotion for specialty crops grown in Maine. Additionally, if Maine participated in all the options for the Food Stamp Program, the State would realize approximately as much as $32 million over the next 10 years.

I believe the Harkin bill before us gives needed assistance to the agricultural community throughout the Nation. We should never forget that these hard working men and women are responsible for providing our Nation with the highest quality of a tremendous variety of quality food products easily accessible at our local markets and at the lowest cost of any nation in the world.

Mr. GRAHAM. Mr. President, I rise today in strong support of the farm bill before us.

While we have heard about many components of the bill today, I would like to focus my remarks on the title that is of particular importance to me, the nutrition title. it is easy to forget how many people go hungry in the United States. The Department of Agriculture classifies 31 million Americans as "food insecure," meaning that they do not know from month to month whether they will be able to get enough food for themselves and their families.

Families with children are disproportionately more likely to experience hunger. Last year, over 3 million children and 6 million adults in the United States were hungry to malnourished. Without the Federal Food Stamp Program, which provided nutrition assistance to over 17 million people, the majority of them children, elderly people and the disable, the number would have been far higher.

I am also acutely aware of the role the Food Stamp Program plays in helping families leave welfare for work. The typical mother leaving welfare is earning about $7 an hour and may not be able to get 40 hours of work a week. For a parent like that, food stamps can make a difference between being able to feed the family and having to return to public assistance. A single mother with two children and a typical postwelfare income can double her income if she gets food stamps and the EITC. If she gets both, she can almost reach the Federal poverty line. Without them, she often cannot make ends meet.

I supported the 1996 welfare reform law. Some of my original interest in the Food Stamp Program grew out of my desire to see welfare reform succeed.

Knowing how important it was for people leaving welfare to stay connected to programs like Food Stamps and Medicaid, I was disturbed to find out that food stamp participation had dropped by more than a third since we passed welfare reform, and the improved economy accounted for only about half of the drop.

Among single-parent families with earnings, the most common demographic of people leaving welfare, food stamp participation dropped 12 percentage points between 1995 to 1998. A recent study the General Accounting Office conducted identified a "growing gap" between the number of children in poverty and the number of children receiving food assistance. At the same time, emergency food providers reported that their clientele had changed since 1996.

On November 14, America's Second Harvest, the organization representing our Nation's food banks, released it's annual "Hunger in America" report, its results were chilling. The study found that in 2001, 23.3 million Americans nationwide sought and received emergency hunger relief from our Nation's food bank network. This is nearly 2 million more people than sought similar services in 1997. And this, on the heels of one of the longest periods of economic growth in recent history.

In addition to showing increased requests for aid, "Hunger in America" report punctures the myth that hunger is only a problem of the inner cities, homeless, or the chronically unemployed. The study found that nearly 40 percent of the households that received assistance from us in 2001 included an adult who was working. Fully 19.7 percent of all the clients served by our network are seniors. This is up from 16 percent in 1997.

The facts about children are even more disturbing. More than nine million children received emergency food assistance this year, which is roughly 2 million more people than the total population of New York City.

The bill before us today takes steps toward recognizing that America's food banks, churches, synagogues and mosques can play a part in feeding America, they cannot bear the burden alone, the Federal Government must play its part.

The nutrition title in the Harkin farm bill allows the Senate to step up to the plate so that we can play a real role on the team fighting hunger in our Nation.

Last year, working with many of you, the Agriculture Appropriations Subcommittee, and the former administration we were able to designate $5.5 million to be used for food stamp outreach and education, to get some of these eligible families and children back on the program, $3.5 million has already been awarded to community organizations and emergency food providers across the country. These groups are taking imaginative steps to reach out to families in need. I encourage all of you to find out more about the grantees in your area.

Last month, USDA announced that it would award an additional $2 million to State-community partnerships that wanted to test strategies for enrolling more senior citizens in the food stamp program. Currently, only 30 percent of eligible seniors participate. I am here today because outreach, while critical, is only the first step. We need to restore some of the cuts to food stamps made in 1996, and we need to improve the program to make it work better for working families. The Harkin bill provides new funds to do just that.

Cuts in food stamp benefits were not part of achieving our basic welfare reform goal of moving people from welfare to work. In fact, many Republican and Democratic Members agree that one of the most disturbing outcomes of the 1996 law is the one-third drop in food stamp participation and what GAO described as the "growing gap" between the number of children in need and the number of children getting food assistance.

A provision of the 1996 law also cut off food stamps to legal immigrants. This was unnecessary to achieve the goals of the law, since over 90 percent of legal immigrants are working. We have succeeded in restoring eligibility for children and elderly people who were here before 1996, but much more needs to be done. One of the results of the cutoff of adult legal immigrants has been a 74 percent drop in the number of citizen children of immigrants who get food stamps.

As we debate this bill, I would urge my colleagues to remember the millions of children and families who depend on the Food Stamp Program to help them purchase the food our farmers grow. Without the Food Stamp Program, it seems likely that the 17 million people currently getting benefits would join the 9 million Americans who are hungry or malnourished.

I would also urge my distinguished colleagues to consider the many provisions in this bill that will improve the Food Stamp Program to better assist working families and finish the work of welfare reform by getting families out of poverty.

I would call particular attention to would accomplish the following: restoration benefits to legal immigrant children—most of whom are members of working families; making outreach and education a permanent part of the program; reforming the quality control system, making the program simpler and more accessible to working families; and providing 3 more months of transitional food stamps for families moving off welfare for work.

This important legislation would improve basic benefits for senior citizens, people with disabilities, and working citizen and legal immigrant families with children.

We have an obligation to our Nation to pass this title as it is, in tact. It is the least that we can do to do our part to accomplish our collective goal of abolishing hunger in America once and for all.

Mr. JOHNSON. Mr. President, I rise today to discuss the very real importance of completing action on the farm bill, the Agriculture, Conservation, and Rural Enhancement Act of 2001, which is now before the Senate. It is my desire that we pass a comprehensive farm bill within the next few days to ensure that America's family farmers, ranchers, consumers, and rural citizens have greater economic security. I wish to applaud my good friend and South Dakota colleague, Senator DASCHLE, for his superb and steady leadership on this issue, and for making certain this important farm bill legislation made it to the floor for consideration before we adjourn. It is critical for us to act promptly, to conference with our House colleagues in an expeditious manner, and for the President to sign a bill into law, as soon as possible. Much of the credit for our being able to discuss this bill on the floor today has to do with our chairman, Senator HARKIN, for his ability to craft what is perhaps the most complex piece of legislation one can imagine, and for his work to ensure the committee completed its job on the farm bill. Chairman Harkin included a number of items in this farm bill that will serve to benefit South Dakota's family farmers, ranchers, and rural communities, and I thank him for a job well done.

Unfortunately, stall tactics are being employed by some in the U.S. Senate to prevent us from passing this comprehensive farm bill. While family farmers and ranchers are working hard to keep their operations competitive and running smoothly, some Senators are stalling, delaying, and placing road blocks in front of the ultimate passage of this bill. Just yesterday, on a vote to end excessive debate and delay on the farm bill, we did not garner the 60 votes necessary to remove the procedural slow-down hurdle known as a filibuster. This needless delay must stop and Congress must take action to pass a farm bill now.

I have repeatedly said it is crucial for Congress to complete action on the farm bill, conference with the House, and send a bill to the President for his signature this year, if not very early next year, in order to ensure two very important things.

First, that we capitalize upon the $73.5 billion in additional spending authority provided by this year's budget resolution, because given the shrinking budget surplus and unprecedented demands on the federal budget now, there are no assurances this money will be available in 2002, when a new budget resolution will be carved out of a very limited amount of resources. Second, that we mend the farm income safety net now because the experience of the 1996 farm bill has painfully taught us that it does not provide family farmers and ranchers a meaningful income safety net when crop prices collapse. Thus, the need for a new farm bill is clear.

In the course of the last 4 years, the economic setting for family farmers and ranchers in South Dakota and across the nation has reached a serious and depressed level. Most farmers I talk to in South Dakota believe the combination of poor returns for crops and livestock combined with an inadequate safety net in the current farm bill may have inflicted irrevocable results, a loss of family farmers, an economic recession in small, rural communities, and growing market power by a few, mega-operators and agri-businesses. While the farm bill probably isn't intended to correct all of the problems in our rural economy, it should better sustain the lives of family producers and rural communities. Additionally, it should provide a more predictable safety net than the current farm bill.

The outlook for positive indicators in farming and ranching has been dimmed by a number of factors. For several years now, commodity prices have collapsed, production costs have skyrocketed, and harsh weather has destroyed agricultural production. Furthermore, meatpacker concentration and unfair trade agreements have crippled the ability for independent farmers and livestock producers to prosper. While some of us wanted to change the underlying farm bill in a way to alleviate these tough conditions, we were told the 1996 farm bill was a sacred cow that could not be touched, and efforts to amend it or to provide a better economic safety net were defeated. I am not suggesting the 1996 act was the source of all the problems farmers faced these last few years, but the lack of a real safety net and low loan rates in the bill did not provide fair support for America's agricultural producers.

Four years of ad hoc emergency assistance for farmers and ranchers totaling approximately $23 billion, over and above farm program payments contained in the 1996 farm bill, has painfully taught us that depressed conditions in rural America matched with an inadequate safety net resulted in a very expensive price tag for U.S. taxpayers as well. Fortunately, today we have a chance to improve farm policy, providing family farmers and ranchers with a better farm bill containing a more meaningful safety net. Moreover, it is my hope this bill provides taxpayers with some assurance that the need for multi-billion dollar ad hoc emergency programs will be forestalled.

While it is not perfect, I am pleased that a number of my farm bill priorities, and the priorities of South Dakota farmers and ranchers, are included in S. 1731, the Senate farm bill. First, the bill passed out of the Senate Agriculture Committee includes my legislation, S. 280, the Consumer Right to Know Act of 2001, requiring country of origin labeling. It requires country of origin labeling for beef, pork, lamb, and ground meat, fruits, vegetables, peanuts, and farm-raised fish. The House farm bill only includes country of origin labeling for fruits and vegetables. Also, my carcass grade stamp legislation was added to the Senate farm bill. It prohibits the use of USDA quality grades, such as USDA Prime or USDA Choice, on imported meat. This provision is not in the House farm bill. The country of origin labeling language in the bill is supported by a clear majority of American producers and consumers, as is demonstrated by the fact the largest consumer and farm groups in the country have written me in support of this bill.

I would like to insert in the RECORD a series of four letters expressing strong support for my country of origin labeling language in the Senate farm bill. The letters are as follows: first, a letter signed by the overwhelming majority of cattle producing groups in the United States, signed by 55 cattle organizations, from Alabama to Idaho, from California to New Jersey, and everywhere in between. These 55 cattle groups say, "The U.S. cattle industry has invested considerable time, effort, and money to improve, promote, and advertise its finished product U.S. beef. The cattle industry now needs the ability to identify its beef from among the growing volume of beef supplied by foreign competitors. The ability to differentiate domestic beef from foreign beef is necessary to ensure that U.S. cattle ranchers have a competitive, open market that allows consumer demand signals to reach domestic cattle producers. It is now time to take the next logical step and require country-of-origin labeling so consumers can identify the beef U.S. cattlemen have worked so hard to promote."

Second, a letter from the two largest farm organizations in the United States, the American Farm Bureau

Federation and the National Farmers Union. It is comforting to know we have the full support of these two groups. Third, I also received a letter signed by 87 farm, ranch, and consumer organizations, in support of my country of origin labeling legislation which was added to the farm bill in the Agriculture Committee. Some of the 87 groups signing this letter include most of the Florida and California fruit and vegetable associations, the major consumer groups in the United States, and national farm and ranch groups. Moreover, approximately half of all the Farmers Union and Farm Bureau state organizations signed this letter. These 87 groups say, "We seek your support for inclusion of a measure to provide mandatory country of origin labeling for fresh produce and meat products in the Senate farm bill. American consumers prefer to know where their food is grown."

Finally, I have a letter from three of the largest consumer groups in the United States, the Consumer Federation of America, the National Consumers League, and Public Citizen, expressing their strong support for country of origin in the farm bill. These groups say, "When the Senate takes up the farm bill, please support legislation to require country of origin labeling at retail for meat and fresh fruits and vegetables. We thank Senator JOHNSON for introducing this legislation, the Consumer Right to Know Act of 2001, S. 280. Please oppose efforts to water down country of origin labeling legislation by allowing domestic origin labels on beef that has been slaughtered and processed—but not born—in this country."

Some of the other groups supporting my country of origin labeling language include; all of the SD farm, ranch, and livestock groups, the National Association of State Departments of Agriculture, the National Association of Counties, the American Farm Bureau Federation, the National Farmers Union, Ranchers Cattlemen Legal Action Fund of the United States, RCALF-USA, the American Sheep Industry Institute, the Consumer Federation of America, the National Consumers League, the Western Organization of Resource Councils, the Organization for Competitive Markets, the American Corn Growers Association, and 55 of the State cattlemen and stock grower organizations. The National Cattlemens Beef Association supports the carcass grading provision in the Senate farm bill, which ensures that imported meat carcasses do not display USDA quality grades at the retail level.

It has been brought to my attention that there are unique concerns about how perishable agricultural commodities are labeled under the country of origin labeling provision in the farm bill. Unlike meat products that are oftentimes either wrapped or displayed behind glass, shoppers physically handle produce to evaluate such characteristics as size or ripeness. Quite honestly, after being handled by a consumer, a fruit or vegetable item is not always returned to the original bin in which the product was displayed. For this reason, each individual produce item may need to be labeled when physically possible to ensure accuracy about the country of origin information. I am confident the method of notification language in the labeling provision in the farm bill will ensure responsibility in information-sharing on the part of processors, retailers, and others under this act. Our language requires any person that prepares, stores, handles, or distributes a covered commodity for retail sale to maintain records about the origin of such products and to provide information regarding the country of origin to retailers. Nonetheless, I understand retailers have some concerns about making sure they are provided with accurate information. Therefore, so that we can be confident this is workable for retailers and others, I would like to recommend to my lead cosponsor of this legislation, Senator GRAHAM of Florida, that we consult with the growers, packers and retailers to develop a means to provide such labels or labeling information to the grocery stores.

Finally, I have learned that identical language for country of origin labeling has been included in the proposed alternative amendment to be offered by Senator's Cochran and Roberts. After reviewing that proposal and confirming that my provision is included word-forword, I am driven further to see the farm bill conference report finalized with the same country-of-origin labeling language. I feel confident that the final version between my colleagues in the Senate and House will include the exact language for country-of-origin labeling that is included in both S. 1731 and the Cochran-Roberts proposal. I believe that my colleagues will recognize the importance of not only keeping the provision in the final farm bill, but to ensuring that the language is not watered down by outside interests. Anything less is unacceptable to America's consumers and livestock producers.

Country of origin labeling and quality grade certification were integral components in the proposed "Competition Title" which Chairman HARKIN included in his farm bill proposal. I led a bipartisan effort to include the Competition Title in the farm bill when one-fifth of the Senate, both Republicans and Democrats, signed a letter I authored to Chairman HARKIN seeking this new Competition Title. Regrettably, the Competition Title was defeated, resulting in a win for large agribusinesses to continue to muscle their way into the marketplace, only to hurt family farmers and ranchers. This is very frustrating, considering the record profits made by agribusiness recently; Cargill increased profits by 67 percent in the last quarter, Hormel increased profits by 57 percent, and Smithfield increased profits nearly 30 percent. Finally, Tyson, now the single largest meat processor in the world with its purchase of IBP, tripled profits in its most recent quarter.

Conversely, crop prices took a nose dive so severe in September that it marked the worst 1-month drop in crop prices since USDA has been keeping records, some 90 years now. We must inject some real competition, access, transparency, and fairness into the marketplace if we are to see these tragic circumstances change.

That is why I authored an amendment which was accepted by a 51–46 vote in the Senate yesterday to prohibit meatpackers from owning livestock prior to slaughter. This amendment was modeled after legislation I crafted last year, S. 142, the Rancher Act. I thank Senators GRASSLEY, WELLSTONE, HARKIN, THOMAS, DORGAN, and DASCHLE for cosponsoring this amendment. It prohibits meat packers from owning cattle, swine or sheep more than 14 days before slaughter. However, it exempts cooperatives as well as all producer owned plants with less than 2 percent of the national slaughter. Packer ownership and control of livestock has been disrupting markets and hampering competition at the farm gate level for a long time. This amendment is a major first step towards correcting the problem. If this passes, packers will now have less opportunity for self dealing and giving preference to their own supplies. Rather, they will have to go out on the market and compete for livestock.

In addition to competition, another new farm bill strategy I promoted was to increase the capacity of renewable energy produced on American soils. Agricultural producers in South Dakota are poised to dramatically increase the production of ethanol and biodiesel for our Nation, and the farm bill's energy title will provide incentives to move those value-added opportunities along. Everyone should recognize that homegrown, renewable fuels need to become an integral part of our national security strategy, which is why I asked Chairman HARKIN to include a new "energy title" in the farm bill. The energy title in the Senate bill includes loan and grant programs to promote the increased production of ethanol, biodiesel, biomass, and wind energy. This is a landmark change to farm policy because neither the current farm bill nor the new proposal in the House contains this innovative energy title.

Farmers, ranchers, and their lenders also need some assurances that price supports in the new farm bill will be predictable and meaningful, especially in times of woefully low crop prices and rising input costs. Again, this farm bill is not perfect, but, I remain confident the changes made in the Senate proposal will better stabilize farm income, minimize the impact of catastrophic market losses, and reduce the financial risks associated with production agriculture. Specifically, I believe that the commodity support provided through loan rates, countercyclical payments, and direct payments in the Senate farm bill is a significant improvement over the current farm bill.

The Senate bill retains total planting flexibility which has proven extremely popular among the Nation's farmers, moreover, it allows producers the option to update their base acres and yields, using planted acreage and yield data from 1998–2001, for the purpose of receiving both direct (AMTA-like), payments and the new countercyclical payment, which is made when crop prices fall below a certain target level. While an outside observer may think it is only fair to base payments on a farm's current yields from crops that are actually planted on a farm, remarkably, this is not the case with the 1996 farm bill. Rather, the current farm bill bases payments on what farmers planted 20 years ago and calculates payments upon 20-year-old yields.

Therefore, this significant change to update yields and planted acres contained only in the Senate farm bill may prove one of the most important ways we can improve support to South Dakota's farmers. Crop yields in South Dakota have made enormous advances over the last twenty years, primarily because South Dakota farmers have become more productive, efficient and prolific in their use of innovative cropping methods and practices. I am very pleased that the Senate farm bill proposal offers a reward to South Dakota farmers for these yield improvements. The direct and countercyclical payments will be made on 100 percent of a farmer's updated base acreage and yield.

I am troubled by the fact that the alternative expected to be offered by Senators COCHRAN and ROBERTS, as well as the House-passed farm bill, does not reward farmers with an allowance to update their yields for basing payments—yields used to make payments under the Cochran-Roberts and House bill will remain at 1985 levels. While updating base acres for calculating payments, the House farm bill and Cochran-Roberts alternative do not benefit South Dakota family farmers for yield increases or an update on yields to calculate support under the fixed payment and countercyclical programs. Moreover, the House farm bill and the Cochran-Roberts alternative simply make payments on 85 percent of a farmer's 20-year-old yields and updated acres. Unfortunately, these proposals perpetuate some of the most glaring failures of the 1996 farm bill.

Finally, the Senate bill continues the availability of 9-month marketing loans or loan deficiency payments for program crops: wheat, feed grains, soybeans, oilseeds, and new marketing loan authority for wool, honey, lentils, and chickpeas. The loan rates in the Senate bill are set higher than both the House bill, and the Cochran-Roberts alternative, because both proposals freeze loan rates at levels in the 1996 farm bill. It appears to me that the Cochran-Roberts and the House farm bill fail to recognize the desire that most producers have for a modest increase in loan rates, as marketing loans and are one form of countercyclical support.

As we take this legislation up in the Senate, I may work with my colleagues to provide for more targeted payment limitations. The current farm bill essentially contains meaningless payment limits, and the House and Senate proposals aren't a whole lot better. We must tighten the payment limits and redirect benefits to small and mid-sized family farmers. The single most effective thing Congress could do to strengthen the fabric of family farms across the Nation is to stop subsidizing mega farms that drive their neighbors out of business by bidding land away from them. From 1996 to 2000, the top 10 percent of individuals and farm corporations in the U.S. snagged two-thirds of all the Federal farm payments and disaster aid, averaging $40,000 annually per individual. Conversely, the bottom 80 percent of farmers averaged a mere $1,089 per year. The current program especially hurts beginning farmers because it increases the cost of getting a start in farming. Current farm legislation subsidizes and induces large farmers to engage in aggressive competition for market share by bidding up land values in hopes of becoming the high-volume, low-cost producers. By reducing the number of middle-size and beginning farmers, the current payment structure has deprived rural communities and institutions of the population base they need to thrive. We have the opportunity to stop millions of dollars going into the pockets of large farms, in which the end result will be viability of family-sized farms and ranches.

Additionally, I may work to provide an amendment to the farm bill that permits farmers to elect a pre-harvest 'lock-in' price for loan deficiency payments, LDP, prior to the time in which they harvest a crop. Currently, when the local cash price for corn or wheat falls below a commodity's loan rate price, producers are able to receive a loan deficiency payment as one means of counter-cyclical support. However, experience under current legislation has uncovered some regional inequities in the marketing loan and LDP provisions. For instance, when wheat harvest begins in Texas and Oklahoma in the Spring, the winter wheat crop in South Dakota and other Northern Plains States is virtually still in its developing stage. During this time, wheat stocks are often low and local cash prices have been below the loan rate, therefore, wheat growers in southern States have enjoyed the opportunity to trigger large counter-cyclical support by receiving sizable LDP payments early in the harvest season.

Unfortunately, the farm bill prohibits wheat farmers across the rest of the country from receiving this same kind of support through an LDP at that same time. So, by the time July or August rolls around and wheat is ripe for harvest in South Dakota and other States in the Upper Midwest, oftentimes, a different set of market conditions' limits farmers' choices to secure an LDP. This is due to the fact that harvest is nearly complete, a surplus of wheat may be hanging over the market, and the difference between the cash price and the loan rate is not as large as in the Spring. Therefore, I may offer an amendment to allow farmers to select an LDP prior to harvest.

The farm bill is about many national priorities, and I am pleased the rural development title of this bill addresses the small, rural communities that serve as the backbone of our economy. It is important that our farm bill provide opportunities for value-added agriculture, small businesses, and rural communities. The level of funding for rural development initiatives in S. 1731 is a huge win for rural citizens and communities in South Dakota. Namely, I am pleased with the $75 million per year for value-added grants. South Dakota has been on the cutting edge of developing value-added projects in recent history. With the expansion of funding for these grants, we can expect to see profits from value-added agriculture increase in South Dakota. As in much of the Upper Midwest, unpredictable weather is a way of life for South Dakotans. With $2 million in funding to acquire more weather radio transmitters, people in rural communities can rest easy knowing they will have better access to accurate and up to the minute weather reports as a result of the farm bill.

Additionally, South Dakota is one of the States included in the reauthorized Northern Great Plains regional authority in the rural development title. This Authority has access to $30 million per fiscal year to provide grants to states in the Northern Great Plains Authority for projects including transportation and telecommunication infrastructure projects, business development and entrepreneurship, and job training. I applaud the chairman for all of his hard work in maintaining a priority for America's rural communities.

A priority of mine, the Senate farm bill provides more emphasis on conservation than any farm bill passed by the House or Senate heretofore. Our bill contains a number of conservation programs, including a reauthorization of the very successful Conservation Reserve Program and an increase in the total acreage eligible for the program to 41.1 million acres. While this is not the 45 million acre cap that I have advocated with legislation in the past, it is a step in the right direction. As we move forward to expand CRP, it is my belief that Congress and USDA must look at the criteria chosen by USDA to award contracts to landowners. Too often, South Dakota producers and landowners have been penalized by the Environmental Benefits Index which now requires very costly mixtures of seed varieties to be planted on new CRP tracts. It is my hope we can apply some greater flexibility to the EBI so this program can be effective in South Dakota. I believe the farm bill must direct more attention towards programs such as CRP which protect soil and water, promote habitat and wildlife growth, and compensate family farmers and ranchers for taking measures to conserve our resources. Additionally, the bill includes a version of the Harkin-Johnson Conservation Security Program which is a new initiative placing emphasis on conservation practices that are compatible to working lands on farms and ranches. Furthermore, the conservation title includes a reauthorization of my Farmable Wetlands Pilot, which is reauthorized through the life of the new farm bill, 2002 to 2006. This Farmable Wetlands Program was crafted last year by South Dakotans to protect small and sensitive farmed wetlands and to compensate producers for taking these acres out of production. When USDA would not administratively implement this idea, Senator DASCHLE and I introduced legislation which was signed into law. The legislation called for a two-year pilot program to enroll small, farmed wetlands, up to 5 acres in size, into CRP. I am very proud that South Dakota common-sense left an imprint on the conservation title of this farm bill with the extension of this Farmable Wetlands program. Finally, the conservation title contains a new Grassland Reserve Program to protect prairie and grasslands across the country.

Finally, I am also pleased with the nutrition title within the Senate farm bill that would ease the transition from welfare to work, increase benefits for working families and children, simplify regulations within, and increase outreach for the Food Stamp Program. Given our Nation's current economic conditions, it is especially important now that we reach out and provide services to our South Dakota neighbors in need. I would like to make special note of a provision included in this bill that would prevent the School Lunch Program from losing at least $100 million over the next 2 years by adjusting the way the program counts the value of commodities in the program. I introduced legislation earlier this year to prevent this problem, and I am pleased that this provision was included in the committee version of the bill.

In agriculture, I think the best economic stimulus is a long-term strategy that provides a meaningful income safety net for family farmers and ranchers. Therefore, the farm bill is the economic stimulus for rural America and family farmers and ranchers. The facts about the need to act are clear. In September, crop prices experienced the most dramatic one-month price drop in recorded history. We must enact a farm bill to provide greater economic security to our Nation's family farmers and ranchers.

I ask unanimous consent to print the letters in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 2, 2001.

Hon. TOM HARKIN,
Chairman, Senate Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.

Hon. RICHARD G. LUGAR,
Ranking Member, Senate Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.

Hon. LARRY COMBEST,
Chairman, House Agriculture Committee, House of Representatives.

Hon. CHARLES W. STENHOLM,
Ranking Member, House of Representatives, Washington, DC.

DEAR CHAIRMAN HARKIN AND COMBEST, SENATOR LUGAR, AND REPRESENTATIVE STENHOLM. The U.S. cattle industry invested considerable time, effort, and money to improve, promote, and advertise its finished product—U.S. beef. The U.S. cattle industry now needs the ability to identify its beef from among the growing volume of beef supplied by its foreign competitors. The ability to differentiate domestic beef from foreign beef is necessary to ensure that U.S. cattle producers have a competitive, open market that allows consumer demand signals to reach domestic cattle producers.

We strongly support the mandatory country-of-origin labeling language passed by the Senate Agriculture Committee. Specifically, we strongly support the following key elements: (1) Mandatory country of origin labeling for beef, lamb, pork, fish, fruits, vegetables, and peanuts. (2) Only meat from animals exclusively born, raised, and slaughtered in the United States shall be eligible for a USA label. (3) The USDA Quality Grade Stamp cannot be used on imported meat.

Several importing and processing industry groups are aggressively working to weaken the Senate Farm Bill's mandatory country-of-origin labeling language. They want to eliminate the exclusively born, raised, and slaughtered definition of origin. They also want to exempt ground beef from among the meat covered by the legislation. We strongly oppose any such changes as they would severely impair the competitiveness of U.S. cattle producers.

Since 1987, the U.S. cattle industry has invested millions toward a mandatory check-off program to research, promote, and advertise beef. It is now time to take the next logical step of requiring country-of-origin labeling so consumers can identify the very beef U.S. cattle producers have worked so hard to promote. Proper labeling of beef will benefit all check-off contributors. The identification of meat in the marketplace is also becoming increasingly important given the global threat of bio-terrorism. Without labeling, we cannot segregate or recall meat now flowing through our food distribution channels if a contamination or outbreak were announced by any one of our many trading partners. Finally, consumers deserve to have accurate country-of-origin labeling so they can make informed purchasing decisions.

We respectfully urge you to fully support the mandatory country-of-origin language passed by the Senate Agriculture Committee and now included in the Senate Farm Bill.

Sincerely,

Adams County Cattlemen's Association (Washington), Alabama Cattlemen's Association, American Indian Livestock Association, Baker County Livestock Association (Oregon), Beartooth Stockgrowers Association (Montana), Belgian Blue Beef Breeders, Bent-Prowers Cattle and Horsegrowers' Association (Colorado), Big Horn Cattlemen's Association (Wyoming), Bitterroot Stockgrowers Association (Montana), Black Hills Angus Association (South Dakota), Bonner-Boundary Cattle Association (Idaho), British White Cattle Association of America, LTD, Cattlemen's Weighing Association (North Dakota), Colstrip Community Stockyard Association, Crazy Mountain Stockgrowers (Montana), Eagle County Cattlemen's Association (Colorado), Fallon County Stockgrowers' and Landowners' Association (Montana), Grant County Cattlemen's Association (Washington), Holy Cross Cattlemen's Association (Colorado), Idaho-Lewis Cattle Association (Idaho).

Independent Cattlemen's Association of Texas, Kansas Cattlemen's Association, Kansas Hereford Association, Kootenai Cattlemen's Association (Idaho), Lane County Livestock Association (Oregon), Livestock Marketing Association, Minnesota Cattlemen's Association, Mississippi Cattlemen's Association, Missouri Stockgrower's Association, Montana Stockgrowers Association, Nevada Cattlemen's Association, Nevada Live Stock Association, New Jersey Angus Association, New Mexico Cattlegrowers' Association, North Central Stockgrowers Association (Montana), North Dakota Stockmen's Association, North-East Kansas Hereford Association, North Idaho Cattlemen's Association (Idaho), Owyhee Cattlemen's Association (Idaho).

Pennsylvania Cattlemen's Association, Pueblo County Cattlemen Association (Colorado), Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA), Sheridan County Stockgrowers (Wyoming), South Dakota Livestock Auction Markets Association, South Dakota Stockgrower's Association, Southeastern Montana Livestock Association, Southern Colorado Livestock Association, Spokane County Cattlemen's Association (Washington), Stevens County Cattlemen's Association (Washington), Utah Cattlemen's Association, Valier Stockmen's Association (Montana), Virginia Cattlemen's Association, Washington Cattlemen's Association, Western Montana Stockgrowers

Association, Western Ranchers Beef Cooperative (California), Wyoming Stock Growers Association.

DECEMBER 4, 2001.

Member,
U.S. Senate, Washington, DC.

DEAR SENATOR: On behalf of the members of the American Farm Bureau Federation (AFBF) and the National Farmers Union (NFU), we write to urge your support for country of origin labeling when you vote for the farm bill. The Senate Agriculture Committee-passed farm bill requires mandatory country of origin labeling for fresh fruits and vegetables, peanuts, and meat products including beef, lamb, pork and farm-raised fish.

Producers and consumers both benefit. Country of origin labeling is a valuable marketing opportunity that may improve the ability of U.S. producers to compete in a highly regulated market and costly environment. Likewise, consumers have expressed strong support for country of origin labeling for agricultural products. According to a March 1999 Wirthlin Worldwide survey, 86 percent of consumers support country of origin labeling for meat products.

The U.S. General Accounting Office has reported that, according to surveys conducted by the fresh produce industry, between 74 and 83 percent of consumers favor country of origin labeling for fresh produce. The Farm Foundation's, "The 2002 Farm Bill: U.S. Producer Preference for Agricultural, Food and Public Policy" indicates that support for labeling the country of origin on food products is nearly unanimous, with 98 percent in agreement, among producers.

The Senate Agriculture committee-passed farm bill requires meat products, peanuts, and perishable agricultural commodities to be labeled as to the country of origin. In order to qualify as U.S.-produced, meat products must come from an animal born, raised and slaughtered in the U.S. and fresh produce and peanuts must be exclusively grown and processed in the U.S. Language is included stating that there will not be a system of mandatory identification imposed and that a system will be based on a current program used by USDA to verify that the animals are born, raised and slaughtered in the U.S.

A significant number of U.S. trading partners have country of origin labeling laws for produce and meat products. According to the USDA's 1998 Foreign Country of Origin Labeling Survey, the United States is among only six of the 37 reporting countries that do not require country of origin labeling on processed meat. Since the time of the 1998 survey, additional countries, such as Japan, have begun requiring country of origin labeling of meat. In addition, some 35 out of the 46 surveyed countries require country of origin labeling for fresh fruits and vegetables.

Farmers and ranchers believe consumers have a right to know where their food is produced. We hope that you will support country of origin labeling as it moves to the Senate floor.

Sincerely,

BOB STALLMAN,
President, American Farm Bureau Federation.
LELAND SWENSON,
President, National Farmers Union.

OCTOBER 30, 2001.

Hon. TOM HARKIN,
Chairman, Senate Committee on Agriculture, Nutrition and Forestry U.S. Senate.
Hon. RICHARD G. LUGAR,
Ranking Member, Senate Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR CHAIRMAN HARKIN AND SENATOR LUGAR: We are writing to ask for your support for an initiative that will allow consumers to make more informed choices about their purchases of fruits, vegetables and meats. We seek your support for inclusion of a measure to provide mandatory country-of-origin labeling for fresh produce and meat in the Senate version of the farm bill.

American consumers prefer to know where their food is grown. In multiple national surveys, more than 70 percent of produce shoppers support country-of-origin labeling for fruits and vegetables. In Florida, where such labeling has been the law for more than 20 years, more than 95 percent favor produce origin labeling in stores. Consumer surveys also indicate that 86 percent of Americans prefer labeling country-of-origin for meat products.

The Consumer Right to Know Act of 2001 (S. 280) would mandate point-of-purchase labeling for fruits, vegetables and other fresh perishables, as well as meat products such as beef, lamb and pork. Food service establishments would be exempt. The bill grants USDA the authority to coordinate enforcement with each state.

Of course, manufactured goods sold in the U.S. have carried mandatory country-of-origin labels since the 1930s. Today, at a time when retailers sell fresh produce from dozens of countries, our nation's fruits and vegetables need to carry that same important information. Furthermore, consumers are misled into thinking the USDA inspected grade equates a country of origin label for meat products.

Recently, the House of Representatives overwhelmingly passed a similar country-of-origin labeling measure (mandating labeling for fresh produce only) as part of the farm bill package.

We urge you to consider the benefits of S. 280 and support inclusion of it in the Senate version of the farm bill.

Sincerely,

Alaska Farmers Union, American Corn Growers Association, Alabama Farm Bureau Federation, Arizona Farm Bureau Federation, Arkansas Farm Bureau Federation, Arkansas Farmers Union, Burleigh County Farm Bureau, California Asparagus Commission, California Citrus Mutual, California Grape & Tree Fruit League, California Farm Bureau, California Farmers Union, Center for Food Safety, Consumer Federation of America, Desert Grape Growers League of California, Florida Citrus Mutual, Florida Department of Agriculture & Consumer Services, Florida Farm Bureau Federation, Florida Farmers & Suppliers Coalition, Inc., Florida Fruit and Vegetable Association.

Florida Tomato Exchange, Georgia Farm Bureau Federation, Georgia Fruit and Vegetable Growers Association, Idaho Farm Bureau Federation, Idaho Farmers Union, Illinois Farmers Union, Independent Cattlemen's Association of Texas, Indiana Farmers Union, Indian River Citrus League, Intertribal Agriculture Council, Iowa Farmers Union, Kansas Cattlemen's Association, Kansas Farmers Union, Livestock Marketing Association, Louisiana Farm Bureau Federation, Maryland Farm Bureau, Michigan Asparagus Advisory Committee.

Michigan Farmers Union, Minnesota Farm Bureau Federation, Minnesota Farmers Union, Missouri Farmers Union, Mississippi Farm Bureau Federation, Montana Farm Bureau Federation, Montana Farmers Union, National Catholic Rural Life Conference, National Consumers League, National Family Farm Coalition, National Farmers Organization, National Farmers Union, National Onion Council, National Potato Council, Nebraska Farmers Union, New York Farm Bureau, New York Beef Producers' Association, New York State Forage & Grassland Council, New Jersey Farm Bureau, Nevada Livestock Association.

North Dakota Farm Bureau, North Dakota Farmers Union, North Idaho Cattlemen's Association, Northwest Horticultural Council, Ohio Farm Bureau Federation, Ohio Farmers Union, Oklahoma Farmers Union, Oregon Farm Bureau Federation, Oregon Farmers Union, Organization for Competitive Markets, Public Citizen, Pennsylvania Farm Bureau, Pennsylvania Farmers Union, Ranchers-Cattlemen Action Legal Fund (R-CALF USA), Rhode Island Farm Bureau Federation, Rocky Mountain Farmers Union, South Carolina Farm Bureau.

South Dakota Farm Bureau Federation, South Dakota Farmers Union, Southern Colorado Livestock Association, Texas Farmers Union, United Fruits and Vegetable Association, Utah Farmers Union, Virginia Farm Bureau, Washington Farmers Union, Washington State Farm Bureau, Western Organization of Resource Councils (WORC), Wisconsin Farmers Union, Wyoming Farm Bureau Federation, Wyoming Stock Growers Association.

NOVEMBER 6, 2001.

DEAR SENATOR: When the Senate takes up the 2001 farm bill, please support legislation to require country-of-origin labeling at retail for meat products and fresh fruits and vegetables. Senator Tim Johnson (D–S.D.) has introduced this legislation as S. 280, the Consumer Right to Know Act of 2001. Please oppose efforts to water down country-of-origin labeling legislation by allowing domestic origin labels on beef that has been slaughtered and processed—but not born—in this country.

While not a food safety program, country-of-origin labeling will give consumers additional information about the source of their food. As a matter of choice, many consumers may wish to purchase produce grown and processed in the United States or meat from animals born, raised and processed here. Without country-of-origin labeling, these consumers are unable to make an informed choice between U.S. and imported products. In fact, under the Agriculture Department's grade stamp system, they could be misled into thinking some imported meat is produced in this country. Country-of-origin labeling may also assist small producers, many of whom are suffering from low prices, consolidation among processors, and weather-related problems.

Several food industry trade associations and two farm organizations have proposed a voluntary "Made in the USA" label for retailers who want to promote and market U.S. beef. Their effort falls short on two counts. First, industry already has voluntary labeling authorization and it has not resulted in country-of-origin labeling for beef. In addition, the industry proposal allows meat from cattle that have been in this country for a few as 100 days to be labeled "U.S. Beef." This could mislead consumers into thinking a product is of U.S. origin when, in fact, it is not. Meat products identified as "U.S. Beef" or "Made in the U.S.A." should originate from animals born, raised, slaughtered and processed here.

When country-of-origin labeling is discussed, two additional issues invariably come up: cost and trade retaliation. On cost, the General Accounting Office concluded that country-of-origin labeling would increase costs for both industry and government but that "the magnitude of these costs is uncertain." Federal law, however, already requires country-of-origin markings on the packaging of all meat and produce imported into this country. In addition, slaughter plants already segregate beef carcasses by grade and grade levels already following products to the retail level. How costly would it be to expand these efforts to include country-of-origin labeling at retail? In Florida, which has had country-of-origin labeling for produce since 1979, it reportedly costs less than $10 per month per store. In terms of compliance, Florida says its program is "not costly if conducted by the same inspection authority that is usually in food stores." Florida put statewide industry compliance costs for country-of-origin labeling through 1998 at less than $300,000 per year. Costs of this magnitude would be a reasonable trade-off to assure accurate labeling of meat and fresh produce.

On trade, numerous foreign countries have their own country-of-origin labeling requirements for perishable agricultural commodities. Twenty-two of our own trading partners—including Canada, Mexico, Japan and many members of the European Union—have country-of-origin labeling for produce. If our trading partners have these requirements, why shouldn't we? In addition, many other consumer products, including automobiles, must meet country-of-origin labeling requirements in this country. Why should agricultural products be exempt?

Many polls, including a 1998 CBS News poll and two polls by the National Cattlemen's Beef Association, have found overwhelming consumer support for country-of-origin labeling. In Florida, more than 95 percent favor labeling produce by country of origin.

Earlier this fall, the House of Representatives included country-of-origin labeling for produce as part of its farm bill. The amendment adding this provision passed by a wide margin. Please support S. 280 or similar legislation when the Senate debates its farm bill.

ARTHUR JAEGER,
Consumer Federation of America.
PATTY LOVERA,
Public Citizen.
LINDA GOLODNER,
National Consumers League.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I ask unanimous consent that I might be able to proceed for about 3 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY TRIBUNALS

Mr. LEAHY. Mr. President, over the past few weeks, the Committee on the Judiciary has examined the administration's proposal to use military tribunals to try suspected terrorists. I think our work has been very helpful and productive. We used the constitutional oversight powers of the Senate to hold a series of hearings on a number of recent developments. Assistant Attorneys General asked to testify and we accommodated them. The Attorney General responded to a bipartisan request and we accommodated him with respect to the date and timing of his participation. We had a dialog on the question of military tribunals. We heard from other witnesses at our earlier hearings and through the course of the last few weeks informally from literally thousands of people.

We did this because it appeared to many of us that we had sort of a unilateral edict on the part of the administration regarding military tribunals. We were hearing, from the left to the right, concern that it was so unilateral that it might not stand constitutional muster. So in seeking as many voices on this as possible, we heard from some who endorsed wholeheartedly the use of military tribunals, others who said we should only use our court system—the tried and tested method of the court system, and still others who said—and I find myself in this category—sometimes military tribunals can be appropriate provided they are duly authorized and provided there are reasonable limits and proper safeguards for them.

I will put in the RECORD a copy of a letter from a large number of lawyers and law professors on this issue, and also a summary of some of the things we found in our committee hearings. I also include a proposal. I put this in the RECORD because I know Senators have been considering proposals for a military tribunal. Several Members of both parties have come forward with very constructive suggestions. I want to make sure if we are going to use military tribunals, we bring the procedure into compliance with international law, but with treaty obligations we have elsewhere. I want to make sure we set out very clearly the question of what our limits are, what the U.S. says about military tribunals.

We all know our various Presidents over the years have had to call other countries and say: You are holding an American. You can't put that American before a secret military tribunal. There have to be safeguards and we have to know what is going on. Certainly, you must carry out your own laws, but let's do it in the open and make sure they have a chance to speak, that they know what the evidence is against them, and that they have a chance for appeal.

A military tribunal is not a court-martial. Our courts-martial in the United States follow very specific procedures—in fact, some of the best in the world. If it is simply a question of these being, in effect, a court-martial, I don't think there would be any problem.

But what is a military tribunal? Senators have asked: Does it mean that a bare majority, or even less, could vote for the death penalty? What is the standard of proof? Is it mere suspicion, or is it preponderance of the evidence, or is it beyond a reasonable doubt? Does the person accused have any chance to give any kind of a defense? These are all issues that should be laid out.

If we are going to use military tribunals, let's make sure we are putting forth the best face of America. We have so much for which to be proud. We have a great deal to be proud of in our civil courts and in our military courts. At a time when we are asking nations around the world to join us in our battle against these despicable acts of terror—the acts we saw on September 11 in New York, the Pentagon, and in a lonely field in Pennsylvania—as we properly and appropriately defend ourselves and seek to eradicate the source of this terror, let's make sure, as we line up countries around the world to join us in that battle, that we keep those countries as our allies for further battles. Even after bin Laden is gone—and eventually he will be—there will be other terrorists—if not now, in later years. We want to make sure that countries join with us in the battle against terrorism, respecting the fact that we uphold our Constitution and our highest ideals as Americans.

THE CONTINUING DEBATE ON THE USE OF MILITARY COMMISSIONS

Assistant Attorney General Chertoff testified on November 28 before the Senate Judiciary Committee that "the history of this Government in prosecuting terrorists in domestic courts has been one of unmitigated success and one in which the judges have done a superb job of managing the courtroom and not compromising our concerns about security and our concerns about classified information."

I am proud that the Senate Judiciary Committee is playing a role in sponsoring this national debate, and I appreciate the participation and contributions of all members of the committee—no matter their point of view. Leading constitutional, civil rights and military justice experts have generously shared their time and analyses with the committee, as well as the Attorney General and other representatives of the Department of Justice. No one participant, no one person, and no one party holds a monopoly on wisdom in this Nation. I know that spirited debate is a national treasure. I know what the terrorists will never understand, that our diversity of opinion is not a weakness but a strength beyond measure.

I do not cast aspersions on those who disagree with my views on this subject. I do not challenge their motives and seek to cower them into silence with charges of "fear mongering." I challenge their ideas, and praise them as patriots in a noble cause.

Already, our oversight has provided a better picture of how the administration intends to use military commissions. According to William Safire of the New York Times, Secretary of Defense Donald Rumsfeld called the discourse over military commissions "useful" and is reaching outside the Pentagon for input. It now appears that the administration is reconsidering some of the most sweeping terms of the President's November 13 military order. On its face, that order has broad scope and provides little in the way of procedural protections, but the more recent assurances that it will be applied sparingly and in far narrower circumstances than is suggested by the language of the order have been helpful. While the Judiciary Committee hearings were ongoing, the administration clarified its plans for implementation of the military order in five critical aspects.

First, as written, the military order applies to non-citizens in the United States, which according to testimony before the committee would cover about 20 million people. Two days after we began our series of hearings, the President's counsel indicated that military commissions would not be held in the United States, but rather "close to where our forces may be fighting." Anonymous administration officials have also indicated in press reports that there is no plan to use military commissions in this country but only for those caught in battlefield operations.

Second, the White House counsel has also indicated that the order will only apply to "non-citizens who are members or active supporters of al-Qaida or other international organizations targeting the United States" and who are "chargeable with offenses against the international laws of war."

Third, while the military order is essentially silent on the procedural safeguards that will be provided in military commission trials, the White House counsel has explained that military commissions will be conducted like courts-martial under the Uniform Code of Military Justice. I have great confidence in our courts-martial system, which offers protections for the accused that rival, and in some cases even surpass, protections in our Federal civilian courts and includes judicial review.

Fourth, nothing in the military order would prevent commission trials from being conducted in secret, as was done, for example, in the case of the eight Nazi saboteurs that has most often been cited by the administration as its model for this order. However, Mr. Gonzales assured us that "Trials before military commissions will be as open as possible, consistent with the urgent needs of national security." Mr. Chertoff's testimony before the committee was along the same lines.

This is in sharp contrast to the statements before our hearings that the "proceedings promise to be swift and largely secret, with one military officer saying that the release of information might be limited to the barest facts, like the defendant's name and sentence."

Finally, the order expressly states that the accused in military commissions "shall not be privileged to seek any remedy or maintain any proceeding, directly or indirectly . . . in (i) any court of the United States, or any State thereof, (ii) any court of any foreign nation, or (iii) any international tribunal." Yet, the administration's most recent statements are that this is not an effort to suspend the writ of habeas corpus.

These explanations of the military order by both anonymous and identified administration representatives suggest that, one, the administration does not intend to use military commissions to try people arrested in the United States; two, these tribunals will be limited to "foreign enemy war criminals" for "offenses against the international laws of war"; three, the military commissions will follow the rules of procedural fairness used for trying U.S. military personnel; and four, the judgments of the military commissions will be subject to some form of judicial review. We hope that the Attorney General's responses to written questions from the committee will continue to clarify these critical matters.

The administration apparently contends that an express grant of power from this Congress to establish military commissions is unnecessary. The Attorney General testified before the Judiciary Committee on December 6 that, "the President's power to establish war-crimes commissions arises out of his power as Commander in Chief." A growing chorus of legal experts casts doubt on that proposition, however. Nevertheless, the administration appears to be adamant about going it alone and risking a bad court decision on the underlying legality of the military commission. Why take a chance that the punishment meted out to terrorists by a military commission will not stick due to a constitutional infirmity in the commission's jurisdiction?

I have received a letter signed by over 400 law professors from all over the country, expressing their collective wisdom that the military commissions contemplated by the President's Order are "legally deficient, unnecessary, and unwise." More specifically, these hundreds of legal scholars point out that Article I of the Constitution provides that Congress, not the President, has the power to "define and punish . . . Offenses against the Law of Nations." Absent specific congressional authorization, they say, the order "undermines the tradition of the Separation of Powers."

At our last hearing with the Attorney General, some of my colleagues on the other side of the aisle suggested that the administration had "essentially won" the argument on military commissions. This impression is wholly mistaken and I would urge my colleagues to review the record of the hearings before the Senate Judiciary Committee on this issue.

This debate is not about following the polls and playing a game of political "gotcha" when the cameras are rolling. When more than 400 law professors speak with one voice, and anyone who has been to law school knows that it is no easy matter to get even two law professors to agree on something, we must carefully consider their opinion that there are serious legal and constitutional problems with the President's course of action.

Their views are consistent with the concerns raised by the constitutional and military justice experts who testified before the committee. Let me just cite a few examples.

Retired Air Force Colonel Scott Silliman and law professor Laurence Tribe argued that the legal basis of the President's Military Order is weak and should be remedied by Congress.

Cass Sunstein of the University of Chicago recommended that basic requirements of procedural justice be met if commissions are established.

Neal Katyal of Yale Law School opined that the order "usurps the power of Congress" and ignores the focus of our Constitution's framework.

Kate Martin, Director of the Center for National Security Studies states that the military order "violates separation of powers as the creation of military commissions has not been authorized by the Congress and is outside the President's constitutional powers." She compares this current situation to that "[w]hen the Supreme Court approved the use of military commissions in World War II" and "Congress has specifically authorized their use in Articles of War adopted to prosecute the war against Germany and Japan."

Phillip Heymann of Harvard Law School testified that he regards the Military Order "as one of the clearest mistakes and one of the most dangerous claims of executive power in the almost fifty years that [he has] been in and out of government."

Kathleen Clark of Washington University Law School, St. Louis, in submitted testimony, examines each of the four sources cited by the President for authority for the order and concludes, "None of these authorize the creation of this type of military tribunal." She concludes that "In this time of uncertainty and fear, it is as important as ever for Congress to ensure that the executive branch abides by the constitutional limits on its authority."

Timothy Lynch, Director of the CATO Institute's Project on Criminal Justice contends that "because Article I of the Constitution vests the legislative power in the Congress, not the Office of the President, the unilateral nature of the executive order clearly runs afoul of the separation of powers principle."

Legal experts around the country are concerned that the President's order does not comport with either constitutional or international standards of due process. As pointed out in the letter from over 400 law professors, this defect has both practical and legal consequences. Legally, it means that the order may be inconsistent with our treaty obligations, which under our Constitution are the "supreme Law of the Land." Practically, it give political cover to those less democratic regimes around the world to mistreat foreign defendants in their courts, and thereby places Americans around the world at risk.

On December 5, I forwarded to the Attorney General in advance of the Judiciary Committee hearing proposed legislation to authorize the President to establish military tribunals to try terrorists captured abroad in connection with the September 11 attacks. In that proposal I outlined a number of procedural safeguards to fulfill the President's command in his military order for a "full and fair hearing." These procedures would bring these tribunals into compliance with our Nation's obligations under international law and treaties to which the United States is a party.

The authorization for and literal terms of the order present serious questions and require some corrective action. That is why I have offered to work with the administration and other members to draft and pass legislation that will clearly authorize and establish procedures for military commissions.

Those of us who take an oath of office to uphold the Constitution, both in the Congress and the administration, have a duty to do more than just listen to the polls. The important thing, after all, is not who wins some political debate the important thing is that America gets this right.

I ask unanimous consent to have the law professors' letter dated December 5, 2001, and an outline of safeguards and the sources for them be printed in the RECORD.

DECEMBER 5, 2001.

Hon. PATRICK J. LEAHY,
Chairman, Senate Judiciary Committee, Russell Senate Office Bldg., U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: We, the undersigned law professors and lawyers, write to express our concern about the November 13, 2001, Military Order, issued by President Bush and directing the Department of Defense to establish military commissions to decide the guilt of non-citizens suspected of involvement in terrorist activities.

The United States has a constitutional court system of which we are rightly proud. Time and again, it has shown itself able to adapt to complex and novel problems, both criminal and civil. Its functioning is a worldwide emblem of the workings of justice in a democratic society.

In contrast, the Order authorizes the Department of Defense to create institutions in which we can have no confidence. We understand the sense of crisis that pervades the nation. We appreciate and share both the sadness and the anger. But we must not let the attack of September 11, 2001 lead us to sacrifice our constitutional values and abandon our commitment to the rule of law. In our judgment, the untested institutions contemplated by the Order are legally deficient, unnecessary, and unwise.

In this brief statement, we outline only a few examples of the serious constitutional questions this Order raises:

The Order undermines the tradition of the Separation of Powers. Article I of the Constitution provides that the Congress, not the President, has the power to "define and punish . . . Offenses against the Law of Nations." The Order, in contrast, lodges that power in the Secretary of Defense, acting at the direction of the President and without congressional approval.

The Order does not comport with either constitutional or international standards of due process. The President's proposal permits indefinite detention, secret trials, and no appeals.

The text of the Order allows the Executive to violate the United States' binding treaty obligations. The International Covenant on Civil and Political Rights, ratified by the United States in 1992, obligates State Parties to protect the due process rights of all persons subject to any criminal proceeding. The third Geneva Convention of 1949, ratified by the United States in 1955, requires that every prisoner of war have a meaningful right to appeal a sentence or a conviction. Under Article VI of the Constitution, these obligations are the "supreme Law of the Land" and cannot be superseded by a unilateral presidential order.

No court has upheld unilateral action by the Executive that provided for as dramatic a departure from constitutional norms as does this Order. While in 1942 the Supreme Court allowed President Roosevelt's use of military commissions during World War II, Congress had expressly granted him the power to create such commissions.

Recourse to military commissions is unnecessary to the successful prosecution and conviction of terrorists. It presumes that regularly constituted courts and military courts-martial that adhere to well-tested due process are unable to handle prosecutions of this sort. Yet in recent years, the federal trial courts have successfully tried and convicted international terrorists, including members of the al-Qaeda network.

It is a triumph of the United States that, despite the attack of September 11, our institutions are fully functioning. Even the disruption of offices, phones, and the mail has not stopped the United States government from carrying out its constitutionally-mandated responsibilities. Our courts should not be prevented by Presidential Order from visibly doing the same.

Finally, the use of military commissions would be unwise, as it could endanger American lives and complicate American foreign policy. Such use by the United States would undermine our government's ability to protest effectively when other countries do the same. Americans, be they civilians, peacekeepers, members of the armed services, or diplomats, would be at risk. The United States has taken other countries to task for proceedings that violate basic civil rights. Recently, for example, when Peru branded an American citizen a "terrorist" and gave her a secret "trial," the United States properly protested that the proceedings were not held in "open civilian court with full rights of legal defense, in accordance with international judicial norms."

The proposal to abandon our existing legal institutions in favor of such a constitutionally questionable endeavor is misguided. Our democracy is at its most resolute when we meet crises with our bedrock ideals intact and unyielding.

Respectfully submitted,

Benjamin Aaron, Professor of Law Emeritus, University of California-Los Angeles School of Law; Kenneth Abbott, Elizabeth Froehling Horner Professor of Law and Commerce, Director, Center for International and Comparative Studies, Northwestern University; Richard L. Abel, Visiting Professor, New York University Law School, Connell Professor, University of California-Los Angeles School of Law; Khaled Abou El Fadl, Acting Professor, University of Califorina-Los Angeles School of Law; Bruce Ackerman, Sterling Professor of Law and Political Science, Yale Law School; Bryan Adamson, Associate Professor of Law, Case Western Reserve University School of Law; Raquel Aldana-Pindell, Assistant Professor of Law, University of Nevada-Las Vegas, William S. Boyd School of Law; Alison Grey Anderson, Professor of Law, University of California-Los Angeles School of Law; Michelle J. Anderson, Associate Professor of Law, Villanova University School of Law; Professor Penelope Andrews, City University of New York School of Law; Fran Ansley, Professor of Law, University of Tennessee College of Law; Keith Aoki, Associate Professor of Law, University of Oregon School of Law; Annette Appell, Associate Professor, University of Nevada-Las Vegas, William S. Boyd School of Law; Jennifer Arlen, Visiting Professor of Law, Yale Law School, Ivadelle and Theodore Johnson Professor of Law & Business, USC Law School; Michael Asimov, Professor of Law Emeritus, University of California-Los Angeles School of Law; Barbara Atwood, Mary Anne Richey Professor of Law, University of Arizona, James E. Rogers College of Law; Michael Avery, Associate Professor, Suffolk Law School; Jonathan B. Baker, Associate Professor of Law, American University, Washington College of Law; Jack Balkin, Knight Professor of Constitutional Law and the First Amendment, Yale Law School; Susan Bandes, Professor of Law, DePaul University College of Law; and Taunya Lovell Banks, Professor of Law, University of Maryland School of Law.

Roger M. Baron, Professor of Law, University of South Dakota School of Law; Gary Basi, Professor of Law, University of California-Los Angeles School of Law; Joseph Bauer, Professor of Law, University of Notre Dame School of Law; Linda M. Beale, University of Illinois College of Law; John S. Beckerman, Associate Dean for Academic Affairs, Rutgers School of Law—Camden; Leslie Bender, Associate Dean & Professor of Law and Women's Studies, Syracuse University College of Law; Robert Bennett, Northwestern University School of Law; Morris D. Bernstein, Associate Clinical Professor, University of Tulsa College of Law; Arthur Best, Professor of Law, University of Denver College of Law; Jerry P. Black, Jr., Associate Clinical Professor, University of Tennessee College of Law: Gary Blasi, Professor of Law, University of California-Los Angeles School of Law; Cynthia Grant Bowman, Professor of Law, Northwestern University School of Law; Francis A. Boyle, Professor of Law, University of Illinois College of Law; Lynn Branham, Visiting Professor of Law, University of Illinois College of Law; Pamela D. Bridgewater, Associate Professor of Law, American University, Washington College of Law; Thomas F. Broden, Professor Emeritus, University of Notre Dame School of Law; Mark S. Brodin, Professor of Law, Boston College Law School; Ralph Brill, Professor of Law, Chicago-Kent College of Law; Theresa J. Bryant, Executive Director and Director of Public Interest, Career Development Office, Yale Law School; Elizabeth M. Bruch, Practitioner-in-Residence, American University, Washington College of Law; Robert A. Burt, Alexander M. Bickel Professor of Law, Yale Law School; and Emily Calhoun, Professor of Law, University of Colorado.

Deborah Cantrell, Clinical Lecturer and Director of the Arthur Liman Public Interest Program, Yale Law School; Manuela Carneiro da Cunha, Professor, Department of Anthropology and the College, University of Chicago; William M. Carter, Jr., Esq., Assistant Professor of Law, Case Western Reserve University School of Law; Douglas Cassell, Director, Center for International Human Rights, Northwestern University School of Law; Anthony Chase, Center for International Studies, University of Chicago; Alan K. Chen, Associate Professor, University of Denver College of Law; Ronald K. Chen, Associate Dean for Academic Affairs, Rutgers School of Law—Newark; Paul G. Chevigny, Professor of Law, New York University School of Law; Gabriel J. Chin, Rufus King Professor of Law, University of Cincinnati College of Law; Hiram E. Chodosh, Professor of Law, Director, Frederick K. Cox International Law Center, Case Western Reserve University School of Law; Carol Chomsky, Associate Professor of Law, University of Minnesota Law School, Co-President, Society of American Law Teachers; George C. Christie, James B. Duke Professor of Law, Duke University School of Law; Michael J. Churgin, Raybourne Thompson Centennial Professor in Law, University of Texas School of Law; Kathleen Clark, Professor, Washington University School of Law; Roger S. Clark, Board of Governors Professor, Rutgers School of Law—Camden; Sarah Cleveland, Professor of Law, University of Texas School of Law; George M. Cohen, Professor of Law, University of Virginia; David Cole, Georgetown University Law Center; Melissa Cole, St. Louis University School of Law; Robert H. Cole, Professor of Law Emeritus, School of Law (Boalt Hall), University of California at Berkeley; and James E. Coleman, Jr., Professor of the Practice of Law, Duke University Law School.

Jules Coleman, Wesley Newcomb Hohfeld Professor of Jurisprudence, Yale Law School; Frank Rudy Cooper, Assistant Professor of Law, Villanova University School of Law; Charlotte Crane, Professor of Law, Northwestern University School of Law; Cathryn Stewart Crawford, Assistant Clinical Professor, Northwestern University School of Law; Lisa A. Crooms, Associate Professor, Howard University School of Law; Jerome McCristal Culp, Professor of Law, Duke University Law School; Dennis E. Curtis, Clinical Professor of Law, Yale Law School; Molly D. Current, Visiting Assistant Professor of Law, Chicago-Kent College of Law; Harlon Dalton, Professor of Law, Yale Law School; Karen L. Daniel, Clinical Assistant Professor, Northwestern University School of Law; Thomas Y. Davies, Associate Professor of Law, University of Tennessee College of Law; Angela J. Davis, Professor of Law, American University, Washington College of Law; Ellen E. Deason, Associate Professor, University of Illinois College of Law; Judith E. Diamond, Associate Professor; Brett Dignam, Clinical Professor of Law, Yale Law School; Diane Dimond, Clinical Professor of Law, Duke University Law School; Don Doernberg, James D. Hopkins Professor of Law, Pace University School of Law; Peter A. Donovan, Boston College Law School; Michael B. Dorff, Assistant Professor, Rutgers School of Law—Camden; Norman Dorsen, Fred I. and Grace A. Stokes Professor of Law, New York University School of Law; David M. Driesen, Associate Professor of Law, Syracuse University College of Law; and Steven Duke, Professor of Law, Yale Law School.

Melvyn R. Durchslag, Professor of Law, Case Western Reserve University School of Law; Fernand N. Dutile, Professor of Law University of Notre Dame School of Law; Stephen Dycus, Professor of Law, Vermont Law School; Howard Eglit, Professor of Law, Chicago-Kent College of Law; Daniel C. Esty, Clinical Professor of Environmental Law and Policy, Yale Law School; Cynthia R. Farina, Professor of Law, Cornell Law School; Neal Feigenson, Professor of Law, Quinnipiac University; Professor Jay M. Feinman, Rutgers School of Law—Camden; Stephen M. Feldman, University of Tulsa; Barbara J. Fick, Associate Professor of Law, University of Notre Dame School of Law; Matthew W. Finkin, Albert J. Harno Professor of Law, University of Illinois; David H. Fisher, Ph.D., Professor of Philosophy, North Central College; Stanley Z. Fisher, Professor of Law, Boston, MA;. Scott FitzGibbon, Professor of Law, Boston College Law School, Martin S. Flaherty, Professor of Law, Fordham Law School; Brian J. Foley, Widener University School of Law; Gregory H. Fox, Professor of Law, Chapman University School of Law, Orange, CA; Gary Forrester, Visiting Assistant Professor of Law, University of Illinois College of Law, Mary Louise Frampton, Director, Boalt Hall Center for Social Justice, University of California at Berkeley; Daniel J. Freed, Clinical Professor Emeritus of Law and Its Administration, Yale Law School; Eric Freedman, Professor of Law, Hofstra University School of Law; and Peter B. Friedman, Director of Research, Analysis, and Writing, Case Western Reserve University School of Law;

Nicole Fritz, Crowly Fellow in International Human Rights, Fordham School of Law; Joseph W. Glannon; Maggie Gilmore, Supervising Attorney, Indian Country Environmental Justice Clinic, Vermont Law School; Peter Goldberger, YLS '75, Attorney, Ardmore, PA; Phyllis Goldfarb, Professor of Law, Boston College Law School; Carmen Gonzalez, Assistant Professor of Law, Seattle University School of Law; Jonathan Gordon, Instructor of Law, Case Western Reserve University School of Law; Robert Gordon, Johnston Professor of Law and History, Yale University; Neil Gotanda, Professor of Law, Western State University; Stephen E. Gottlieb, Professor of Law, Albany Law School; Grayfred B. Gray, Associate Professor Emeritus, University of Tennessee College of Law; Suzanne Greene, Visiting Professor of Law, Chicago-Kent College of Law, Kent Greenfield, Associate Professor, Boston College Law School; Susan R. Gzesh, Director, Human Rights Program, The University of Chicago; Elwood Hain, Professor, Whittier Law School, Colonel (JAG), USAFR (ret); Louise Halper, Professor of Law, Washington & Lee University School of Law; Robert W. Hamilton, University of Texas School of Law; Joel F. Handler, University of California-Los Angeles School of Law; Hurst Hannum, Professor of International Law, The Fletcher School of Law and Diplomacy, Tufts University; Patricia Isela Hansen, Professor of Law, University of Texas Law School; Angela Harris, Professor of Law, School of Law (Boalt Hall), University of California at Berkeley; Mark I. Harrison, Esq.; and Robert Harrison, Yale Law School;

Melissa Hart, Associate Professor of Law, University of Colorado School of Law; Kathy Hartman, Assistant Dean for Admissions and Financial Aid, Vermont Law School; Lev Hartman; 381 VT Route 66, Randolph, VT 05060; Philip Harvey, Associate Professor of Law & Economics, Rutgers School of Law—Camden; Oona Hathaway, Associate Professor, Boston University School of Law; Joan MacLeod Heminway, University of Tennessee College of Law; Lynne Henderson, Visiting Professor of Law, University of California-Davis School of Law; Susan Herman, Professor of Law, Brooklyn Law School; Kathy Hessler, Case Western Reserve University School of Law; Steven J. Heyman, Professor of Law, Chicago-Kent College of Law; Tracey E. Higgins, Professor of Law, Fordham Law School, Co-Director, Crowley Program in International Human Rights; Barbara Hines, Lecturer/Director of the Immigration Clinic, University of Texas School of Law;. W. William Hodes, President, The William Hodes Professional Corporation, Professor Emeritus of Law, Indiana University; Joan H. Hollinger, Visiting Professor of Law, Director, Child Advocacy Program, School of Law (Boalt Hall), University of California at Berkeley; Ruth-Arlene W. Howe, Boston College Law School; Marsha Cope Huie, Visiting Professor of Law, Tulane University; Darren Lenard Hutchinson, Assistant Professor of Law, Southern Methodist University, Deena Hurwitz, Cover/Lowenstein Fellow in International Human Rights Law, Yale Law School; Alan Hyde, Professor and Sidney Reitman Scholar, Rutgers School of Law—Newark; Jonathan M. Hyman, Professor of Law, Rutgers School of Law—Newark; Allan Ides, Loyola Law School; and, Sherrilyn A. Ifill, Associate Professor of Law, University of Maryland School of Law.

Lisa C. Ikemoto, Professor of Law, Loyola Law School; Craig L. Jackson, Professor of Law, Texas Southern University, Thurgood Marshall School of Law; Quintin Johnstone, Emeritus Professor of Law, Yale Law School; Paul W. Kahn, Robert W. Winner Professor of Law and the Humanities, Yale Law School; David Kairys, James E. Beasley Professor of Law, Beasley School of Law, Temple University; Amy H. Kastely, Professor of Law, St. Mary's University School of Law; Harriet N. Katz, Clinical Professor, Rutgers School of Law—Camden; Lewis R. Katz, John C. Hutchins Professor of Law, Case Western Reserve University School of Law; Andrew H. Kaufman, Esq.; Eileen Kaufmann, Professor of Law, Tauro Law School; Conrad Kellenberg, Professor of Law, University of Notre Dame School of Law; Robert B. Kent, Professor Emeritus, Cornell Law School; Jeffrey L. Kirchmeier, Associate Professor of Law, City University of New York School of Law; Kimberly Kirkland, Professor of Law, Franklin Pierce Law Center; Thomas

Klevan, Professor of Law, Thurgood Marshall School of Law; Alvin K. Klevorick, John Thomas Smith Professor Law, Yale Law School; Harold Hongju Koh, Gerard C. and Bernice Latrobe Smith Professor of International Law, Yale Law School; Susan P. Koniak, Professor of Law, Boston University School of Law; Juliet P. Kostritsky, John Homer Kapp Professor of Law, Case Western Reserve University School of Law; Harold J. Krent, Interim Dean and Professor, Chicago-Kent College of Law; Christopher Kutz, Assistant Professor of Law, School of Law (Boalt Hall), University of California at Berkeley; and Maury Landsman, Clinical Professor, University of Minnesota Law School.

Frederick M. Lawrence, Law Alumni Scholar and Professor of Law, Boston University School of Law; Robert P. Lawry, Professor of Law and Director, Center for Professional Ethics, Case Western Reserve University School of Law; Sylvia R. Lazos, Associate Professor, University of Missouri-Columbia School of Law; Terri LeClercq, Ph.D., Fellow, Norman Black Professorship in Ethical Communication in Law, University of Texas School of Law; Brant T. Lee, Associate Professor of Law, University of Akron School of Law; Brian Leiterk Charles I. Francis Professor, University of Texas School of Law; John Leubsdorf, Professor of Law, Rutgers School of Law-Newark; Sanford Levinson, University of Texas School of Law; Cynthia Crawford Lichtenstein, Professor Emerita, Boston College School of Law, Visiting Professor, George Washington University School of Law; Joseph Liu, Assistant Professor, Boston College Law School; Claudio Lomnitz, Professor of History, University of Chicago; Jean Love, Martha-Ellen Tye Distinguished Professor of Law,University of Iowa College of Law; John S. Lowe, George W. Hutchison Professor of Energy Law, Southern Methodist University; Edmund B. Luce, Director of Graduate Programs and Legal Writing Professor, Widener University School of Law; Carroll L. Lucht, Clinical Professor of Law, Yale Law School; Jeana L. Lungwitz, University of Texas School of Law; David Lyons, Boston University; Marko C. Maglich, Attorney, New York; Daniel Markovits, Associate Professor of Law, Yale Law School; Inga Markovits, "Friends of Jamail" Regents' Chair in Law, University of Texas; Richard Markovits, John B. Connally Chair in Law, University of Texas; Stephen Marks, Associate Dean for Academic Affairs, Boston University School of Law; and Jerry L. Mashaw, Sterling Professor of Law and Management, Yale Law School.

Professor Judith L. Maute, University of Oklahoma College of Law; Carolyn McAllaster, Clinical Professor of Law, Duke University School of Law; Marcia L. McCormick, Visiting Assistant Professor, Chicago-Kent College of Law; Melinda Meador, Bass, Berry, and Sims PLC, Knoxville, TN; Michael Meltsner, Visiting Professor of Law, Harvard Law School; Roy M. Mersky, Harry M. Reasoner Regents Chair in Law and Director of Research, Jamail Center for Legal Research, Tarlton Law Library, University of Texas School of Law; Frank I. Michelman, Harvard University; Alice M. Miller, J.D., Assistant Professor of Clinical Public Health, Law and Policy Project, Columbia University School of Public Health; Jonathan Miller, Professor of Law, Southwestern University School of Law; Joseph Scott Miller, Visiting Assistant Professor of Law, Northwestern University School of Law; Elliot S. Milstein, Professor of Law, American University, Washington College of Law; Jo-Anne Miner, Senior Lecturer, Cornell Law School; Satish Moorthy, Coordinator, Human Rights Program, University of Chicago; Margaret Montoya, University of New Mexico School of Law, Co-President, Society of American Law Teachers; Frederick C. Moss, Associate Professor of Law, Southern Methodist University School of Law; Eleanor W. Myers,Temple University, Beasley Law School; Molly O'Brien, Associate Professor of Law, University of Akron School of Law; Paul O'Neil, Visiting Professor of Law, CUNY School of Law; J.P. Ogilvy, Associate Professor of Law, Columbus School of Law, The Catholic University of America; Diane Orentlicher, American University, Washington College of Law; and Nancy K. Ota, Professor of Law, Albany Law School; Professor Daniel G. Partan, Boston University School of Law.

Teresa Gotwin Phelps, Professor of Law, University of Notre Dame School of Law; Sidney Picker, Jr., Professor of Law, Case Western Reserve University Law School; Sydelle Pittas, Esq., Pittas/Koenig, Winchester, MA; Zygmunt J.B. Plater, Professor of Law, Boston College Law School; Nancy D. Polikoff, Professor of Law, American University, Washington College of Law; Robert J. Quinn, Esq., Human Rights Program, University of Chicago; Vernellia R. Randall, Professor of Law, University of Dayton; Frank S. Ravitch, Visiting Associate Professor of Law, Syracuse University College of Law; Anthony F. Renzo, Assistant Professor, Vermont Law School; Judith Resnik, Arthur Liman Professor of Law, Yale Law School; Wilhelmina M. Reuben-Cooke, Professor of Law, Syracuse University College of Law; Annelise Riles, Professor of Law, Northwestern University School of Law; David W. Robertson, Professor of Law, University of Texas School of Law; Professor Mary Romero, School of Justice Studies, Arizona State University; Professor Michael Rooke-Ley, Co-President-elect, Society of American Law Teachers; Susan Rose-Ackerman, Henry R. Luce Professor of Law and Political Science, Yale Law School; Rand E. Rosenblatt, Professor of Law, Rutgers School of Law—Camden; Stephen A. Rosenbaum, Lecturer in Law, School of Law (Boalt Hall); University of California at Berkeley; Clifford J. Rosky, Post-Graduate Research Fellow, Yale Law School; Gary Rowe, Acting Professor, University of California-Los Angeles School of Law; Len Rubinowitz, Professor of Law, Northwestern University School of Law; and William Rubenstein, Acting Professor, University of California-Los Angeles School of Law.

David S. Rudstein, Professor of Law, Chicago-Kent College of Law; Marshall Sahlins, Charles F. Grey, Distinguished Service Professor Emeritus, University of Chicago; Richard Sander, Professor of Law, University of California-Los Angeles School of Law; Jane L. Scarborough, Associate Professor of Law, Northeastern University School of Law; Elizabeth M. Schneider, Rose L. Hoffer, Professor of Law, Brooklyn Law School; Ora Schub, Associate Clinical Professor, Children and Family Justice Center, Northwestern University School of Law; Ann Seidman, Adjunct Professor, Boston University School of Law; Robert B. Seidman, Professor Emeritus, Boston University School of Law; Jeff Selbin, Lecturer, School of Law (Boalt Hall), University of California at Berkeley; Elisabeth Semel, Acting Clinical Professor, School of Law (Boalt Hall), University of California at Berkeley; Ann Shalleck, Professor of Law, American University, Washington College of Law; Julie Shapiro, Associate Professor of Law, Seattle University School of Law; Richard K. Sherwin, Professor of Law, New York Law School; Seanna Shiffrin, Professor of Law and Associate Professor of Philosophy, University of California-Los Angeles; Steven Shiffrin, Professor of Law, Cornell University; James J. Silk, Executive Director, Orville H. Schell, Jr., Center for International Human Rights, Yale Law School; Richard Singer, Distinguished Professor, Rutgers Law School—Camden; Professor Ronald C. Slye, Seattle University School of Law; Roy M. Sobelson, Professor of Law, Georgia State University College of Law; Norman W. Spaulding, Acting Professor of Law, School of Law (Boalt Hall), University of California at Berkeley; and Christina Spiesel, Senior Research Associate, Yale Law School, Adjunct Professor of Law, Quinnipiac University School of Law, and Professor Of Law, New York Law School.

Peter J. Spiro, Professor of Law, Hofstra University Law School; Joan Steinman, Distinguished Professor of Law, Chicago-Kent College of Law; Barbara Stark, Professor of Law, University of Tennessee College of Law; Margaret Stewart, Professor of Law, Chicago-Kent School of Law; Katherine Stone, Professor of Law, Cornell Law School; Victor J. Stone, Professor Emeritus of Law, University of Illinois at Urbana-Champaign; Robert N. Strassfeld, Professor of Law, Case Western Reserve University School of Law; Peter L. Strauss, Betts Professor of Law, Columbia Law School; Beth Stephens, Associate Professor of Law, Rutgers-Camden School of Law; Ellen Y. Suni, Professor of Law, University of Missouri-Kansas City School of Law; Michael Sweeney, Esq., Eleanor Swift, Professor of Law, School of Law (Boalt Hall), University of California at Berkeley; David Taylor, Professor of Law, Northern Illinois College of Law; Kim Taylor-Thompson, Professor, New York University School of Law; Peter R. Teachout, Professor of Constitutional Law, Vermont Law School; Harry F. Tepker, Calvert Chair of Law and Liberty and Professor of Law, University of Oklahoma; Beth Thornburg, Professor of Law, Dedman School of Law, Southern Methodist University; Lance Tibbles, Professor of Law, Capital University Law School; Mark Tushnet, Georgetown University Law Center; Kathleen Waits, Associate Professor, University of Tulsa College of Law; Neil Vidner, Duke University Law School; and Joan Vogel, Professor of Law, Vermont Law School.

Rhonda Wasserman, Professor of Law, University of Pittsburgh School of Law; Mark Weber, Professor of Law, DePaul University College of Law; Harry H. Wellington, Sterling Professor of Law Emeritus, Yale Law School, Professor of Law, New York Law School; Carwina Weng, Assistant Clinical Professor, Boston College Law School; Jamison Wilcox, Quinnipiac School of Law; Cynthia Williams, Associate Professor, University of Illinois College of Law and Visiting Professor Fordham University Law School; Verna Williams, Assistant Professor of Law, University of Cincinnati College of Law; Harvey Wingo, Professor Emeritus of Law, Southern Methodist University; Stephen L. Winter, Professor of Law, Brooklyn Law School; Zipporah B. Wiseman, Thomas H. Law Centennial Professor of Law, University of Texas; Stephen Wizner, William O. Douglas Clinical Professor of Law, Yale Law School; Arthur D. Wolf, Professor of Law, Western New England College School of Law; Richard Wright, Professor of Law, Chicago-Kent College of Law; Larry Yackle, Boston

University School of Law; Professor Ellen Yaroshefsky, Jacob Burns Ethics Center, Cardozo Law School, Yeshiva University; and Karen Kithan Yau, Robert M. Cover Clinical Teaching Fellow, Yale Law School and Member of the Connecticut, Massachusetts and New York State Bars.

PROCEDURAL SAFEGUARDS FOR MILITARY TRIBUNALS

(i) That the tribunal is independent and impartial—Sources: Protocol Additional to the Geneva Conventions of 12 August 1949 (Protocol II) Part II, Art. 6, No. 2; International Covenant on Civil and Political Rights (ICCPR), Part III, Art. 14, No. 1; Universal Declaration of Human Rights (UDHR), Art. 10.

(ii) That the particulars of the offense charged or alleged against the accused are given without delay—Sources: Protocol II, Part II, Art. 6, No. 2(a); ICCPR, Part III, Art. 14, No. 3(a) and (c); Statute of the International Criminal Tribunal for former Yugoslavia (ICTY), Art. 20(3), 21(4)(a); Additional Protocol I to the Geneva Conventions (Protocol I), Art. 75(4)(a); U.S. Rules of Courts-Martial (RCM) 308; RCM 405(f)(1), (2), and (6); and RCM 602.

(iii) That the proceedings be made intelligible by translation or interpretation—Sources: ICCPR, Part III, Art. 14, No. 3(a) and (f); ICTY, Art. 21(4)(a) and (f); Geneva Convention 3, Art. 105; Implicit in Protocol I, Art. 4(a).

(iv) That the evidence supporting the conviction is given to the accused, with exceptions only for demonstrable reasons of national security or public safety—Sources: ICCPR, Part III, Art. 14, No. 1; Geneva Convention 3, Art. 105; Protocol I, Art. 75(4)(g); Universal Declaration of Human Rights, Art. 11; ICTY 21(4)(e); RCM 308; RCM 405(f)(3) and (5); RCM 405(g)(1)(B); RCM 703(f); Military Rules of Evidence (MRE) 401.

(v) That the accused has the opportunity to be present at trial—Sources: Protocol II, Part II, Art. 6, No. 2(e); ICCPR, Part III, Art. 14, No. 3(d); ICTY, Art. 21(4)(d); Implicit in Geneva Convention 3, Art. 99; Protocol I, Art 75(4)(e); RCM 804.

(vi) That the accused may be represented by counsel—Sources: ICCPR, Part III, Art. 14, No. 3(b) and (d); ICTY, Art. 21(4)(b) and (d) implicit in Protocol II, Part II, Art. 6, No. 2(a); RCM 405(d)(2); RCM 405(f)(4); RCM 506.

(vi) That the accused has the opportunity to respond to the evidence supporting conviction and present exculpatory evidence—Sources: ICCPR, Part III, Art. 14, No. 3(e); Geneva Convention 3, Art. 105; RCM 405(f)(10) and (11).

(vii) That the accused has the opportunity to cross-examine adverse witnesses and to offer witnesses—Sources: ICCPR, Part III, Art. 14, No. 3(e); ICTY, Art. 21(4)(e); Geneva Convention 3, Art. 105; Protocol I, Art. 75(4)(g); Universal Declaration of Human Rights, Art. 11; RCM 405(f)(8) and (9); RCM 703(a); MRE 611(b).

(viii) That the proceeding and disposition are expeditious—Sources: ICCPR, Part III, Art. 14, No. 3(c); ICTY, Art. 20(1), Art. 21(4)(c); implicit in Protocol II, Part II, Art. 6, No. 2(a); Geneva Convention 3, Art 105; Additional Protocol 1 to the Geneva Conventions, Art. 75(4)(g); UDHR, Art. 11; RCM 707(a) (calls for arraignment within 120 days).

(ix) That reasonable rules of evidence, designed to ensure admission only of material with probative value, are used—Sources: This is a suggestion made by Cass Sunstein in testimony before the Judiciary Cmte on 12/4/2001; it responds to section 4(c)(3) of the President's military order; see also Geneva Convention 3, Art 103; Protocol I, Art. 75(4)(a); MRE 401-403 (NOTE: protections are nearly equal to safeguards in federal civilian courts).

(x) That before and after the trial, the accused is afforded all necessary means of defense—Sources: Protocol II, Part II, Art. 6, No. 2(a); ICCPR, Part III, Art. 14, No. 3(b).

(xi) That conviction is based only upon proof of individual responsibility for the offense—Sources: Protocol II, Part II, Art. 6, No. 2(b); ICTY, Art. 21(4)(b); Geneva Convention 3, Art. 105.

(xii) That conviction is not based upon acts, offenses or omissions which were not offenses under the law at the time they were committed—Sources: Protocol II, Part II, Art. 6, No. 2(c); UDHR, Art. 11(2); ICTY, Art 7; Protocol I, Art. 75(4)(b).

(xiii) That the penalty for an offense is not greater than it was at the time that the offense was committed—Sources: Protocol II, Part II, Art. 6, No. 2(c); UDHR, Art. 11(2); ICTY, Art. 10; ICCPR, Art. 15; Protocol I, Art. 75(4)(c).

(xiv) That the accused is presumed innocent until proved guilty—Sources: Protocol II, Part II, Art. 6, No. 2(d); ICCPR, Part III, Art. 14, No. 2; Art. 15; UDHR, Art. 11(1); ICTY, Art. 21(3); Protocol I, Art. 75(4)(c).

(xv) That the accused is not compelled to confess guilt or testify against himself—Sources: Protocol II, Part II, Art. 6, No. 2(f); ICCPR, Part III, Art. 14, No. 3(g); ICTY, Art. 21(4)(g); RCM 405(f)(7); MRE 301; Implicit in Geneva Convention 3, Art 99; Protocol I, Art. 75(4)(d).

(xvi) That the trial is open and public, including public availability of the transcripts of the trial and pronouncement of judgment, with exceptions only for demonstrable reasons of national security or public safety—Sources: ICCPR, Part III, Art. 14, No. 1; ICTY,. Art. 20(4) and 21(2); Protocol I, Art. 75(4)(f); RCM 806; RCM 922; RCM 1007.

(xvii) That a convicted person is informed of remedies and appeals and the time limits for the exercise thereof—Sources: Protocol II, Part II, Art. 6, No. 3; ICCPR, Part III, Art. 14, No. 5; UDHR, Art. 10, 11; Protocol I, Art. 75(4)(i); RCM 1010.

(xviii) That a convicted person is informed of remedies and appeals and the time limits for the exercise thereof—Sources: Protocol II, Part II, Art. 6, No. 3; ICCPR, Part III, Art. 14, No. 5.; Geneva Convention 3, Art 106; Protocol I, Art. 75(4)(j) [to be informed if available]; UDHR, Art. 14; ICTY, Art 25.

Mr. LUGAR. Mr. President, I want to take advantage of the presence of the distinguished Senator from Vermont and the present chairman of the Agriculture Committee, who are the sole survivors of the agriculture debate today. This may be indicative of the kind of stamina required for this work.

It would be my hope to proceed in morning business to, in fact, give a statement about national security. I ask the Chair informally, because he has had a very long week, and I had not anticipated that he would be assuming this responsibility—nor do I wish to take advantage of that—if I may, I would like to proceed in morning business.

The PRESIDING OFFICER (Mr. HARKIN). Without objection, it is so ordered.

NATIONAL SECURITY

Mr. LUGAR. Mr. President, I found in the current issue of the National Journal a very important article entitled "Nuclear Nightmares," by James Kitfield, who has written knowledgeably in the past about matters of national security, and particularly those involving nuclear energy and weapons of mass destruction.

I want to place this article by James Kitfield into the RECORD. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the Article was ordered to be printed in the RECORD, as follows:

[From the National Journal, Dec. 14, 2001]

NUCLEAR NIGHTMARES

(By James Kitfield)

The recent disclosure that documents about nuclear bombs and radiological "dirty bombs" had been found at captured Al Qaeda terrorist network facilities in Kabul, Afghanistan, immediately triggered alarms among the nuclear scientists who work atop the high desert mesas in this remote region of New Mexico. For more than 50 years, nuclear experts at Los Alamos and at nearby Sandia National Laboratories have studied terrorist and criminal groups for any signs that they were on the verge of cracking the nuclear code first broken here. Everything they knew about Al Qaeda told them that these terrorists might be drawing too close to a terrible discovery.

Indeed, ever since members of the Manhattan Project tested the first atomic bomb in New Mexico in 1945, scientists at Los Alamos have been the pre-eminent keepers of the nuclear flame. When the former Soviet Union created the secret nuclear city "Arzamas-16" as the birthplace of its own atomic bomb, it hewed closely to the Los Alamos blueprint. So much so, in fact, that Russian residents later jokingly referred to their town as "Los Arzamas."

Almost from the inception of the nuclear age, no one understood better the apocalyptic threat of these weapons than the nuclear scientists who made them. J. Robert Oppenheimer, the director of the Manhattan Project and the father of the atomic bomb, eventually feel out of favor with the U.S. military at least partly over his strident support for arms control and his opposition to development of the much more powerful hydrogen bomb. The scientists at Los Alamos developed and help train and man the Energy Department's secretive Nuclear Emergency Search Teams that for 30 years have stood poised to respond to the threat of nuclear terror or the smuggling of a nuclear weapon onto U.S. soil.

Most important, the scientists at the Los Alamos, Sandia, and Lawrence Livermore national laboratories helped devise a U.S. nuclear doctrine designed to strictly limit the spread of nuclear weapons and technology, and to render their use unthinkable through the dynamic tension of "mutually assured destruction." And for the past decade, they have watched with growing concern as unpredictable world events have repeatedly tested the tolerances of that careful calculation and narrowed its margins for error.

WEAKENED SECURITY

The breakup of the former Soviet Union, followed by the fundamental restructuring of a Russian society that accounted for the world's largest stockpile of both nuclear weapons and the fissile material necessary to make them, created a gaping hole of vulnerability in terms of nuclear proliferation. U.S. experts concede that hole remains open to this day.

"We've been worried about Russia for 10 years, because initially the Russians insisted they didn't need any help securing their weapons and nuclear material, which was a ludicrous assertion," Siegfried Hecker, a senior fellow and former longtime director of Los Alamos National Laboratory, told National Journal. "The Russians simply failed to take into account how dramatically their country had changed with the breakup of the Soviet Union. With the evolution toward an open society, the old Soviet security system based on guns, guards, and gulags was simply not good enough anymore. So we've spent a lot of time educating the Russians about the gaps in their own security system, and I still don't think the Russian leadership fully appreciates just how real the continued vulnerabilities are in the Russian nuclear complex."

On top of Russian instability has come the rise of Islamic fundamentalism particularly the Taliban regime in Afghanistan, which has—or had, until recent weeks—strong links with the government of Pakistan, an emerging nuclear power. Pakistan's detention of two of its nuclear scientists for suspected connections to Osama bin Laden and his Al Qaeda network, and recent news reports suggesting previously undisclosed contacts between other Pakistani nuclear weapons experts and Al Qaeda, underscore the difficulty such societies have in safeguarding their nuclear secrets in times of extreme turmoil.

John Immele, a deputy director of Los Alamos, said: "The biggest security threat in terms of nuclear weapons or expertise falling into the wrong hands has always been the "inside job," because it short-circuits so many of the traditional barriers to nuclear proliferation. From that standpoint, the threat to the Pakistani government from Islamic fundamentalists, and the close ties between fundamentalists inside the government and Pakistan's nuclear weapons program, are obviously causes for concern. If a terrorist group were to get its hands on nuclear fissile material," he said, "the main impediment to making a bomb would be to find an expert to assemble it. As cases concerning Pakistani and some Russian nuclear scientists in the past have shown, there are an increasing number of nuclear experts out there, and some find themselves in desperate circumstances. That's one more way the bar to a terrorist group acquiring a nuclear device has dropped."

Perhaps the greatest disruption to the equilibrium of the nuclear "balance of terror" is the emergence of criminal and terrorist organizations with a level of power and technological sophistication once associated only with nation-states. Should Al Qaeda or another one of these terrorist groups with global reach succeed in acquiring nuclear weapons, experts say, it would turn on its head a nuclear doctrine that is based on the deterrent value of mutually assured destruction. Doomsday cults or religious zealots bent on martyrdom may not care much about traditional theories of deterrence.

Roger Hagengruber, the senior vice president for national security at Sandia, has spent much of his career contemplating the threat of nuclear terror. "For 50 years, the United States has closely watched various terrorist organizations for telltale indications that they might become a nuclear threat," he told National Journal. Possible warning signs include evidence of state sponsorship, a display of rapidly increasing technological sophistication, or persistent attempts to acquire materials or expertise associated with nuclear weapons.

"The reason we've been so concerned about Al Qaeda for some time is because all the warning indicators are positive," Hagengruber said, citing bin Laden's statements that acquiring nuclear and other weapons of mass destruction was a "religious duty" for Muslims, and intelligence reports of persistent attempts by Al Qaeda operatives to acquire nuclear fissile material. "You have a large, seemingly well-funded terrorist organization that has persisted over a long period of time. They have operated with either direct or indirect state support in a region of the world where the security infrastructure guarding nuclear materials is under significant stress. And they have an unprecedented degree of enmity toward the United States. I still think it's relatively unlikely that bin Laden actually acquired a crude nuclear weapon, or even significant amounts of weapons-grade fissile material, but that is not a set of circumstances that engenders either confidence or complacency. The consequences of being wrong or not paying the requisite attention are just too catastrophic."

SUITCASE BOMBS

Even a brief visit to the National Atomic Museum at the Sandia National Laboratories in Albuquerque, N.M., reveals the degree to which the nuclear flame threatened to become a wildfire during the arms race of the 1950s and '60s. On display are full-scale models of both of the original nuclear bombs dropped on Hiroshima and Nagasaki, "Little Boy" and "Fat Man," and a mockup of a Titan II intercontinental ballistic missile with multiple thermonuclear warheads, arguably the most fearsome weapon ever devised. In between sit replicas of virtually every nuclear weapon designed at Los Alamos and fielded by the U.S. military: nuclear air-to-air missiles, atomic mines, atomic depth charges and torpedoes, nuclear artillery shells—even the equivalent of an atomic bazooka to put atom-splitting destructiveness into the hands of the U.S. infantry.

Implied by this exhibit of nuclear inventiveness run amok, but not on display at the museum, are perhaps the least-talked-about of all nuclear weapons—portable atomic demolition charges, or nuclear "suitcase bombs." Speculation has been heated, although unsubstantiated, that Al Qaeda may have acquired such weapons from the former Soviet arsenal.

Gen. Aleksandr Lebed, a former Russian national security adviser, sparked the speculation in 1997 when he told CBS's 60 Minutes that the Russian military had lost track of more than 100 suitcase-sized nuclear weapons, out of a total arsenal of some 250. The Russian atomic energy commission denied the report—and even the existence of such weapons—and Lebed later seemed to back away from his own assertions. However, other Russian experts have confirmed the reality of such bombs. For instance, the Los Angeles Times recently quoted Russian START II negotiator Nikolai Sokov as saying the suitcase bombs existed but speculating that they have been dismantled. Russian scientist Alexei Yablokov, a former member of the Russian National Security Council, told Congress that the suitcase nukes were actually controlled by the KGB, the former Soviet intelligence service, and were thus outside the inventory-accounting system of the Russian military.

Yossef Bodansky, the director of the U.S. Congressional Task Force on Terrorism and Unconventional Warfare, heightened concerns over the Russian suitcase bombs. Citing unnamed intelligence sources in his 2000 book, Bin Laden: The Man Who Declared War on America, Bodansky claimed: "Although there is debate over the precise quantities of weapons purchased, there is no longer much doubt that bin Laden has finally succeeded in his quest for nuclear suitcase bombs. Bin Laden's emissaries paid the Chechens $30 million in cash, and gave them two tons of Afghan heroin worth about $70 million" for the bombs. Bodansky's book seemed to lend credence to bin Laden's assertion in a recent interview that Al Qaeda possessed nuclear weapons as a "deterrent."

Nuclear experts at Sandia and Los Alamos confirm that both the Soviet Union and the United States developed portable nuclear weapons. The U.S. weapon is the MK–54 Small Atomic Demolition Munition. Given the stringent security systems that nuclear states create to guard such weapons, however, the scientists consider the threat of loose mini-nukes as the least likely of all nuclear terror threats.

"Every state that has ever created a nuclear arsenal has come to a sobering realization of what it possesses, and has established extraordinary levels of security to protect those weapons," said Hagengruber of Sandia. "So while we can never dismiss the possibility of a stolen Russian nuclear weapon, that would be extremely difficult to accomplish, and the Russian president would almost certainly know about such a theft immediately."

Immele of Los Alamos concurs. "There is no question that both the United States and the Russians developed suitcase-sized atomic demolition munitions," he said. "We studied Lebed's comments very closely and compared them to our extensive knowledge about what the Russian military has done to account for its nuclear weapons, however, and we have no intelligence leading us to believe that those weapons have escaped Russian control. What you find is that even a country with 25,000 nuclear weapons and a less-than-state-of-the-art accounting system will keep a very close accounting and jealously guard control of its actual nuclear weapons." However, he cautioned, "nuclear materials and expertise are much harder to account for and keep track of, which is why so much of our concerns about Russia are focused on its nuclear fissile material and scientists."

DOOMSDAY INGREDIENTS

Most analysts cite as a success story the joint U.S.-Russian programs designed to rid the former Soviet states of their nuclear weapons, and to help Russia secure and dismantle its own weapons. The United States has spent roughly $4 billion on the Nunn-Lugar Cooperative Threat Reduction program (named for legislative co-sponsors former Sens. Sam Nunn, D–Ga., and Richard Lugar, R–Ind.). To date, the Nunn-Lugar program has deactivated 5,700 nuclear warheads, destroyed 434 ICBMs and 483 air-to-surface missiles, and eliminated hundreds of Russian bombers, submarines, and missile launchers.

However, attempts to consolidate and safeguard the much larger Russian stockpile of nuclear fissile material—the essential ingredient of these doomsday weapons—have had a more checkered record. Indeed, the first indication that Russia might be leaking lethal nuclear material from its increasingly decrepit inventory came as early as 1992, when a Russian was caught attempting to steal 1.5 kilograms of highly enriched uranium from a facility in Podolsk. Other incidents soon followed. In March 1993, authorities in St. Petersburg seized 6.6 pounds of weapons-grade uranium from smugglers. In August 1994, police in Munich, Germany, seized 360 grams of plutonium and 5 pounds of uranium, part of a shipment apparently stolen from a nuclear research center in Obninsk, Russia. In one of the most worrisome incidents, an anonymous tip enabled the Czech police to seize 2.7 kilograms of highly enriched uranium in December 1994.

Because nuclear experts consider the difficulty of acquiring weapons-grade fissile material as the single greatest impediment to a group or nation that wants to build nuclear weapons, these seizures sounded a loud wake-up call. The theft of significant amounts of uranium is particularly frightening because uranium can be used as the key ingredient in relatively rudimentary nuclear devices that experts consider most within the technological grasp of fledgling nuclear states or terrorist groups.

The Energy Department's efforts, under its "Lab-to-Lab" initiative, to protect Russia's stockpile of fissile material have encountered severe obstacles. One is the continuing Russian reluctance to open its secret nuclear cities and research facilities to prying Western eyes. The second has been the unwillingness of both Russian and American authorities to acknowledge the vast scope of the problem of securing the enormous Russian stockpile of fissile material.

"I think it's fair to say that the Russians themselves didn't have a complete handle on the quantities and scattered locations that made up their fissile-material stockpile," said Kent Biringer, who works on cooperative international programs at Sandia. "As we started out on these programs, we didn't have a solid baseline from which to work that told us what we were trying to get our arms around."

When the true size of the Russian stockpile eventually came into clearer focus, U.S. officials realized they had greatly underestimated the challenge. Richard Wallace, the program manager for material protection, control, and accounting in the Russian Nonproliferation Program at Los Alamos, said: "What we found was that Russia had produced roughly 10 times more nuclear fissile material during the Cold War than the United States, and they had it scattered at many more sites. They also had 10 secret nuclear cities," Wallace said, "and each one dwarfed one of our comparable nuclear weapons laboratories. The Russians also had to go through a major cultural change in how they thought about security at their stockpile sites."

Eventually, U.S. experts were able to estimate that Russia had a total of 850 metric tons of weapons-usable missile material—enough for more than 70,000 nuclear weapons—stored at 95 separate sites. Because it takes only about 17.5 pounds of plutonium or 55 pounds of enriched uranium to make a nuclear bomb, securing that vast trove of fissile material became one of the United States' top nonproliferation priorities of the 1990s.

The lax security systems at some of those Russian sites have become legendary within the weapons-lab community. Security experts talk about perimeter fences with gaping holes; fissile material stored in unguarded boxes in hallways of poorly guarded facilities; and facilities without air conditioning, where windows without bars were routinely kept open to ease the summer heat. According to experts at Los Alamos, managers of Russian nuclear reactors also routinely set aside extra stashes of plutonium and uranium "off the books" to make up for potential shortfalls in their production quotas at the end of each accounting period.

U.S. experts thus focused in the early years of the Lab-to-Lab program on rudimentary fixes such as consolidating fissile material at fewer sites, and protecting it with radiation detectors, closed-circuit television camera systems, electronic sensors on perimeter fences, and computerized accounting systems. Even some of these relatively simple fixes went awry. U.S. experts discovered, for instance, that the batteries in some of their security systems failed in the harsh Siberian winters. Levels of radiation dust and radiation contamination on workers that were considered routine at some Russian facilities often set off U.S. radiation detectors.

Today, U.S. experts at Los Alamos estimate that roughly 570 tons of Russia's total 850 tons of weapons-usable material are more secure as a result of the security upgrades. They concede, however, that more than 200 tons of fissile material remain largely unsecured. A May 2000 report by the General Accounting Office, Congress's investigative arm, found that U.S. officials have yet to gain access to 104 of 252 nuclear sites "requiring improved security systems."

"There is still a lot of room for improvement in securing Russia's fissile materials," according to Larry Walker, the manager of Cooperative International Programs at Sandia. "What you find is, the closer you get to Russia's actual nuclear weapons, the more secretive and less willing to give access the Russians become. Access remains an issue, because it's difficult to improve security unless you can actually see a storage site and witness how things are stored and handled."

STALLED PROGRESS

After making significant headway in the early years, the U.S.-Russian cooperative programs to secure Moscow's fissile-material stockpile got stock in 1998 and have not yet recovered. The reasons for the lagging progress are varied, experts say. As the materials protection program grew in cost from a few million dollars to more than $100 million annually, Congress and Administration officials began demanding a higher level of access to Russian nuclear facilities, and the Russians balked. A bureaucracy that had been thrown into disarray by the dissolution of the Soviet Union in the early 1990s also began to reassert itself, throwing up red-tape barriers to greater Western access. And the Russians angered the United States by insisting on exporting a civilian nuclear reactor to Iran. The State Department lists Iran as the most active state sponsor of terrorist groups in the world.

Political tensions over the bombing of Serbia, NATO expansion, and a U.S. national missile defense system also soured relations between senior American and Russian officials in the late 1990s. Finally, because of a financial collapse in 1998, many Russian nuclear scientists and technicians were not paid for months at a time, raising fears that they would peddle their expertise on the world market. The Japanese doomsday cult Aum Shinrikyo, for instance, was known to have actively recruited Russian nuclear design specialists, and even student physicists from Moscow State University, in an attempt to acquire nuclear weapons.

"After making enormous progress in the first three to four years, our cooperative programs with the Russians basically ground to a halt, and I don't think many officials in the Bush Administration still understand just how broken this process now is," said Hecker, the former director of Los Alamos. "Partly because the U.S. government lost its way and switched from an approach of cooperation to one that dictated an unnecessarily intrusive level of access into sensitive Russian facilities, we've lost the spirit of partnership necessary to make these programs work. Couple that with the fact that the Clinton Administration never really had a strategic vision or overarching strategy for dealing with the Russian nuclear complex and setting priorities among all these various programs, and you have a process that has essentially ground to a standstill in many respects. And until we can restore a common sense of purpose between us and the Russians, no amount of money will fix the Russian nuclear security problems."

Meanwhile, indications of serious Russian security lapses continue. Russian officials in 1998 broke up a conspiracy by employees of a major nuclear facility in the Chelyabinsk region of the Ural Mountains to steal 18.5 kilograms of weapons-usable material. The Center for Nonproliferation Studies at the Monterey Institute of International Studies has documented 11 cases involving diversion and recovery of Russian weapons-grade material between 1992 and 1997. The International Atomic Energy Agency further documents six seizures of weapons-grade material linked to states of the former Soviet Union between 1999 and 2001. Four Russian sailors were arrested at a base on the Kamchatka Peninsula in January 2000, with radioactive materials that they were suspected of stealing from a Russian nuclear submarine. According to a New York Times report, Turkey recently revealed that its undercover police had broken up a smuggling ring holding 2.2 pounds of what appeared to be enriched uranium, brought from a Russian of Azeri origin. The head of the Russian agency responsible for nuclear security recently told reporters that, on two occasions last year, terrorists had staked out Russian nuclear facilities. Earlier this month, on December 6, Russian police arrested members of a criminal gang who were trying to sell uranium for $30,000.

Reports coming in a steady drumbeat from U.S. commissions and blue-ribbon panels have warned that the inadequate security of the fissile-material stockpile of the former Soviet union remains a glaring weakness in the global system designed to prevent a nuclear catastrophe. A 1997 Defense Science Board Study noted: "Defense planners are increasingly concerned about possible state and non-state use of radiological dispersal devices [dirty bombs] against U.S. forces and population centers abroad and at home, as technological barriers have fallen and radiological materials have become more plentiful." A 1999 congressional commission chaired by former CIA Director John Deutch and Sen. ARLEN SPECTER, R–Pa., warned that power outages, inadequate inventory control, and unpaid Russian guards and technicians had all increased the threat of an "insider" diversion of Russian nuclear fissile material.

Perhaps the starkest warning was issued earlier this year by an Energy Department advisory group headed by former Sen. Howard Baker, R–Tenn., and former White House counsel Lloyd Cutler. "The most urgent unmet national security threat to the United

States today is the danger that weapons of mass destruction or weapons-usable material in Russia could be stolen or sold to terrorists or hostile nation-states," the Baker-Cutler study concluded. The group recommended that the United States spend $30 billion over the next eight to 10 years on a crash program to finally secure Russia's weapons of mass destruction and its stockpile of fissile material.

Ominously, the steady stream of warnings in recent years resembles similar unheeded alarms raised before September 11 about the possibility of a catastrophic terrorist attack. Nonproliferation advocates were thus dismayed that the Bush Administration's fiscal 2002 budget proposed cutting the Pentagon's Nunn-Lugar programs by 9 percent (from $443.4 million in fiscal 2001 to $403 million), and the Energy Department's nonproliferation programs by 11.5 percent (from $872.4 million in fiscal 2001 to about $773.7 million). Congress has since moved to restore some of the proposed funding cuts, however. And in a December 11 speech at the Citadel, Bush promised expanded efforts and increased funding for securing Russian fissile material and for finding peaceful employment for Russian nuclear scientists.

In an attempt to jump-start the stalled threat-reduction programs, Senate Foreign Relations Chairman JOSEPH R. BIDEN Jr., D-Del., and LUGAR recently introduced the Debt Reduction for Non-Proliferation Act, which would forgive Russia's debt of $3.7 billion to the United States in exchange for its cooperation with U.S. efforts to secure and monitor Russian weapons of mass destruction and fissile material.

"Time after time, the United States has put together groups of objective, bipartisan policy experts to study this problem, and each time, they have concluded that this is an urgent national security issue—and every time, their reports are ignored," said Joseph Cirincione, the director of the Non-Proliferation Project at the Carnegie Endowment for International Peace in Washington. Part of the problem, he says, is that such programs have no natural domestic constituency in Russia, and in the United States they smack of unpopular foreign aid. And because cooperative threat-reduction programs do not command the same priority within the Administration as missile defense, they can easily get shoved off the summit-level agenda.

"Another problem is, this seems like a distant threat because nothing terrible has happened yet," Cirincione said. "The general feeling among experts, however, is that we've been lucky so far. There is absolutely no doubt that there are bad people out there trying very hard to get their hands on Russian weapons of mass destruction and nuclear materials, and if we don't secure the source, sooner or later they will succeed. After September 11, the once-inconceivable is now all too easily imagined."

AN UNSEEN HAND

A decade's worth of seizures and the breakup of numerous smuggling rings in Russia and Europe clearly point to a lucrative black market in nuclear fissile materials. No one knows with any certainty whether terrorists have successfully smuggled any of that material through the porous southern Russian border into Central Asia or nearby Afghanistan. Few intelligence experts doubt, however, that one of the unseen hands creating the demand for fissile material was that of Osama bin Laden.

The most unambiguous testimony to date on Al Qaeda's methodical, well-financed campaign to acquire nuclear bomb-making material came from Ahmed Al-Fadl, an Al Qaeda operative who turned state's witness in the trial earlier this year of men accused of bombing two U.S. embassies in East Africa in 1998. Al-Fadl claimed he was the middleman in a mid-1990s deal between Al Qaeda and Sudanese officials for the purchase of $1.5 million worth of highly enriched uranium, apparently diverted from South Africa's former nuclear program. Though Al-Fadl was not present for the final exchange, his testimony convinced U.S. prosecutors that "at least since 1993, bid Laden and others made efforts to obtain components of nuclear weapons."

Recent years have yielded a steady stream of news reports and intelligence leaks about Al Qaeda's attempts to acquire fissile material. In 1998, for instance, bid Laden aide Mamdouh Mahmud Salim was arrested in Munich and charged with acting on behalf of Al Qaeda to acquire nuclear materials. As The Christian Science Monitor recently reported, a Bulgarian businessman claimed to have met bin Laden himself last year to talk over a complex deal to transship nuclear materials across Bulgaria to Afghanistan.

Pakistan, meanwhile, continues to detain Sultan Bashiruddin Mahmood and a second nuclear scientist considered key to Pakistan's nuclear program. Mahmood has reportedly acknowledged meeting bin Laden and Taliban leader Mohammed Omar during at least three visits to Afghanistan last year, and he is said to have talked at length about developing nuclear and biological weapons. According to the New York Times, CIA Director George J. Tenet, during his recent trip to Pakistan, raised U.S. concerns about additional contacts between Pakistani nuclear weapons experts and Al Qaeda.

If the Al Qaeda network has successfully acquired enough weapons-grade uranium, U.S. experts say the group's last major challenge in eventually constructing a workable nuclear bomb would be to entice a trained nuclear scientist to spearhead the project. "The history of nuclear programs suggest that they depend on only a few key, knowledgeable scientists, with sufficient time and bankrolling, to bring a program to fruition," said Biringer of Sandia. "That's why we have focused a lot of effort on trying to retrain Russian scientists in other disciplines so they will not attempt to sell their services on the open market."

U.S. experts say that Russian nuclear scientists are generally much better off today than in 1998, when they went unpaid for up to eight months because of a financial crisis and the collapse of the ruble. Nevertheless, they worry that Energy's "Nuclear Cities Initiative," designed to retrain Russian scientists and shrink the Russian nuclear complex, has suffered from erratic funding and tepid congressional support.

"Virtually all Russian scientists we have dealt with are enormously loyal and patriotic, and most of them would like to stay where they are and continue to conduct meaningful work and research," Hagengruber said. "So we are not worried about Russian hemorrhaging nuclear scientists. These scientists remain one of our major concerns, however—because unfortunately, all it takes is enough fissile material and one or two good scientists to create a real problem. Even a 99 percent solution is not really good enough."

Experts at Los Alamos and Sandia doubt that Al Qaeda has had the requisite time, weapons-grade fissile material, and nuclear expertise to actually construct a crude nuclear weapon, though they would not rule the possibility out. One expert who concurs in those doubts is Iraqi defector Khidhir Hamza who headed Saddam Hussein's secret nuclear bomb program through the mid-1990s and co-authored the book. Saddam's Bombmaker. Despite obvious weaknesses in global nuclear nonproliferation defenses, Hamza insists that the difficulties inherent in constructing a nuclear weapon remain daunting.

"We in Iraq were in the market for nuclear materials, and not a week passed without us getting an offer from somebody to sell us such materials," he told CNBC's Geraldo Rivera on October 26. "People came to Baghdad with bags of samples, and left with bags of money, and we never got any serious nuclear materials. Despite what people say, the [protections of such materials] are not that loose, and this radioactive material is very difficult to transport." As for actually constructing a nuclear bomb, "that's not that easy either," Hamza said. "Iraq is a country with thousands of nuclear workers, and we still couldn't get a bomb ready in time for the Gulf War"

U.S. experts are much less skeptical that Al Qaeda or another terrorist organization could build a dirty bomb by packing a conventional explosive with fissile material that would kill and injure, mainly through radioactive dispersal and contamination. On the spectrum of nuclear threats, experts consider this a "high-likelihood, low-lethality" scenario.

Bruce Blair, an arms control expert and former nuclear missileer who is now the president of the Center for Defense Information in Washington, said: "There's almost no credible evidence that Al Qaeda acquired a portable nuclear device that could actually split the atom, but I think it's very plausible that bin Laden acquired fissile material that could be wrapped around dynamite and exploded in an urban center like Lower Manhattan to cause panic and terror, and require the evacuation of large portions of the city for a considerable period of time."

According to Blair, the Defense Department ran an analysis of just such a worst-case scenario involving a dirty bomb made with 50 kilograms of nuclear power plant spent fuel packed around 100 pounds of conventional explosives. "The calculation was that lethal doses of radiation would be dispersed over roughly a half-mile area, leading to hundreds, if not thousands, of casualties." Blair said. "There is also considerable data on what would be involved in cleaning up after such a terrorist attack, and that dates back to 1966, when an Air Force plane carrying nuclear weapons crashed in Spain."

Indeed, a display at Sandia's National Atomic Museum depicts the collision of a B-52 and a KC-135 tanker during midair refueling over Palomares, Spain, on January 17, 1966. Photos document how three thermonuclear weapons that burst open in the crash contaminated a 285-acre area with highly enriched plutonium, which has a half-life of 24,000 years. More than 4,000 Air Force personnel were drafted into the cleanup effort, which required plowing hundreds of acres and removing 4,810 barrels of plutonium-contaminated earth to a storage site in South Carolina. In 2001 dollars, the cleanup operation cost $230 million.

In a post-September 11 world, a Palomares-type incident occupies the "high-likelihood, low-lethality" end of the spectrum of threats to U.S. national security. Such a classification is a testament to the almost unthinkable menace posed by nuclear-armed terrorists.

Mr. LUGAR. I wish to quote liberally from what I think are remarkable summaries of some very tough decisions that we will need to make. The author begins:

> The recent disclosure that documents about nuclear bombs and radiological "dirty bombs" had been found at captured Al Qaeda terrorist network facilities in Kabul, Afghanistan, immediately triggered alarms among the nuclear scientists who work atop the high desert mesas in this remote region of New Mexico. For more than 50 years, nuclear experts at Los Alamos and at nearby Sandia National Laboratories have studied terrorist and criminal groups for any signs that they were on the verge of cracking the nuclear code first broken here. Everything they knew about Al Qaeda told them that these terrorists might be drawing too close to a terrible discovery.
>
> Indeed, ever since members of the Manhattan Project tested the first atomic bomb in New Mexico in 1945, scientists at Los Alamos have been the pre-eminent keepers of the nuclear flame. When the former Soviet Union created the secret nuclear city "Arzamas-16" as the birthplace of its own atomic bomb, it hewed closely to the Los Alamos blueprint. So much so, in fact, that Russian residents later jokingly referred to their town as "Los Arzamas."
>
> Almost from the inception of the nuclear age, no one understood better the apocalyptic threat of these weapons than the nuclear scientists who made them.
>
> J. Robert Oppenheimer, the director of the Manhattan Project and the father of the atomic bomb, eventually fell out of favor with the U.S. military at least partly over his strident support for arms control and his opposition to development of the much more powerful hydrogen bomb. The scientists at Los Alamos developed and help train and man the Energy Department's secretive Nuclear Emergency Search Teams that for 30 years have stood poised to respond to the threat of nuclear terror or the smuggling of a nuclear weapon onto U.S. soil.
>
> Most important, the scientists at the Los Alamos, Sandia, and Lawrence Livermore national laboratories helped devise a U.S. nuclear doctrine designed to strictly limit the spread of nuclear weapons and technology, and to render their use unthinkable through the dynamic tension of "mutually assured destruction." And for the past decade, they watched with growing concern as unpredictable world events have repeatedly tested the tolerances of that careful calculation and narrowed its margins for error.
>
> The breakup of the former Soviet Union, followed by the fundamental restructuring of a Russian society that accounted for the world's largest stockpile of both nuclear weapons and the fissile material necessary to make them, created a gaping hole of vulnerability in terms of nuclear proliferation. U.S. experts concede that that hole remains open to this day.
>
> "We've been worried about Russia for 10 years, because initially the Russians insisted they didn't need any help securing their weapons and nuclear material, which was a ludicrous assertion," said Siegfried Hecker, a senior fellow and former longtime director of Los Alamos National Laboratory. . . .

Mr. Hecker continues:

> "The Russians simply failed to take into account how dramatically their country had changed with the breakup of the Soviet Union. With the evolution toward an open society, the old Soviet security system based on guns, guards, and gulags was simply not good enough anymore. So we've spent a lot of time educating the Russians about the gaps in their own security system, and I still don't think the Russian leadership fully appreciates just how real the continued vulnerabilities are in the Russian nuclear complex."
>
> On top of this Russian instability has come the rise now of Islamic fundamentalism, particularly the Taliban regime in Afghanistan, which has—or had, until recent weeks—strong links with the government of Pakistan, an emerging nuclear power. Pakistan's detention of two of its nuclear scientists for suspected connections to Osama bin Laden and his Al Qaeda network, and most recent news reports suggesting previously undisclosed contacts between other Pakistani nuclear weapons experts and Al Qaeda, underscore the difficulty such societies have in safeguarding their nuclear secrets in time of extreme turmoil.
>
> John Immele, a deputy director of Los Alamos, said: "The biggest security threat in terms of nuclear weapons or expertise falling into the wrong hands has always been the 'inside job,' because it short-circuits so many of the traditional barriers to nuclear proliferation. From that standpoint, the threat to the Pakistani government from Islamic fundamentalists, and the close ties between fundamentalists inside the government and Pakistan's nuclear program, are obviously causes for concern. If a terrorist group were to get its hands on nuclear fissile material," he said, "the main impediment to making a bomb would be to find an expert to assemble it. As cases concerning Pakistani and some Russian nuclear scientists in the past have shown, there are an increasing number of nuclear experts out there, and some find themselves in desperate circumstances. . . .
>
> Perhaps the greatest disruption to the equilibrium of the nuclear "balance of terror" is the emergence of criminal and terrorist organizations with a level of power and technological sophistication once associated only with nation-states.

Quoting again from James Kitfield:

> Should Al Qaeda or another one of these terrorist groups with global reach succeed in acquiring nuclear weapons, experts say, it would turn on its head a nuclear doctrine that is based on the deterrent value of mutually assured destruction. Doomsday cults or religion zealots bent on martyrdom may not care much for traditional theories of deterrence.

Mr. President, in a piece in the Washington Post published from my writings last week, I tried to say the bottom line I thought in this war was the search for al-Qaida and then nuclear cells wherever they may be in many countries where such have been identified. That is critical and that continues even as we speak with important American forces and a broad coalition.

The second path is equally, if not more, crucially important, and that is as weapons of mass destruction or materials that might produce weapons of mass destruction are identified in various countries, U.S. policy, and hopefully the alliance policy, must be, first, to gain accountability and transparency as to what there is, and, secondly, to work with each of those countries to make sure that material is secure, not an invasion of a sovereignty, and I mentioned Pakistan and India in my article in particular because these are very vital cases in the area we are now talking about, Afghanistan.

We offer, I hope, some assistance to make certain, first of all, those Governments know what they have; that it is secure; that if they do not have the money, the United States and others may work with them, and likewise with the security apparatus, which has become a part of our experience and, to a great extent, the Russian experience.

And finally, we encourage, whenever possible, and maybe even help finance, the destruction of this material or those weapons.

The opening up of those societies may not be easy. So as people talk about the next step, the next step is essentially attempting to define who will cooperate. I have no way of knowing whether our new friendship with India and Pakistan will lead us to believe they might be more cooperative than they would have been prior to September 11, but that is possible.

The stories about Pakistan's own striving to bring about security, its placement, as press reports give it, in six different locations, even a very far stretch of the imagination that the Chinese might be entrusted as trustees for it to get it out of harm's way in the event Pakistan was in harm's way, indicates how serious this is.

The question comes: What about situations in which there may be less cooperation? We do not know for certain what Libya has or if the Syrians are involved. We have strong beliefs that Iran and Iraq have been very active. And what if there is not cooperation with the international community, either the United Nations inspections teams or anybody else's inspections teams?

This is why the war against terrorism is likely to have some life to it beyond Afghanistan because there clearly is, in my judgment, a need to make certain this intersection does not occur. It is easy enough to read the paragraph I have just read, but clearly I think it has come into the purview of our policymakers that mutually assured destruction may or may not have been the guiding post between the United States and Russia. It apparently is not going to be the way we will proceed in the future, and the President and others have said we are on a different course of cooperation. But it did serve as a deterrent for a long time as thousands of nuclear warheads were aimed at us, and we had thousands aimed at the Russians.

Now the problem is, as we take a look at the aircraft going into the World Trade Center and into the Pentagon, mutually assured destruction does not seem to pertain to that kind of arrangement. Suicidal missions do not take into consideration mutually assured destruction, in part because those who committed suicide destroyed themselves.

There are no assets back in a home country of governmental buildings, headquarters, utilities. What is there to destroy? What is the downside? This, of course, is the problem, that those with the suicidal tendency who have their hands on the materials, the weapons, for whatever reasons—religiously based, zealotry—decide to create havoc in the world and could do so in a monstrous way.

I continue with a bit more of Mr. Kitfield's analysis. It appears to me when he says the consequences of being wrong or not paying attention to these matters is catastrophic—we have been down the trail in various ways. Take a look at suitcase bombs. General Lebed of Russia came over and suggested that it may or may not confirm his point of view. But never the less, the Los Alamos people are taking a look at Lebed's contentions and those of others who have said "nuclear materials and expertise are much harder to account for" than bombs, even suitcases, anything encased. That is why "concerns about Russia are focused on fissile material and its scientists."

The problem is now it appears Russia produced a great deal more fissile material than we anticipated. So much more that the destruction of it or even the securing of it has gone well beyond all of our best attempts. Mr. Kitfield's article mentions the 5,700 nuclear warheads, 434 ICBMs, 484 air-to-surface missiles, bombers, submarines, and what have you, destroyed. However, he goes on to say, "attempts to consolidate and safeguard the much larger Russian stockpile of fissile material—the essential ingredient of these doomsday weapons—have had a more checkered record. Indeed, the first indication that Russia might be leaking lethal nuclear material from the decreasingly decrepit inventory is as early as 1992." He goes through each of the well-known documented cases and attempts to pilfer kilograms here, pounds there, of weapons-grade uranium.

The Russians still contend that all of these situations have been stopped, that the perpetrators were caught, whether in Prague or St. Petersburg or elsewhere.

"Today, U.S. experts at Los Alamos estimate that roughly 570 tons of Russia's total 850 tons of weapons-usable material are more secure," but this leaves 280 tons that are not. They believe at Los Alamos that clearly more than 200 tons of fissile material remaining largely unsecured are in 104 of the 252 nuclear sites in which U.S. officials have yet to gain access.

From my own personal experience, it is not easy to gain access to areas in which the officials of the country do not wish you to gain access. It is a bargaining process, trip by trip, site by site—whether nuclear or biological or chemical. It is the first comprehensive figure I have ever seen, however, that details there are 252 known sites where there is fissile material—not warheads or ICBMs—and we have yet to gain access to 104 of these, almost 40 percent.

To make my point again, while I counsel we approach Pakistan and India with the thoughts of accessibility, accountability, and security, we have a great deal of work still to do with friends in Russia with whom we have been working for 10 years. The 10th anniversary of the Nunn-Lugar Act occurred 2 days ago, and in this body. It was late in that session in 1991 when the legislation was passed. For 10 years, we have been at work, these two countries, Russia and the United States. Yet even at this point, extraordinary amounts of material remain perhaps less secure than they ought to be, and unavailable, at least for our inspection even in this cooperative program.

Finally, the problems with the scientists are always speculative. From the beginning, the thought has been, in addition to the material, as Mr. Kitfield points out, there has to be one individual who has the expertise with the program to bring it together if a weapon actually is to be usable. The hope has been, through the International Science and Technology Committee—and this body has appropriated funds, again, from the State Department appropriation process—of a generous contribution to that effort. In the past, there have been contributions by Japan, by European countries, by Saudi Arabia and others.

In my own business, at their headquarters, I found our contribution now unfortunately has risen to 60 percent. I say unfortunately because it means others may have dropped off of the program. But with good diplomacy, others may drop back in.

Under this program, over 20,000 Russian scientists have been paid stipends to furnish them money to do other work—work in commercially viable propositions in Russia that do not involve weapons of mass destruction. I cannot overstate how vital this has been in sustaining the interests of those scientists in continuing to live in Russia as they wanted to do, provided there was any work—at a time that the Russian military establishment was winding down. Obviously, programs producing fissile material have been virtually stopped.

I have no idea how many scientists there are in Russia who at any one time were involved as experts in weapons of mass destruction. We have no way of knowing whether 20,000 represents most of them or a majority. We have, according to Mr. Kitfield and the experts at Los Alamos and Sandia, luck that the coincidence of scientists, material, cell groups have not quite come together yet.

The point of this statement at this late hour today is to say that we cannot count on that. America has been staggered and shocked and grieved by September 11. Horrible circumstances.

Testimony before a committee I chaired involving those deeply involved in this subject and who knew a great deal about it, brought a witness who had the proverbial thin suitcase. He laid it down on the witness table. At the appropriate time, he opened it and there was a machined piece of metal, something like a pineapple in both its shape and size. He assured us this was not highly enriched uranium. Nevertheless, there were materials in this particular piece that a counter would register.

At this point, many in the audience backed away from the table. This hearing was turning into somewhat more of an interesting situation than some asked for. He made the point this was probably equivalent in size to 16 pounds of highly enriched uranium.

The article states some scientists say you need 55 pounds of highly enriched uranium in order to have a nuclear weapon. Some would say it is more like 100 pounds. So 16 pounds would not get the job done, nor did he purport that it would. He suggested, however, enlarging this pineapple with a few more layers would get you to that point.

This came just after the tragedy at Oklahoma City and the bombing of the courthouse by McVeigh and whoever was involved with him. That would now be classified, in many circles, as sort of the forerunner of the dirty bomb situation. That is, you have some materials, at least, that have properties that are nuclear but they are not at the highly enriched level. But you use common or garden variety explosives and you create a mess. McVeigh, as far as we know, was not attempting to combine the explosives with nuclear material at any level.

So I cite this example as only illustrative, in two ways. One was that half of that Federal courthouse was destroyed, along with a number of Americans, innocents, who were in that courthouse at the time.

The witness made the point, however, that if you had the proper expertise and you had the suitcase and the 55 or 100-pound weapon in this same pineapple shape, this would have had the effect of taking out 4 square miles of Oklahoma City, not just half of the Federal building.

Others have made the point that even without highly enriched uranium, the so-called dirty bomb, which does include some nuclear material but simply with an explosive device, could render the same territory in New York City uninhabitable for a fairly sizable period of time after the destruction of many lives in the process of the fallout of this material, much like the effects down range from the Chernobyl explosion in Ukraine where hundreds of thousands of acres will not be farmed for our lifetime and many after that, or, if they are farmed, may have devastating health consequences, given the spoiling of the soil, the trees, the animals—everything that was involved. In short, this is the danger.

I think our officials understand this. But I am hopeful that as we proceed in subsequent years with our military appropriations, and our Department of Energy appropriations, and our State Department appropriations—because all of these efforts are divided in several ways, each one of them vital to the overall objective—that we have an understanding of how large a proposition this is.

This does not for a moment negate the need for the very best trained and paid American troops we have, and support of them, and all of the instruments of conventional warfare that are now being produced. But I am saying that once again the bottom line of the war, as I perceive it, is that even as we are very successful with these so-called conventional means, and with remarkable, talented American service personnel, on the homefront, here in the home defense situation, we need to understand the vulnerability we have in the same way that we explained it to those in Moscow and London and Rome and other beautiful capital cities of our world that are at risk if in fact this intersection between cells of terrorism and materials and weapons of mass destruction should develop.

There are people who say this is so pervasive and so comprehensive that school is out, it is beyond remedy. The numbers of terrorists, the numbers of countries, numbers of programs, regimes all believing they must have weapons of mass destruction or at least the threat of these to stave off whoever—and I understand that, as the Presiding Officer does. But our objective, at least, as policy leaders in this country, has to be a "go to it" spirit.

If at this point we simply accept it is there, we have to accept that at some point a very large part of one of our cities or our basic institutions could be under attack and this time could disappear, with absolutely devastating results for our country or any other country that was victimized in this way.

If we ask the basic questions we would have asked before September 11—Who could possibly do this? And for what reason?—we are staggered as we watch the tape of Osama bin Laden or listen to interviews with people who seem to be committed to a very different course of action that most of us find even remotely conceivable, morally or as human beings.

Unless we are prepared simply to forget September 11, roll the clock back into a simpler time, then we will have to deal with more complex times.

I thank the Chair for allowing me to proceed in morning business with a message that I believe is important.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRESS ON THE FARM BILL

Mr. DASCHLE. Mr. President, I come to the floor for a couple of minutes prior to the time we finish our Senate business for the week to, first, compliment the Presiding Officer who has been our floor manager on the farm bill now for 1 entire week.

This afternoon marks 1 complete week of deliberation on the farm bill. I know this has not been easy on many, nor easy on the ranking member, as they have attempted to deal with the bill itself.

I compliment the Chair for his outstanding leadership and patience and the extraordinary effort he has made to manage this bill in a way that accommodated virtually every Senator.

I am disappointed that we weren't able to achieve cloture on the bill. I have indicated that we are going to keep trying to reach that point where we can bring debate to a close. I know there are a number of other amendments. We accommodated those on the other side of the aisle who wish to bring up an alternative to the committee-passed bill, the so-called Roberts-Cochran bill.

I believe we have had a good debate. I hope we can complete our work this coming week. I would not want to have to come back after that, but we will entertain the possibility of coming back additional days after Christmas, if need be, to get this job done. There is nothing that says we can't keep coming back until the 23rd of January, if necessary. We will look at all the options. But we need to bring this bill to a close. As I have said on other occasions, we need to do it for a number of reasons. Some of us have outlined those reasons throughout the week.

I think as we close out the week and mark the fact that we have now spent a week on the bill, we remind all colleagues that we have a budget window that may close. If that budget window closes and we are precluded even by a few billion dollars from dealing with all the needs in this bill, what a mistake that would be. What a moment of admission of failure that would be. I hope we can avoid doing that and avoid that scenario.

Secondly, I know, based on many conversations the managers and I have had and others have had with regard to the continuity, of the need to have a clear roadmap on how we transition from Freedom to Farm to whatever it is that Congress ultimately passes, something that every farmer and rancher would like to know.

I think that is the reason I got calls again this morning from farmers and ranchers in South Dakota who said: Please pass this legislation as quickly as you can because we need to know. We need to plan.

There is so much uncertainty in farm legislation as it is. There is so much uncertainty with agriculture as it is. To exacerbate that uncertainty by refusing to act, or not acting as quickly as we should, is compounding the problem unnecessarily.

We have seen a 75-percent reduction in farm prices since 1996. That is a remarkable demonstration of the need to do something now.

I hasten once again to note the importance of completing our work. I also say that as complicated as farm administration is, it is important that the Department of Agriculture be given as much lead time to make the transition as smoothly as they can.

There is no question, from a farm income point of view, from a farm certainty point of view, from the smoothness in transition point of view, and from the budget point of view, one could add more and more reasons that it is important for us to finish our work. No one has said it more eloquently or passionately than the chairman of the committee, my friend from Iowa, Senator HARKIN.

I simply come to the floor to again reiterate that we are determined to finish this bill. We are determined to do all we can to finish it not only on the floor but in conference. We will do whatever it takes to stay, to work, to cooperate, and to find ways to compromise. But it has to be a two-way street.

We have to continue to keep the pressure on. That is certainly my intention. I know it is the intention of the distinguished chair of committee. It has been 1 week. If necessary, it will be 2 weeks. And, if necessary, it will be 3 weeks, or more. But we are going to get this bill done.

I am just reminded that while we have been on the bill for a week, we actually made the motion to proceed 2 weeks ago. One could argue that we have been on the bill in one form or another for 2 whole weeks already. I do not know what the record is, but, clearly, we have a lot of work to do. With the holidays coming up, it certainly warrants putting all the time and effort we possibly can into getting this job done. I know there is interest in doing that.

MORNING BUSINESS

Mr. DASCHLE. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Rhode Island.

Mr. REED. Mr. President, I ask unanimous consent that I be allowed to speak for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVIEW OF BACKGROUND CHECK RECORDS

Mr. REED. Mr. President, I rise today to talk about our fight against terrorism and a report in the New York Times last Thursday about the Justice Department's denial of requests from the FBI to review background check records for gun purchases as part of its antiterrorist investigation.

When I met with Justice Department officials on November 1, I was informed that in the immediate aftermath of the September 11 attacks, the Department of Justice compared the audit log of approved gun sales under Brady law's National Instant Criminal Background Check System to the Federal Government's terrorist watchlists.

The New York Times reported that on September 16, 5 days after the terrorist attacks, the Bureau of Alcohol, Tobacco, and Firearms requested the FBI center that operates the National Instant Criminal Background Check System to check a list of 186 names against the NICS audit log. The names were identified as aliens whose identities had been developed during the ongoing terrorist investigation. The FBI got two hits, meaning that two of the persons on the watchlist had been approved to buy guns.

The ATF's request and the resulting hits underscore the point that the NICS audit log has a clear investigative value for law enforcement and our counterterrorist efforts.

Yet the day after the FBI made its initial check, the Attorney General's lawyers prohibited further reviews of the audit log by the FBI for the purposes of the terrorist investigation.

The Congress passed and the President signed the Patriot Act earlier this year to give the Attorney General expanded powers to fight terrorism. The Attorney General has used these powers and others created by the administration, without congressional input, to permit, for example, eavesdropping on detainees' conversations with their attorneys, to implement new wiretapping authority, and to look into the backgrounds of truck drivers and crop duster pilots, and immigrants.

When President Bush addressed Congress on September 20, he said:

> We will direct every resource at our command—every means of diplomacy, every tool of intelligence, every instrument of law enforcement, every financial influence, and every necessary weapon of war—to the disruption and to the defeat of the global terror network.

Now we find the Attorney General is bending over backwards to protect the special interests of the gun lobby at the expense of the safety of the American people and the investigation into terrorism. Rather than seeking every opportunity to give law enforcement all the information at hand, the Attorney General has chosen, erroneously in my view, to interpret the Brady law and related Justice Department regulations as prohibiting the use of the audit log for investigative purposes beyond the performance of the system.

Even if the Attorney General believed he did not have the authority to review the audit log for investigative purposes, why then did he not ask Congress for that authority back in September when he was putting together his proposals for the Patriot Act? Why wouldn't he want Federal law enforcement officers to know if a suspect or potential informant had recently purchased a firearm when they go to question or detain that person? Finally, why would he continue to seek to reduce the retention time for the audit log from 90 days to 1 business day, forcing ATF to ask more than 70,000 federally licensed gun dealers to review their sales records every time law enforcement authorities conduct a review for names associated with gun crimes but particularly associated with terrorist activities?

We can only conclude that politics and the powerful influence of the gun lobby have trumped gun policy once again. I hope the Attorney General will reconsider his position. None of us really knows what the next terrorist attack will look like. We cannot assume that because the attacks on September 11 did not involve firearms, the next one will not also involve firearms. We should give law enforcement every tool at our disposal to prevent terrorists from gaining access to firearms, and to know about it when they do.

If the Attorney General insists upon the narrowest interpretation of allowable uses of the NICS audit log, we need legislation to make it absolutely clear that law enforcement authorities can review these records if they have reason to believe that a person under investigation, particularly under investigation for terrorist activity, may have purchased a firearm.

I am pleased to join Senator SCHUMER as a cosponsor of S. 1788, to clarify that NICS audit log records may be accessed by the Federal authorities for the purposes of responding to an inquiry from any federal, state or local law enforcement agency, and also to ensure that these records be maintained for at least 90 days to ensure a reliable auditing system is in place.

I also look forward to consideration at the earliest possible time next year of my legislation to close the gun show loophole, so that we can prevent convicted felons, fugitives from justice, and, yes, even terrorists, from buying guns from private dealers at gun shows without a background check.

There has been a lot of misinformation about the technical requirements of conducting Brady Law background checks at guns shows. It has been suggested that gun shows in rural areas are not equipped with the technology to make background checks feasible. The only technology needed to run a Brady background check is a telephone. At most gun shows, federally licensed firearms dealers use cell phones to conduct background checks. At others, telephone "land lines" are made available. Under my bill, these federally licensed dealers would run checks on behalf of unlicensed sellers at the gun show, ensuring that a background check is run every time a gun is sold at more than 4,000 gun shows held each year in America.

I should also add that 95 percent of these checks are completed within two hours, and no new technology would be required beyond access to a telephone, a device that has been with us for a long time. My constituents in Rhode Island and all Americans pay a universal service fee as part of their monthly phone bills to ensure that telephone service is available to every part of this country, no matter how rural or how remote.

Let's close the gun show loophole so that convicted felons, domestic abusers, terrorists, and other prohibited persons do not use gun shows to purchase firearms without a Brady background check.

When we confront terrorists, and when we hear the President say every tool available to law enforcement will be used, let us ensure every tool is used. Let us ensure there is no area that is off limits because of the powerful influence of the gun lobby. Let us give our law enforcement officials every opportunity to protect America from terrorist attacks.

I yield the floor.

NOMINATION OF EUGENE SCALIA

Mr. HATCH. I rise to join many of our colleagues to express my frustration with the leadership for failing to permit a floor vote on the nomination of Eugene Scalia to be the Solicitor General of the Labor Department. I was mystified as to what reasons there could possibly be to hold up the President's choice, his pick, for this vital position at a time when it is of national urgency for the Labor Department to have its team in place.

I have heard it said in the press it is because Scalia is the son of Justice Antonin Scalia and that this is some sort of payback for the *Bush* v. *Gore* decision. I personally find that hard to believe. Such a motive would be far below the dignity of the Senate. The notion that this Chamber would in effect punish a Supreme Court Justice or his family for a decision, any decision, would be abhorrent to anyone who loves this institution or the Constitution.

I also find it hard to believe because the Senate confirmed Ted Olsen, who litigated the *Bush* v. *Gore* case, although some did try to stop his confirmation despite his unquestionable qualifications. We also confirmed Janet Rehnquist, the daughter of the Chief Justice, to be inspector general of the Department of Human Services. But that is what is being said to the public. We wonder why the public is so cynical about the Congress.

I, personally, do not believe that is the reason Mr. Scalia is being held up. But I have also heard, and this reason is very troubling to me, that it is because Eugene Scalia is a devout, pro-life Catholic. He is being targeted by radical fringe elements because his name has symbolic value. I only hope this is not true. If that is true, this is also troubling because it shows that an appearance has been created that there is an ulterior partisan motive.

I ask unanimous consent to have printed in the RECORD an op-ed by Marianne Means, who wrote, "Two Scalias In Our Government Are Too Many."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TWO SCALIAS IN OUR GOVERNMENT ARE TWO TOO MANY

(By Marianne Means, Hearst News Service)

WASHINGTON.—When President Bush nominated the son of conservative Supreme Court Justice Antonin Scalia to the third-highest post in the Labor Department, the terrorist attacks had not occurred and Bush was not yet in a political unity mode.

This week, however, Eugene Scalia's nomination to be the department's solicitor—its top lawyer—was before the Senate Judiciary Committee threatening to blow up the fragile aura of bipartisanship the president is currently trying to foster. During his hearing, Scalia was sternly grilled by Democratic members and lavishly praised by the Republicans.

Giving Scalia power to interpret the administration's policies toward organized labor, which worked hard to defeat Bush in the 2000 election, was a deliberately vengeful move. Looming over the selection is the dark shadow of his cranky father, the architect of the court's rightward drift on civil rights and the mastermind of the court's convoluted ruling that handed the presidency to Bush. Eugene Scalia's nomination inescapably looks like a gigantic political payback, meant to reaffirm Bush's authority by slapping the Democrats in the face.

In April when he picked Scalia, Bush had embarked on a crusade to drive the country to the right, rolling over the Democratic congressional minority and his own party's moderates. In those days, he had no interest in bipartisanship.

His first choice as Labor Secretary, the conservative anti-labor commentator Linda Chavez, proved to be too controversial and was forced to withdraw her name. She was replaced by Elaine Chao, whose attitude is less ideological than Chavez's and is therefore less objectionable to the major unions. Scalia, 37, seems to have been selected to give Chao the backbone to be tough on the labor movement whenever possible.

During his career as a labor lawyer, Scalia campaigned vigorously to repeal Clinton-era federal ergonomics rules designed to reduce repetitive-motion injuries and lower back problems. He said he doubted the "very existence" of the problem, which union officials take very seriously, and mocked ergonomics as "junk science." The Clinton rule was killed by the Republican-controlled Congress earlier this year, and Chao is currently reviewing proposals for revised ergonomics rules.

Senate Health, Education, Labor and Pensions Committee Chairman Edward Kennedy, D-Mass., is unequivocal in his opposition to Scalia. The senator says his writings and his record "clearly suggest that his views are outside the mainstream on many issues of vital importance to the nation's workers and their families."

The committee is divided along party lines, with all 10 Democrats opposed to Scalia and all 10 Republicans supporting him. When the committee votes next week, the tie will be broken by former Republican-turned-independent James Jeffords of Vermont. Recently Jeffords said awkwardly, "I think I'll probably support him . . . reluctantly."

That means the nomination will go to the Senate floor, where Kennedy vowed "there will be a battle." Business groups have lined up behind Scalia, and the AFL-CIO is campaigning against him, making the outcome uncertain.

The floor vote is likely to break down along party lines, marking the first serious tear in the bipartisan fabric Bush is trying to weave.

He visited the Labor Department Thursday and warned, "This is not a time to worry about partisan politics."

He should have thought of that before he picked such a partisan nominee. Scalia, a choice left over from the pre-unity era, is a flagrant example of the partisan excesses of that period before the terrorist attacks. It is impossible for the Democrats to embrace Scalia, and Bush knew it when he chose him. It would be disingenuous of the president to claim now to be shocked that the nomination has provoked a partisan confrontation.

If Bush is really serious about working in a bipartisan fashion, he should withdraw the nomination. There are other qualified Republican labor lawyers who would not raise so many hackles and cost the president so much in good will.

Mr. HATCH. Members can see why I am concerned. I have always tried to judge nominations without bias or self-interest. I am concerned, however, that the Senate is not demonstrating similar fairness to the President and this nominee. But these partisan remarks, extraneous to Mr. Scalia's qualifications, are bound to arise when the Democratic leadership refuses to allow Mr. Scalia and his qualifications to be openly debated in the light of day.

If you do not like Mr. Scalia for any reason at all, including the fact that he is a pro-life Catholic, or the fact that he is Justice Scalia's son, then vote against him and show your bigotry that way.

But the fact is, he ought to have a vote. The President ought to have a vote. Even if Members do not like Mr. Scalia, he is the President's choice. He ought to have a vote.

I have to say the allegation by some that it is because he is a pro-life Catholic bothers me. As a practicing member of the Church of Jesus Christ of Latter Day Saints, I have known much bigotry due to my faith, and especially because I am a pro-life member of my faith. As we all know, mine is the only denomination that had mobs go against it, with a pogrom ordered against it within the United States of America. I find bias against a person because of his or her religious beliefs particularly repugnant. I worry about that type of thing.

I know people in the Congress who will not vote for anybody who is pro-life. I believe there are some people who will not vote for anybody because they are pro-choice. I think that is abysmal. I think the President, whomever he or she may be, should be given tremendous support with regard to the nominees they send up here—unless there is some legitimate reason for rejecting the nominee. That is another matter.

I have also heard it is because Mr. Scalia may have a differing opinion on ergonomics. My gosh, ergonomics could not get through the Congress because a majority happened to be against the ergonomics proposal. It seems very bad to hold it against Mr. Scalia because he may differ with a minority in the Congress.

There is no apparent reason for some of these things, and in my years on the Judiciary Committee I have learned a thing or two about judging the qualifications of lawyers who serve in our Government. It is clear that Eugene Scalia is highly qualified to hold the position for which the President has nominated him. Mr. Scalia has a distinguished career in private practice and has been an influential writer and laborer in employment law.

He has been strongly supported by lawyers to whose views my Democratic colleagues and I normally give great weight—William Coleman, former Secretary of Transportation and a great civil rights leader, a dear friend to most all in this body; Professor Cass Sunstein, one of the two or three leading advisers to my Democratic colleagues on the Judiciary Committee, not known for conservative politics, but liberal politics, a very good guy; and Professor William Robinson, the chair of the College of Labor and Employment Lawyers who describes how Mr. Scalia taught on a volunteer basis at the UDC law school when that predominantly minority institution had financial difficulties and could not afford to pay a full faculty.

This person gives his time voluntarily in a primarily minority institution, a law school, and does not ask for a cent and does it out of the goodness of his heart. That ought to be given some consideration around here.

This is hard to believe, but Mr. Scalia was nominated more than 7 months ago. Seven months ago! He was reported favorably out of committee and has been waiting for a floor vote for 6 weeks.

Still a vote has not been scheduled. Why not? Well, it saddens me, but it is becoming ever more believable that Mr. Scalia is being treated this way for reasons beyond his qualifications, whatever they may be, and I hope they are not the two I have mentioned. Whether because of the *Bush* v. *Gore* Supreme Court decision or otherwise, they want to punish Eugene Scalia for his association with his father's opinions, and I surely hope it is not because he is pro-life and a devoted member of the Catholic faith.

The President of the United States is working hard for the American people. The least we can do in the Senate is to confirm his qualified nominees to serve in his administration unless there is something gravely wrong with their records. We owe this to the President. We owe it to the American people. We need to let President Bush staff up his administration so he has the people he needs to get the job done.

Every time we play partisan games with a Presidential nomination, we make the President's job that much harder and we fail to discharge our constitutional duty. We prevent the President and his top people at the White House from focusing on the war effort, getting the economy moving, and a host of other things the American people care about.

The Labor Department has front line responsibilities for worker safety and economic security. It has been working hard to help employers deal with the anthrax threat, and it has been helping employees laid off by the economic downturn. We are not helping the Labor Department, we are hurting it, and we are hurting American workers if we do not allow a vote so the Department can have its top lawyer in place.

Some have said the reason he is not getting a vote in the Senate is that the unions do not want him. I have to say there are times when people on our side have not wanted what the unions want, and there are people on the other side who have not wanted what the unions want. The ergonomics rule was the perfect illustration. The resolution of that issue should not be held against anybody. People ought to have a right within the framework and the mainstream of the law to think what they want.

I have to admit, I am sure the AFL-CIO, as much as I respect it, as much as I respect its leadership—having been one of the few Senators who have actually held a union card—I went through an informal apprenticeship, became a journeyman in the AFL-CIO, I understand there are irritations with some of President Bush's nominations, but no less than there were with President Clinton's nominations. They were put through, or at least they were allowed a vote.

Mr. Scalia is one of the finest people I know yet he is not even given the consideration of a vote. Back in July, five former Solicitors of Labor urged us to move quickly on this nomination. Both of President Clinton's Labor Solicitors joined that letter. We not only have the ones I have mentioned, who are strong Democrats, but the two Clinton Solicitors of Labor who said Mr. Scalia deserves a vote and should be supported. The five Solicitors said it was harming the Department of Labor and the workers whom the Department serves the longer we delay this decision. So I say let us have a vote on this highly qualified nominee before we adjourn.

Last but not least, and changing the subject, I praise the distinguished Senator from Vermont, Mr. LEAHY, for the movement we have had in the last month on Federal district court judges. Admittedly, they are people who have Democrat support, or have both Democrat and Republican support. They are people who are slam dunks, unanimous consent type of people, but I think virtually everyone President Bush has nominated to the judiciary is a slam dunk, unanimous consent supported individual.

What is bothering me is we have an inordinate number of circuit court of appeals judge nominations that are not being brought up. At our last confirmation hearing for district court nominees, a point was made that those nominees had been pending for less than 60 days since receipt of their American Bar Association ratings. If this is the standard, then the committee is falling woefully behind, especially on circuit court of appeals nominations. There are 8 circuit court nominees who have been languishing for 157 days or more since receiving their ABA ratings. In fact, some of them have been pending for more than 180 days since being rated by the ABA and nearly 220 days since their nomination.

I agree with the suggestion that 2 months should be the standard limit to review nominees. We should apply this standard or better to the circuit court nominees President Bush sent to the Senate nearly 220 days ago. These are not just nominees, these are some of the finest lawyers ever nominated to the circuit courts of appeals, and I will mention two of them.

John Roberts, who was left hanging at the end of the first Bush administration, who is considered one of the two best appellate lawyers in the country, and who is not known as a partisan Republican, he was left hanging then, and now he has been left hanging for almost 220 days.

I have heard so many complaints during other Republican administrations of not enough women and minorities being nominated, but now we have one of the leading minority lawyers in the country, Miguel Estrada, and he cannot even get a hearing. He has argued 14 cases before the Supreme Court; Roberts, many more. Most lawyers never argue a case before the Supreme Court. Estrada is respected by the courts of this country. He is one of the brightest lawyers in this country today.

What really moves me, even more than that, is this is a young man who came from a country of abject poverty, graduated with honors from Columbia University, then was at the top of his class at Harvard Law School, became a law clerk and, of course, has had a distinguished legal career. There is not one thing any reasonable person would find against him. And he is Hispanic. We are trying to do what is right.

I do not understand it. If we do not get these judges on the Circuit Court of Appeals for the District of Columbia and in other circuits as well, we are going to be very directly harmed in this country. The people will suffer. We have to quit playing games with this.

I have to admit there were times when during the Clinton administration I wished that I, as chairman of the committee, could have done better. There were some people on our side who I think acted irresponsibly, as there are people on the other side today acting irresponsibly. People of good will, those of us who really believe a President's nominees ought to be given their votes, these people ought to prevail in this body, and we ought to start establishing a system that works with regard to judicial nominations.

Lest anybody think President Clinton was mistreated, the all-time confirmation champion was Ronald Reagan with 382 Federal court judges who were confirmed. By the way, President Reagan had 6 years of his own party in control of the Senate. President Clinton had 5 fewer than Reagan, 377, and would have had 3 more than Reagan had it not been for Democrat holds on the other side. Frankly, even President Clinton told me he thought we did a good job.

Were there some exceptions? Sure. There always are. There have been for my whole 25 years in the Senate. Somebody has a hold or somebody does not like somebody for some stupid reason or another. But the fact of the matter is that President Clinton was well treated. When we finished, there were 67 vacancies. President Clinton once said that 63 vacancies, when Senator

BIDEN was the chairman on the Democrat side, was a full judiciary.

Today we have almost 100 vacancies, and we have to do something about it, but we are not doing it with regard to these circuit court of appeals judges and I sure want to get that going.

I hope our distinguished chairman and others on the committee will help this President get done the nominations he has so carefully, I think, selected.

I yield the floor.

Mr. HARKIN. I am constrained, after listening to my good friend from Utah talk about nominating judges and vacancies—I cannot let the moment pass without pointing out that on the Eighth Circuit Court of Appeals there is a vacancy today. That vacancy is there because my friends on the other side of the aisle would not let us vote last year on the former attorney general of Iowa, Bonnie Campbell, to take that position as circuit court judge on the Eighth Circuit Court.

She had a hearing, she came out of committee, but they would not let us bring her name up on the floor for a vote. She was perfectly qualified to be on the Eighth Circuit Court of Appeals. As I said, we had all the hearings. She was supported by everyone. Yet they would not permit her name to come up for a vote before we left last year.

Bonnie Campbell is not on the Eighth Circuit Court of Appeals today because of pure politics. Because the Republicans, those on that side, last year—I guess correctly—thought they were going to win the national election and therefore they didn't have to put through any judges on the circuit courts.

So Bonnie Campbell—there is a vacancy there today because of politics. Not that she wasn't qualified. I always said bring her up for a vote; if people want to vote against her, vote against her—just the same argument the Senator from Utah made right now. I made the same argument last year. Bonnie Campbell is qualified. No one says she is not. Let's bring her up for a vote. Yet the leadership on that side prevented us from ever having a vote on Bonnie Campbell's nomination to be Eighth Circuit Court judge.

I hope my friend from Utah doesn't want to preach too much to me, to this Senator, about politics being involved in circuit court judges. I know full well what happened last year. It is on the record. This Senator stood at the desk right back there, day after day, asking that Bonnie Campbell's name come up for debate and vote. Every time it was objected to by the other side. So I don't really need any lectures about politics being involved in judicial nominations.

ELECTION REFORM AGREEMENT

Mr. DASCHLE. Mr. President, I am pleased that Senators DODD, McCONNELL, SCHUMER, BOND, and TORRICELLI were able to reach agreement on a strong, bipartisan election reform bill.

Studies of the 2000 elections have made it clear that outdated and unreliable technology, confusing ballots, language barriers, lack of voter education, lack of poll-worker training, and inaccurate voting lists all added up to the disenfranchisement of six million voters.

These problems are unacceptable, and, as a Nation, we can't afford to repeat them. Our Federal system leaves it to individual States to conduct their own elections; but Congress has an obligation to see to it that election mechanisms and procedures in every county in every State guarantee every eligible citizen a voice in the democratic process

Under this agreement, States will be required to meet minimum standards, and a bipartisan committee will be created to set those standards.

This bill requires that election officials notify voters of overvotes and give them the opportunity to correct a flawed ballot before it is cast. It will establish statewide computerized voter registration lists.

This bill further guarantees that voting machines be made accessible to people with limited English proficiency and people with disabilities, and that provisional ballots be made available to people whose names do not appear on voting lists. Those ballots would be set aside until it can be determined whether the individual's name was mistakenly left off the registration list. If it was, the vote is then counted.

Finally, this bill provides the real resources these real reforms demand.

As we protect our democracy from its external enemies, we must also fix its internal flaws. That is what this compromise bill will do, and I look forward to working to get it passed early in the next session.

TRIBUTE TO MARIE MOORE

Mr. LOTT. Mr. President, I wish to pay tribute to one of my departing staff who has been working in my personal office for almost 4 years. Marie Moore has served as my Deputy Press Secretary since May 1998, and has distinguished herself in many ways. She has handled her duties with grace and professionalism, and quite frankly has set the standard for those who will follow her in this very demanding position.

Marie has served with me during some of our Nation's most historic and sometimes very difficult and dramatic events. On occasion these events have demanded very much of her, as they did all Senate staff members but particularly those who are required to deal one on one with a sometimes skeptical or hostile media. She certainly leaves Washington with some memories and experiences which will benefit her professional career and her personal life for many years to come.

Marie's tenacious work ethic and organizational skills have benefited our office's operation greatly. Both are exemplary. Maybe she learned these attributes at Ole Miss, where she graduated with a journalism degree just before coming to Washington. However, I suspect the best of Marie Moore is a product of her wonderful family and upbringing back in Holly Springs, MS. Only a few short days after joining my staff, Marie began reorganizing the press shop, adding new filing cabinets, rearranging furniture, finding more space for this or that, all for the better. She has demonstrated a tremendous capacity for leadership. She knows how to take charge and really get things done with presented with virtually any challenge. For instance, in addition to working on my staff, Marie has been an active member of the Mississippi Society of Washington, helping to organize events and recruit new members. She has also selflessly assisted me and my staff in a number of other duties, not necessarily in her job description, but tasks which must be done and require an exceptional degree of patience, understanding, and skill.

She is excellent with my constituents who come to Washington. Marie has always provided a friendly face and warm welcome for the many visitors I receive each day, and she is always quick to entertain them with refreshments or conversation if the have to wait. Additionally, she has done a wonderful job in handling the many photographs which are required of a U.S. Senator. Marie always makes sure those seeking a photo with me have that opportunity, and that these many photos get back to those with whom I have met.

Marie has proven to be press savvy, something we all value here in Washington. She has a keen mind for what may or may not be a news item, and in their regard shows experience well beyond her years. Marie knows how to meet deadlines, how to prioritize and most importantly how to get information to the public in an effective, comprehensive and timely manner.

We all know people who are somehow just prone to being successful in anything they undertake. Marie is one of those people. I have no doubt, that whatever career path is are in Marie Moore's future, she will succeed.

May I add, for those Americans who sometimes make negative generalization about America's younger people, Marie Moore is just the opposite in every way. She is an example of the best in America's future. She is an asset to our country and to this institution. I will miss her very much, and so will many other people in the U.S. Senate who work with Marie on a daily basis. Marie made it a point to know names, remember faces throughout the Capitol and Senate Office Buildings, just as she did with our visitors. I know the folks down in the Senate recording studio, the photo studio, the service department and a host of other Senate offices share my sentiments about Marie, and our loss. But, we wish Marie the very best in her new endeavor, and I certainly hope she will stop by and visit when back in Washington.

SECRET HOLDS ON THE 21ST CENTURY DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION ACT

Mr. LEAHY. Mr. President, I am disappointed that one or more Republican Senators are holding up final passage of the 21st Century Department of Justice Appropriations Authorization Act, H.R. 2215.

This bipartisan bill is supported by the Bush Administration and cosponsored by Senator HATCH, the ranking Republican Member of the Judiciary Committee. It was unanimously approved by the Senate Judiciary Committee back on October 30.

This bill, with a bipartisan amendment authored by Senator HATCH and myself, has cleared the Democratic cloakroom for final passage but someone on the other side of the aisle has placed a secret hold on it. I would urge my Republican friends to permit the Senate to take up and pass this critical legislation.

The 21st Century Department of Justice Appropriations Authorization Act, provides permanent enabling authorities which will allow the Department of Justice to efficiently carry out its mission.

At a time when the Department of Justice is conducting the most sweeping investigation into terrorist conspiracies in our Nation's history, the Senate should pass this legislation.

Indeed, Title II our bipartisan bill provides the Department of Justice with additional law enforcement tools in the war against terrorism. Section 201 permits the FBI to enter into cooperative projects with foreign countries to improve law enforcement or intelligence operations, and Section 210 provides special "danger pay" allowances for FBI agents in hazardous duty locations outside the United States.

In addition, the bill as passed by the Committee, contains language offered by Senator FEINSTEIN to authorize a number of new judgeships.

Title III of this bipartisan legislation authorizes eight new permanent judgeships as follows: five judgeships in the Southern District of California; two judgeships in the Western District of Texas; and one judgeship in the Western District of North Carolina. Section 312 would also convert two temporary judgeships in Illinois into permanent judgeships, create one new temporary judgeship in the Western District of North Carolina, and extend the temporary judgeship in the Northern District of Ohio for five years.

I strongly support Senator FEINSTEIN'S amendment, as do many of my colleagues on the Judiciary Committee on a bipartisan basis, including Senator DEWINE, Senator DURBIN, Senator EDWARDS, and others. I believe that the need for these new judgeships is acute.

Finally, the bill creates a separate Violence Against Women Office to combat domestic violence. This section of the bill was crafted by Senator BIDEN and Senator SPECTER—another bipartisan partnership in this legislation. There is strong bipartisan support in the House and Senate to create a separate Violence Against Women Office within the Department of Justice.

Senator HATCH and I have also worked together to craft a bipartisan floor amendment which compiles a comprehensive authorization of expired and new Department of Justice grants programs and improvements to criminal law and procedures.

For example, our bipartisan floor amendment authorizes Department of Justice grants to establish 4,000 Boys and Girls Clubs across the country before January 1, 2007. This bipartisan amendment authorizes Department of Justice grants for each of the next 5 years to establish 1,200 additional Boys and Girls Clubs across the Nation. In fact, this will bring the number of Boys and Girls Clubs to 4,000. That means they will serve approximately 6 million young people by January 1, 2007.

In 1997, I was very proud to join with Senator HATCH and others to pass bipartisan legislation to authorize grants by the Department of Justice to fund 2,500 Boys and Girls Clubs across the Nation. We increased the Department of Justice grant funding for the Boys and Girls Clubs from $20 million in 1998 to $60 million in 2001. That is one reason why we have now 2,591 Boys and Girls Clubs in all 50 States and 3.3 million children are being served. It is quite a success story.

But the authorization for these Department of Justice grants to Boys and Girls Clubs across the country has expired. This bipartisan legislation will renew and expand these grants.

Parents, educators, law enforcement officers, and others know we need safe havens where young people can learn and grow up free from the influence of the drugs and gangs and crime. That is why the Boys and Girls Clubs are so important to our Nation's children.

Our bipartisan amendment also includes the Drug Abuse Education, Prevention, and Treatment Act of 2001. I am pleased that we have included in this package the version of S. 304 that the Judiciary Committee passed unanimously on November 29. This legislation ushers in a new, bipartisan approach to our efforts to reduce drug abuse in the United States. It was introduced by Senator HATCH and I in February. Senator HATCH held an excellent hearing on the bill in March, the Judiciary Committee has approved it, and the full Senate should follow the committee's lead. This is a bill that is embraced by Democrats and Republicans alike, as well as law enforcement officers and drug treatment providers.

This legislation provides a comprehensive approach to reducing drug abuse in America. I hope that the innovative programs established by this legislation will assist all of our States in their efforts to address the drug problems that most affect our communities.

Our bipartisan amendment also includes provisions to protect witnesses who provide information on criminal activity to law enforcement officials by increasing maximum sentences and other improvements to the criminal code.

And our bipartisan legislation contains amendments, authored by Senator SESSIONS, that modify the Paul Coverdell National Forensic Science Improvement Act of 2000 to enhance participation by local crime labs and to allow for DNA backlog elimination. I was proud to cosponsor the Coverdell grants bill last year and support it to help bring the necessary forensic technology to all states to improve their criminal justice systems.

The 21st Century Department of Justice Appropriations Authorization Act should result in more effective, as well as efficient, Department of Justice for the American people. But it must pass the Senate soon and be reconciled with the House-passed bill in a conference.

I urge my colleagues on the other side of the aisle to lift the secret hold on this bipartisan legislation to support the Department of Justice.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred January 14, 1993 in Macon, GA. Elizabeth Davidson, a 25-year-old lesbian, was fatally shot in a bar. The attacker, Deion N. Felton was charged with murder in connection with the crime. An accomplice, Shawn Hightower, 16, pleaded guilty to conspiracy to commit aggravated assault. Felton and Hightower allegedly were engaged in a plan to rob homosexuals at the time of the killing.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

GUNS AND TERRORISTS

Mr. LEVIN. Mr. President, I am concerned about the Attorney General's decision to deny law enforcement access to the National Instant Criminal Background Check System database. According to a December 6 story in The New York Times, following the events of September 11, FBI officials checked the NICS database for the names of 186 suspects being detained in connection with the terrorist attacks. The search turned up two matches of detained individuals approved to buy guns.

According to the Attorney General, existing law does not give him the authority to approve law enforcement's review of these records. But despite knowledge of this gap, the Attorney General did not request this authority in the comprehensive USA PATRIOT Act signed into law by the President on October 26. Since September 11, over 500 individuals have been detained, but law enforcement has not been able to audit the NICS database for gun purchases by detained individuals. I believe the Attorney General's actions are at odds with his own priorities. That is why I was pleased to cosponsor the Use NICS in Terrorist Investigations Act introduced by Senators KENNEDY and SCHUMER. This bill would establish a 90-day period for law enforcement to retain NICS data. It would also give the FBI the authority they need to review the NICS database. I urge the Attorney General to endorse this legislation and give law enforcement the comprehensive tools they need.

VETERANS EDUCATION AND BENEFITS EXPANSION ACT OF 2001

Mr. DODD. Mr. President. I rise to comment on important legislation passed by the Senate last evening, H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001. This compromise agreement is the product of negotiations between the House and the Senate to craft an agreement between the Senate- and House-passed bills aimed at improving a wide array of benefits affecting veterans and their families. Included in this legislation is funding for improving educational benefits under the Montgomery GI Bill, enhancing veterans' compensation, and increasing home loan guarantees. This legislation also makes important investments in vocational training, education, and outreach programs to improve economic and educational opportunities for veterans who served our country. And, this legislation expands the definition of service-connected disability to include symptoms associated with "Gulf War syndrome" thereby enabling those veterans suffering from Gulf War-related symptoms to receive the compensation and care they deserve. Our nation's veterans have served our country with distinction and have sacrificed in the defense of our country. These veterans deserve benefits commensurate to their service to our country. In many ways, this legislation recognizes the sacrifices and commitment of our nation's veterans, and rightfully rewards their service and valor.

I wanted to take some time to talk about a very important aspect of this legislation—Section 502—which is a provision pertaining to providing VA grave markers for deceased veterans. On December 7, 2001, the Senate unanimously passed S. 1088, the Veterans' Benefits Improvement Act of 2001. This legislation included a provision which is based on legislation that I introduced this year and in the 106th Congress. It has the support of every major veterans group and a wide array of organizations including the Veterans of Foreign Wars, the American Legion, Disabled American Veterans, Paralyzed Veterans of America, the Air Force Sergeants Association, and the National Funeral Directors Association. It also has strong bipartisan support and enjoys the support of 21 of my Senate colleagues who cosponsored this legislation. The cosponsors include Senators BINGAMAN, BYRD, CONRAD, CRAIG, DEWINE, DORGAN, FEINGOLD, JOHNSON, KENNEDY, KERRY, KOHL, LEAHY, LEVIN, LIEBERMAN, LINCOLN, MILLER, SANTORUM, SESSIONS, STABENOW, STEVENS, and VOINOVICH.

Section 402 of S. 1088 would authorize the Secretary of Veterans Affairs to furnish a grave marker for the grave of a deceased veteran, irrespective of whether the grave has already been marked privately by the family. Current law—which dates back to the Civil War—does not allow the Department of Veterans Affairs to provide such a marker to already-marked graves. This arcane provision of federal law effectively precludes an estimated 25,000 families each year from appropriately commemorating their loved one's service to our country. Sadly, this number will only increase as our nation's veteran population ages. Indeed, according to the Department of Veterans Affairs, some 1,500 American World War II veterans will pass away each day. With our aging population of veterans and with our nation's armed forces currently in harm's way in the war against terrorism, it is critically important to act promptly to secure this final tribute to suitably recognize the service of past and future veterans.

This archaic law was originally intended to ensure that our fallen soldiers were not buried in unmarked graves. Of course, in today's age rarely, if ever, does a grave go unmarked. Prior to 1990, the surviving family of a deceased veteran could receive from the VA, after burial or cremation, partial reimbursement for a private headstone, a VA headstone, or a VA grave marker. The choice was solely up to the deceased veteran's family. However, budgetary tightening measures enacted in 1990 eliminated the reimbursement component and prevented the VA from providing an official headstone or grave marker when the family had already done so privately. This change in law precludes veterans' families from receiving an official VA grave marker if the family has already made private funeral arrangements.

Suffice it to say, this provision of law is a major source of frustration for veterans families as they seek to honor their deceased loved one's service to our nation. At the time of a veteran's death, grief stricken family members invariably concern themselves with making necessary funeral arrangements and providing comfort and support to loved ones, not investigating the complexities of VA regulations. Nonetheless, for veterans' families that make private funeral arrangements prior to contacting the VA—such as purchasing a private headstone or marker—these families unwittingly forfeit their right to receive an official marker to honor their loved one's military service. This inequity in current law is unfair to those veterans who have served our country. Indeed, the denial of this benefit to veterans' families is one of the major sources, if not the major source, of complaints lodged with the VA.

One of the countless families negatively effected by this provision of federal law is the Guzzo family of West Hartford, Connecticut. Back in the summer of 1998, I was approached by a young man named Tom Guzzo whose father Agostino Guzzo had recently passed away. While Agostino's service in the Army in the Philippines during World War II entitled him to full military honors from the VA, he was not eligible for an official VA marker because the family had already purchased a private marker.

I became involved in this matter to correct what I believed to be a bureaucratic error, and I wrote to the then-Secretary of Veterans Affairs to resolve this matter. However, when the Secretary informed me that he was unable to furnish a VA grave marker to the Guzzos because of federal law, I introduced legislation to correct this inequity. Last year, the VA headstone and grave markers legislation that I authored unanimously passed the Senate as an amendment to the FY 2001 Department of Defense Authorization bill. However, the House-passed version of the Department of Defense Authorization bill did not include a comparable VA grave marker provision, and regrettably this measure was stripped in conference committee. Last week, once again, the Senate passed a provision based on legislation that I introduced in the Senate that would authorize the Secretary of the VA to furnish grave markers to deceased veterans, regardless of whether the grave is privately marked. And, once again, the House failed to adopt this reasonable provision, and this important measure was the subject of negotiations between the House and Senate to resolve this matter.

The legislation before us today allows grave markers for veterans who pass away after the date of enactment. This is good news for veterans today. However, I continue to be concerned about the more than 5 million veterans who passed away over the past decade and whose families have tried in vain to obtain an official commemoration from the VA. My legislation was retroactive and would have assisted all affected veterans families back to 1990—when the aforementioned change in federal law occurred. As part of the compromise agreement between the Senate, House, and the Administration, this legislation would allow for the Secretary of Veterans Affairs to "implement this provision in a flexible manner in light of requests for grave markers pre-dating this provision." While I am pleased that this compromise will allow for the Secretary of Veterans Affairs to help the Guzzo family and may help other families who have struggled to receive official recognition for their deceased loved one's service through administrative means, this problem should have been addressed by a change in law—not through an ad-hoc, case-by-case, administrative procedure. Nonetheless, while this is not by any means a perfect agreement, it will allow deceased veterans' families to obtain this official grave marker in the future.

I would like to take a moment to thank and recognize the tremendous leadership of Chairman ROCKEFELLER with regard to this issue and to veterans issues in general. Chairman ROCKEFELLER and his talented staff, in particular, were extremely helpful in working with me to ensure that the service of our Nation's veterans are suitably recognized. I would also like to commend Congresswoman NANCY JOHNSON and her efforts to reach a workable compromise with respect to this issue. Finally, I would like to commend and recognize the hard work and vigilance of the Guzzo family, particularly Tom Guzzo, in ensuring that Agostino Guzzo's service to our Nation—and the military service of countless other veterans—can from now on be recognized by the U.S. Government with this final, modest gesture from a grateful Nation.

ABM TREATY WITHDRAWAL

Mr. KERRY. Mr. President, I want to take just a few moments today to place President Bush's announcement that he is withdrawing the United States from the 1972 ABM Treaty into a broader context, to try and redefine a debate about our security which too often has been argued at the margins.

The undergirding objective behind any American foreign policy should be to make Americans safer, to make our position in the world more secure, not less. That is the only objective measurement of foreign policy, and it is by that measurement that I want to offer any construction concerns about today's announcement.

First, let me be clear: I support the development of an effective defense against ballistic missiles that it deployed with maximum transparency and consultation with U.S. allies and with other major powers, including Russia and China. I've voted as has the Senate, to support an approach which delivers that kind of security measure. In the end, it boils down to common sense: If there is a real potential of a rogue nation firing a few missiles at any city in the U.S., responsible leadership requires that we make our best, most thoughtful efforts to defend against that threat. The same is true of accidental launch. If it ever happened, no leader could ever explain not having chosen to defend against the disaster when doing so made sense.

The broader question we must ask today is what constitutes not just effective defense against the ballistic missile threat, but whether in its entirety we are pursuing a national security strategy which makes us as safe as we can be against the whole range of threats we face as a nation, and what should have been clear before September 11 and what is evident with frightening clarity today is that there are urgent and immediate vulnerabilities to our security which can and must be addressed, practically, pragmatically, today.

The President's announcement today reflects, I fear, misplaced priorities—an unyielding obsession almost with a threat which most measurements would suggest is of lesser likelihood, and an almost cavalier willingness to nickel and dime security priorities of the first order. I remain disappointed that the Bush Administration continues to focus so much on its attention on the issue of missile defense and a missile defense plan which will be enormously expensive while at the same time they cite expense as a reason why they will not today make the investment towards meeting our tremendous homeland security challenges.

Missile defense is important, but it is a response of last resort, when diplomacy and deterrence have failed. No missile defense system can be 100 percent effective, and so we would be remiss to discard entirely the logic of deterrence that has kept us safe for 40 years. Even in periods of intense animosity and tension, under the most unpredictable and isolated of regimes, political and military deterrence have a powerful, determining effect on a nation's decision to use force. We saw it at work in the Gulf War, when Saddam Hussein was deterred from using his weapons of mass destruction by the sure promise of a devastating response from the United States. For 30 years, the ABM Treaty has helped to anchor nuclear deterrence, and I believe that people of the world have been safer for it. Yes, I would have preferred that the Bush administration continue to work with Russia to find a way to amend, rather than end, the ABM Treaty. It appears that Russia was willing to allow the Bush administration great leeway in pursing its robust testing plan for missile defense, but the President was unwilling to accept any restrictions on his plans. Given their past statements, it comes as no surprise that the Administration does not seem to have offered much to Russia by way of a compromise or an attempt to amend and preserve the Treaty. What the Administration has done, and it is their prerogative to do so, is gamble successfully on the fact that the Russian leadership would wisely determine not to allow this issue to derail the improvements we have seen in the last 3 months in the U.S.-Russian relationship. President Putin has called this decision on the ABM Treaty a mistake and expressed his regret that President Bush intends to go forward with this, but Putin and others in his administration have pledged that they will continue to work with us on reducing strategic nuclear arsenals and building a new Russian relationship with NATO. The response from Russia could have been much different, much more dangerous and destabilizing, and I believe it would have been, before the events of September 11 changed Russia's perception of the threats it faces and the importance of cooperating with the United States. But I am gratified that the Russians remain partners in a global effort to increase security.

The situation with China is more murky. While the administration has briefed the Chinese leadership on its missile defense plans, I don't believe enough time or diplomatic effort has been invested in convincing Beijing that this system is not directed at eroding China's small nuclear deterrent. The Administration must do more to reach a common understanding with China that there is a real threat from isolated regimes bent on terrorism and accidental or unauthorized launches. If we fail to take this task seriously, we will jeopardize stability in the Pacific.

But, in my judgment, what is more striking about the President's announcement today is the homeland security measures left unaddressed, and unfunded, in the Administration's security wish list.

In his statements about missile defense over the last several months, President Bush has said over and over that this is only one part of a comprehensive national security strategy. I could not agree more, but I am deeply concerned that the President's words are not matched by the deeds of his administration. Especially in the world after September 11, a comprehensive national security strategy must emphasize the things we need to do to keep the American people safe from terrorism. But just last week, the President defeated attempts by Democrats in the Senate to provide additional funding for homeland security as part of the Defense Department appropriations bills.

I am deeply concerned that, at a time when the Administration tells us that financial resources for defense are highly limited, we must be more prudent about our spending priorities, we need a debate about choices for our national security agenda.

Let's be clear about what every national security expert told us before September 11 and has amplified since. We need to fund our efforts to deliver airline and rail security, border security, the ability of our fire fighters, police and emergency workers to respond to terrorist attacks, and the ability of our health care system to respond to the threat we face from bio-terrorism. And we are at war. We need to ensure that our fighting men and women have the tools and support they need to prosecute this war on terrorism successfully. Finding an effective defense against missile attacks is important, but these challenges are immediate, critical, and regrettably they are being left unmet today.

Pushing forth first and foremost with national missile defense does nothing to address what the Pentagon, even before September 11, considered a much more likely and immediate threat to the American homeland from terrorists and non-state actors, who might attack us with weapons of mass destruction. As we are learning more about Osama bin Ladin's attempts to possibly acquire nuclear weapons and develop chemical or biological weapons, it is crucial that we stay focused on meeting the WMD threat.

Our first defense against that threat is a robust international effort on nonproliferation, but the President's FY 2002 budget actually cut U.S. funding for counter-proliferation programs to deal with the huge weapons stockpiles of the former Soviet Union. Our former colleague, Senator Howard Baker, was part of a study of these counter-proliferation programs released earlier this year. That study concluded that the threat of proliferation from the weapons stockpiles of the former Soviet Union is very grave, and efforts to secure and destroy those weapons demand our immediate, robust support. The study recommended an increase of $30 million in funding for these programs, but supporters of these programs on both sides of the aisle have struggled mightily just to keep the funding from being slashed.

Consider also the homeland security needs so clearly being given short shrift in an agenda dominated by national missile defense. Our security needs are enormous, for certainly the last months have at least demonstrated where some of the vulnerabilities lie.

We must shore up not just the safety of our nuclear plants around the country, but plants and nuclear weapons facilities around the globe. From making nuclear facilities less vulnerable from the air, to investing in the trained personnel to ensure that cargo ships in American ports are not carrying dangerous or stolen nuclear materials meaningful steps can be taken to protect Americans against a threat which was real before September 11 and looms larger today.

The Administration can't speak about preparing to deal with bioterrorism, and in the next breath ignore that medicine must be stockpiled, that nurses and medical professionals must be trained, and that massive investments in vaccines for diseases long believed to have been eradicated must be made at a rapid pace.

We can't honor firefighters, police and rescue workers who died in the World Trade Center if we aren't willing to invest in the technology and innovation that make these jobs safer. There is little solace for postal workers killed by Anthrax if the government is not committed to putting in place innovative ways to detect and combat future biological and chemical threats.

Making our Nation's rail system safe will come with a high price tag, but it's trivial compared to the devastation that could be wrought by a single terrorist attack on passenger rail. More than 300,000 people pass through the century-old rail tunnels under New York City each day, tunnels lacking both ventilation and sufficient emergency exits. It is time to shore up the security of our transportation infrastructure before they become targets, not when it is too late.

These are security needs of a nation at war and a nation bent on returning to normalcy in the months and years ahead, and they must be addressed. I would say to you today, it's time we break out of a debate over whether we're going to have a missile defense system or rely entirely on deterrence, a fruitless debate, ideological shadowboxing and end the days of arguing at the margins. We need a serious, thoughtful debate on the comprehensive steps required, in every issue of national security, to make our Nation as safe as it can be, and until we do that we are not offering the kind of leadership our citizens and our country demands of us. And that is a debate of the first order of urgency, a debate too important to delay.

Mr. HARKIN. Mr. President, I am deeply disappointed that the President has announced that the United States is withdrawing from the Anti-Ballistic Missile Treaty. The President is adamantly pursuing a unilateral approach at a time when we so clearly need international cooperation in the war against terrorism. We now know beyond dispute that we cannot simply withdraw within our border, with a magical shield to protect us. All our gold-plated weapons systems could not prevent the terrorist attack, and they can't hunt down every terrorist. Our national security depends on international intelligence, international law enforcement, international financial transactions, international aid, in short on our relations with other nations.

Yet for the first time since World War II we are walking away from a major treaty, dismaying our friends and inciting those who could become our enemies. While Russian President Putin has given a measured response, I fear our intransigence could endanger cooperation not only on terrorism in Asia but also on further reductions in nuclear arms. And China, whose much smaller missile arsenal is most directly threatened by our missile defense plans, will almost certainly build more missiles, making the world less safe.

For our close allies, abandoning what we used to call the "cornerstone" of arms control is just the latest in a series of provocations. Last week we torpedoed negotiations on the Biological Weapons Convention, having earlier axed a verification protocol, at a time when we face a biological weapon attack. Wouldn't a little verification of foreign labs that use anthrax be useful right now? We abandoned negotiations on the Kyoto global warming accord, gutted the small arms treaty, and walked away from the United Nations Conference on Racism. We rejected the Comprehensive Test Ban Treaty and dismissed the convention on land mines. How can we expect full cooperation from other nations on terrorism, when we dismiss their concerns, refusing even to negotiate, on critical issues including biological weapons, nuclear arms control, and global warming?

Make no mistake, we have no technical need to withdraw from the ABM treaty at this time. Most experts agree that research and testing could continue for years without violating the present treaty. And the Russians have offered to amend the treaty if needed.

Unfortunately, this administration refused to take yes for an answer. If we are to maintain international cooperation in defeating the terrorists, and also in protecting the global environment, ending child labor abuses and promoting human rights, and improving the global economy, we must ourselves show some regard for international norms and concerns. Friendship is not a one-way street. I hope we wake up to that fact before it is too late.

RESERVISTS PAY SECURITY ACT OF 2001

Ms. MIKULSKI. Mr. President, I take great pride in supporting Senator DURBIN in introducing the Reservists Pay Security Act of 2001. This legislation will ensure that the Federal employees who are in the military reserves and are called up for active duty in service to their country will get the same pay as they do in their civilian jobs.

According to the U.S. Office of Personnel Management, the federal government is by far the largest employer of our nation's military reservists. These reservists stand ready to serve our country with honor, during times of peace as well as war. They are the finest examples of dedication and service our nation has to offer.

When federal employees who also serve as reservists are called to duty, they respond with pride, often facing significant pay cuts as they lose their normal civilian salaries. But the federal government does not supplement the lost pay of our reservists. This is a travesty.

Our Nation has always placed a high value on the spirit of public service. That's why so many private employers, both large and small, are making significant changes to provide more generous military leave policies, even in the midst of a recession. If Safeway, IBM, Intel and Verizon can provide for their employees during times like these, then our federal government must care for its own as well.

Family members of federally-employed reservists are already starting to feel the pinch of service. Amy Bennett, of Centreville, MD, can't afford the payments that she and her husband, a lieutenant in the Army Reserve, must pay for their home. Their family income will drop by $50,000 per year. To respond to this, she was at first going to sell her car. Now, with an 8-month-old son to care for, she must move in with her parents until her husband returns. She'll keep the car, but even worse, she may be forced to sell their home.

Janice Riley, of St. Mary's County, will work two jobs now that her husband, Sgt. Rob Riley, has been sent to Texas for training. Until he returns, he is forced to ask his mother to help Janice out with the bills. Lynn Brinker, of Columbia, MD, expects her family to lose about $30,000 this year because her husband, Mark, was sent to Texas to join the rest of his 443rd Military Police Battalion. As a result, her neighbors are buying her meals, her babysitter and hairdresser are working for free, and she has taken a line of credit against her house because no one can take over the home improvement business Mark began 10 years ago.

Fifty-five thousand of our Nation's reservists have been activated since the attacks of September 11th. This includes about 3,000 Maryland area reservists, most of them federal employees. Their families sit and wait at home, with no guarantee when their loved ones will return, and little means to pay for their college funds, mortgages, car loans, and holiday gifts.

This is simply wrong. I fail to see why these dedicated Americans should be forced to leave their families financially vulnerable at a time when they have so many other things to worry about.

This legislation is the same as the measure my colleague, Robert Wexler of Florida, introduced in the House of Representatives this spring. But this is not the first time I've fought for the rights of our nation's reservists, or our nation's federal employees. In 1991, when so many of our brave reservists answered the call to fight for our country in the Persian Gulf, I sponsored similar legislation. During the Gulf War, Senator DURBIN, the other sponsor of this bill, who was then serving in House, introduced the exact same legislation.

Before and since then, I have been a part of many other efforts to make sure that those who work on behalf our country, both here and abroad, are not penalized simply for their service to our country. This legislation will help relieve the financial hardship being felt by so many of our dedicated citizens. It will allow those who stand ready to serve our country not to have to worry about how the bills at home will be paid while they fight to protect the way of life so many Americans enjoy.

We all hope that federally-employed military reservists achieve success in their military duty, and return safely to comfort at home. But our efforts abroad should not compromise the living standards of them or their families, and our efforts to relieve their plight cannot wait.

I strongly urge my colleagues to join me in standing up for our active duty citizens, the federal employees who serve our nation in peace and, as reservists, in war, by supporting this very important legislation.

HOLD TO S. 1805

Mr. GRASSLEY. Mr. President, I would like to inform my colleagues that I have lodged an objection to the Senate proceeding to S. 1805 or to any other legislation or amendment that converts temporary judgeships to permanent judgeships.

When there is a temporary judgeship on a court, when the temporary judgeship expires, the next permanent vacancy that occurs will not be filled and will be deemed not to be a vacancy, so that the total number of permanent judgeships allowed by law stays the same. On the other hand, the net effect of converting a temporary judgeship into a permanent judgeship is the creation of a new permanent judgeship for that court. The creation of new judgeships should not be taken lightly.

As you know, I firmly believe that the Federal judiciary should not be expanded prior to comprehensive congressional oversight. Congress has not held a single hearing in this Congress on whether additional judges are necessary for the Federal courts, and specifically has not evaluated whether there is a need to convert the temporary judgeships contained in S. 1805 into permanent judgeships. Arguments that the Judicial Conference has recommended these changes should be scrutinized with care, the formula that the Judicial Conference utilizes to create judgeships is flawed and can be substantially manipulated. There needs to be serious congressional oversight of the numbers, which is our responsibility. We need to ensure that the courts are employing all appropriate methods to take care of their caseloads and to make sure that they are utilizing all efficiencies and techniques. Moreover, we should be looking at filling appropriate existing judicial vacancies before we create new judgeships.

VA COMMENDED FOR PATIENT SAFETY INITIATIVE

Mr. ROCKEFELLER. Mr. President, today I am proud to highlight the recognition given to the Department of Veterans Affairs for the high level of attention they have paid to patient safety in recent years.

The Institute for Government Innovation at Harvard University has announced that VA's National Center for Patient Safety (NCPS) will be one of five winners of the annual Innovations in American Government awards. An article in yesterday's Washington Post brings this achievement to national attention and details why VA's Center was the only federal recipient of the award.

It's apparent that the NCPS has cultivated a culture within VA that promotes communication and therefore enables health care staff to feel more comfortable about reporting medical errors or even concerns that they have about patient safety. VA launched this initiative in 1998, but it received a major push in 1999 when the Institute of Medicine released a report estimating that 44,000 to 98,000 Americans die each year due to medical mistakes.

This award demonstrates how VA has pioneered the establishment of the type of culture which must exist. According to the article, many health care providers in the private sector have started to model their patient safety models around that of the NCPS. This was a driving force behind the Institute for Government Innovation's decision to recognize VA's efforts by giving them this honor.

For a long time now, I have pushed VA to pay closer attention to patient safety, as it has been an issue of concern in the past. This is why I am glad to finally see VA on the cutting edge of patient safety, and being acknowledged for it. Our veterans deserve nothing less than highest standards of health care.

I ask unanimous consent that an article from The Washington Post, detailing VA's patient safety program and the award, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 13, 2001]

VA MEDICAL SYSTEM TO GET HARVARD INNOVATION AWARD

REPORTING, HANDLING OF HEALTH CARE ERRORS TO BE CITED

(By Ben White)

The Department of Veterans Affairs health care system, long derided as a bloated bureaucratic mess, will be singled out for praise today for its efforts to improve the way medical errors and close calls are reported by health care workers and handled by hospital administrators.

VA's National Center for Patient Safety (NCPS) will be the only federal program among five winners of the annual Innovations in American Government awards from the Institute for Government Innovation at Harvard University. The awards are to be announced today.

Gail Christopher, executive director of the institute, said the NCPS is helping foster a "healthier culture of communication" in which health care workers at VA's 173 medical centers are far more likely to report mistakes or close calls than in years past.

"It's sort of a breath of fresh air for workers who are used to being in an adversarial or litigious climate," Christopher said. "It meets a basic set of human needs, to strive for excellence while at the same time acknowledging the potential for human error. Its genius is really its simplicity."

VA officials say the program, begun in 1998, produced a 30-fold increase in the number of accident reports in just 16 months and a 900-fold increase in the number of reported close calls over the same period. These numbers reflect not an increase in mistakes, they say, but rather a big jump in the willingness of doctors, nurses and other workers to report problems.

The agency began to focus on the issue after a 1999 report by the Institute of Medicine estimated that 44,000 to 98,000 Americans die each year as a result of medical errors.

VA Secretary Anthony J. Principi said NCPS has created a centralized mistake-reporting system that helps staff analyze and address repeat problems while also establishing a new culture in which the emphasis is on addressing the root causes of errors rather than punishing those who make them.

"We look at entire systems now, not just, say, a nurse who [makes a mistake] because she is pressed for time," Principi said in an interview yesterday. He noted, however, that VA will still punish anyone who "intentionally and criminally hurts a patient."

In addition to the improved, confidential mistake-reporting system, NCPS has set up a voluntary external system, modeled after a NASA program, that allows any individual to report medical mistakes or close calls anonymously.

NCPS Director James P. Bagian said the anonymous system serves as a safety valve to make sure serious problems that VA health workers might feel uncomfortable reporting, even confidentially, do not slip unnoticed.

Bagian cited a flawed pacemaker and a potentially deadly ventilator as examples of problems the NCPS regime has helped identify and correct. But he said the biggest success has been the change in culture. VA health care workers now know they will be identified publicly and punished only if they deliberately cause harm to a patient, according to Bagian. If a worker simply makes a mistake, he can report it confidentially and a team will assess the case, addressing the cause of the error rather than the individual responsible.

"We no longer focus on whose fault it is," Bagian said, noting that the handbook explaining the new approach is written in plain English, rather than in the legalese of the past. "Instead we ask: What happened? How did it happen? And what can we do to prevent it in the future?"

The award carries a $100,000 grant to help VA further the program and let others know about it. Harvard's Christopher said VA earned the award in part because so many private health care and hospital companies are already seeking to emulate NCPS.

"Clearly, the problem this program addresses is of monumental significance," she said, "and word has spread rapidly within the health care community."

DEFENSE APPROPRIATIONS

Mr. HARKIN. Mr. President, I would like to highlight two provisions in the Defense appropriations bill we passed last Friday night that are of great importance to Iowans. I have spoken here before of the continued health and environmental legacy of the nuclear weapons work at the Iowa Army Ammunition Plant, of conventional munitions work at the same plant, and of the secrecy issues that make it difficult to help the workers there. In the last couple years the Department of Energy has made real, if slow, progress toward addressing these issues. Two provisions in this year's Defense appropriations bill promise similar progress in addressing concerns of workers on the Army side of the plant.

Last year an amendment I offered to the Defense authorization bill required the Pentagon to review its secrecy policies to ensure that they do not harm workers at defense nuclear facilities, to notify workers who may have been harmed by radioactive or toxic exposures at these plants of these exposures and of how they can discuss them with health care providers and other officials, and to report back to Congress. But six months after the bill passed the Secretary had not even designated an official to carry out the provision. There still has been no notification and no report to Congress.

My amendment to the Defense appropriations bill this year clarifies that provision by explicitly including employees of contractors and subcontractors of the Defense Department, a colloquy last year between Senators LEVIN and WARNER and myself had clarified this intent, and by limiting its scope to facilities that manufacture, assemble, and disassemble nuclear weapons. The amendment also applies similar provisions to the Army side of the Iowa Army Ammunition Plant. It requires the Department to determine the nature and extent of exposures of current and former workers there to radioactive and other hazardous substances. It requires the Department to notify the workers of such exposures and of how they can discuss them with health providers, cleanup officials, and others. These actions are to be taken, and the Secretary is to report back to Congress, within 90 days of passage of the Act. I am pleased that the Defense Department has supported this amendment, and I hope that this time the workers in Iowa will quickly receive the support they need.

Another provision in the bill provides $1 million for a health study for workers on the Army side of the plant. The University of Iowa is in the second year of a study funded by the Department of Energy of the health effects of exposures on workers at the nuclear weapons facility. The new funds will begin a similar look at the health of workers on the Army side of the plant, who were exposed to many of the same radioactive and toxic substances. The work is to be done in conjunction with the Department of Energy study. I believe that these two provisions will help the workers on the Army side of the plant to address the same questions that workers at the nuclear facility in Iowa and around the country have faced: what dangers have they encountered while serving our country, have they been harmed, and how can they get help?

I would like to thank the managers of the bill for their assistance in including these provisions, in passing another amendment I offered on the Iowa National Guard's CIVIC project, and in addressing other concerns of the people of Iowa in this bill.

FORMER VICE PRESIDENT WALTER F. MONDALE'S REMARKS AT WESTMINSTER PRESBYTERIAN CHURCH

Mr. DAYTON. Former Vice President Walter F. Mondale, one of Minnesota's greatest Senators and statesmen, recently spoke in Minneapolis at Westminster Presbyterian Church, of which I am a member. I found his insights into our country's present situation and our current deliberations to be most valuable. I ask unanimous consent to print the former Vice President's speech in the RECORD for the benefit of all my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WESTMINSTER PRESBYTERIAN CHURCH FORUM SPEECH BY WALTER MONDALE

Thanks, Pastor Hart-Anderson for that kind introduction and thanks for your gifted leadership of this wonderful congregation. Joan and I are glad to be members of Westminster.

I love this magnificent and historic sanctuary where we meet today. It was 1897—104 years ago—when Westminster congregants first gathered here.

Some of the men who came to worship here in those first days may well have been veterans of the Civil War; some may have fought at Gettysburg. Seventeen years after that first service, the first boat passed through the new Panama Canal and World War I broke out in Europe. And can you imagine how parishioners must have felt as they worshipped here that grim Sunday morning of December 7th, 1941?

Westminster has also lived through profound changes in our Minneapolis community. From its beginning at the center of the Presbyterian community living nearby, the church has lived through the hollowing-out of Minneapolis's central city, then, thankfully, its revitalization into a bustling and diverse downtown neighborhood.

Today, Westminster is on its feet, growing, adapting, serving its faith in a community that the congregation's first members could not have imagined. For more than a century, we have seen it all.

A foreign correspondent recently wrote that what struck him the most about America was that we all seemed to have a sense of ownership in our country. He's right—we do own our country.

That's why we all came together, in an instant, on September 11.

That unity is no coincidence * * * it flows from our American ideals of justice, openness and freedom. That unity is by choice, not by chance. Almost every American generation, when pressed by crisis, has had to renew that choice and defend our ideals—not only abroad, but here at home.

Abolitionists argued that slavery was immoral, and soldiers fought a war to end it . . . the suffragists struggled for women's right to vote . . . the civil rights movements persuaded us that all Americans must be free from discrimination . . . the women's movement profoundly enhanced opportunities for American women . . . and, at our best, we have reached out to make American life more open and accepting to everyone.

Roosevelt once said that America's great goal has been "to include the excluded." I believe that's what we have done.

I was a part of the civil rights struggle and served in the Senate when many of the key civil rights law were passed. I worked under a president who was the first southerner elected to the office in 120 years . . . elected, in part, because a southerner could finally champion civil rights and bring our Nation closer together.

It all came together for more at the 1984 Los Angeles Olympics. Civil rights laws had knocked down the barriers to black and Hispanic participation in sports. And we had recently passed title nine, over huge objections, which required schools receiving public money to provide equal athletic opportunities for young women.

When I watched American athletes of all colors, men and women, winning one gold medal after another and astounding the world, I saw our Nation's long march toward openness and justice being justified right before our eyes. America was the best because we had tapped all of our talent.

The wonderful American historian, Stephen Ambrose, spoke in Minneapolis the other day about the long-term prospects for America versus Bin Laden and his fellow extremists.

America has a great advantage, Ambrose said. In today's world the trained mind is the most valuable of all assets. In America, we tap all of our talent, while the Taliban and other medievalists shut it off—by closing the door to women, by requiring you men to spend all of their time repeating extremists doctrines by rote, and by suppressing science and debate.

By wasting their good minds, they will fail, Ambrose said.

Just as we saw America prevail at the '84 Olympics by tapping all our talent, we will see our openness and freedom give us the edge in this newer, grimmer challenge.

And we have another advantage.

Roger Cohen, a senior New York times European correspondent, recently wrote that "Hitler promised the 1,000 year Reich; Communism promised equality; Milosovich promised glory. All the West Offers is the rule of law, but that's enough.

Under our constitution, the rule of law has meant that our public officers must be accountable to the law: this idea runs throughout our system.

The House and the Senate account to each other; the Congress to the President, the President to the Congress, both to the courts, and to the American people; a prosecutor to the judge (appointed for life) and jury and all of it subject to appeal. It is one of the great paradoxes of that document: on the one hand, the constitution reveals our founders' abiding faith in democracy—in the people, while on the other hand, the framers were very suspicious of human nature when clothed with unaccountable power. This principle is not a detail; it is crucial to America's phenomenal success.

Our founders made this very clear in the remarkable federalist papers. In them, Madison, and Hamilton famously observed: "What is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary, but in framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next lace oblige it to control itself . . . . . a dependence on the people, is no doubt, the primary control on government; but experience has taught mankind the necessity of auxiliary precautions."

Maintaining the rule of law takes a lot of nerve. And over our history we have occasionally lost it during moments of great threat.

In 1798, Congress passed the notorious alien and sedition acts. David McCullough in his marvelous new history of John Adams, wrote that President Adams' signatures on the those bills were "the most reprehensive acts of his presidency." During the Civil War, President Lincoln abolished the writ of habeas corpus. In World War I, Minnesota established the shameful public safety commission, which held public hearings all over the state to test the loyalty of German-American Minnesotans and remove the doubtful from office. At the beginning of World War II, Federal officials arrested thousands of Japanese-Americans and herded them into "relocation" camps without any credible evidence of disloyalty. during the worst of the Cold War, Joe McCarthy panicked our Nation and during the turbulent days of the civil rights struggle, F.B.I. Directors, Hoover, decided that Martin Luther King was a dangerous man who needed to be hounded daily and destroyed as a public leader—even though King's message of nonviolence may have saved our Nation.

In all of these cases, after we had regained our confidence, we could see that we had allowed our fear to get the better of us, and that we had hurt innocent people, compromised our ideals and shamed ourselves.

Today we again have much to fear.

These are tough times and they require decisive action. We must find and punish our attackers, and make clear that aggression against our country will not be tolerated. We must also try to prevent future terrorism, by learning much more about the threats around and among us. We must give our intelligence and law enforcement agencies the resources and authority they need to do these difficult jobs.

But we can be vigilant and deceive without giving in to fear. We can do everything we need to do to protect ourselves within our constitution, and we will be stronger if we do so. For history has taught us over and over again that the rule of law, openness and tolerance will prevail over injustice, oppression and hate.

It is our great advantage.

Thank you.

ADDITIONAL STATEMENTS

HONORING ROBERT STILLER AND GREEN MOUNTAIN COFFEE ROASTERS

• Mr. LEAHY. Mr. President, I rise today to congratulate Robert Stiller, Founder and Chief of Green Mountain Coffee Roasters, who has been awarded the "Entrepreneur of the Year Award" by Forbes Magazine.

Before establishing success on the national level, Bob owned several retail coffee stores in Vermont and Maine. Unable to afford advertising, he gave away free samples at wine and food festivals and to organizations like the Cub Scouts and Ronald McDonald House. Always in search of new customers, Bob began selling his coffee to high-end restaurants and to gas stations with a goal of serving the same high-quality of coffee at both. That strategy and innovation contributed to his company's growing success.

Stiller's success stems from his willingness to take risks within the business world and his knowledge of modern technological advantages. By investing in innovative packaging tools that extended the shelf-life of their coffee, Green Mountain Coffee Roasters has made significant breakthroughs in modern brewing. They pioneered efforts to do what few coffee vendors have been able to master: keeping convenience store coffee fresh.

Green Mountain Coffee Roasters ranks 16th on the "Forbes 200 Best Small Companies" list, and sales have continued to grow an average of 24 percent over the last five years. New roasters they recently purchased will allow them to package and sell over 40 million pounds of coffee a year, available at convenience stores, gas stations, supermarkets, offices, and restaurants nationwide. And their stock has more than doubled in the past 12 months, outperforming competitors like Starbucks, and Peet's Coffee & Tea.

Again, I congratulate Bob Stiller and all his employees at Green Mountain Coffee Roasters for receipt of the Forbes award. I ask that the Forbes Magazine article, "Entrepreneur Of The Year: Java Man," and a Rutland Daily Herald article, "Coffee Company. Founder Grab The Spotlight," be made a part of the RECORD.

The material follows:

[From Forbes Magazine, Oct. 29, 2001]

ENTREPRENEUR OF THE YEAR: JAVA MAN

(By Luisa Kroll)

Bob Stiller's long-shot bets have turned Green Mountain Coffee Roasters into one of the smartest small companies in America.

Don't let his look of blissful relaxation fool you. Robert Stiller's head is constantly boiling with new ideas, many of them at odds with those of almost everyone around him. Some of the ideas lose money. Every now and then one makes a bundle.

Stiller's first big hit was selling rolling paper on the drug-sodden campus of Columbia University in the early 1970s. His brand, E-Z Wider (a little jab at the cult film), had double the width of competing brands. The paper wouldn't feed into the machine properly, causing tearing. It was scientifically processed; Stiller discovered that storing a bobbin of paper for three weeks in a humidified room prevented the raw material from ripping. "People expected to see potheads, but we were more efficient at paper conversion than any manufacturer at the time," he recalls. E-Z stoked its sales to $11 million before Stiller and a partner sold out in 1980, each pocketing $3.1 million.

Twenty years later he still has a knack for experimentation—in the humble business of selling coffee beans. Founder and chief executive of Green Mountain Coffee Roasters (nasdaq: GMCR—news—people), 58-year-old Stiller is constantly trying out new technologies, backing other entrepreneurs with untested ideas and taking risks with suppliers that, on the face of it, appear slightly crazy. "Bob has that sense of not what is, but what could be," says Nick G. Lazaris, chief executive of Keurig, which makes coffee-brewing machines and is a partner of Green Mountain.

The road less traveled is strewn with riches. Green Mountain ranks 16th on the Forbes 200 Best Small Companies ranking, its second year on the list. Sales have grown an average 24% over the last five years to $84 million for the year ended Sept. 30, 2000; earnings per share have been growing at 43%. In the quarter ended July 7, net income rose 67%. Its stock has more than doubled in the past 12 months, outperforming those of both Starbucks and a closer rival, Peet's Coffee & Tea. Stiller's 48.5% stake is worth $89 million.

Green Mountain has put down deep roots near its headquarters in bucolic Waterbury, Vt. Three of every 10 pounds of roasted beans are sold in Maine, New Hampshire and Vermont. But this is a national company, deriving 95% of its revenue from 6,700 wholesale customers that include convenience stores, gas stations, supermarkets, offices and restaurants.

Lesson: Don't forsake marketing. if you cant afford it, try giving away your product.

A born tinkerer, Stiller spent weekends and holidays during his youth toiling at Stillman Manufacturing, his dad's Bronx, N.Y. company that made one of the first tubular heating coils for electric stoves. While still in high school, Stiller designed one machine that handled milling, cleaning and threading of a heating element. College was a chore; he couldn't maintain a C average—or what the college called a proper attitude—to remain at Syracuse University and ended up with a degree in business from Parsons College in Fairfield, Iowa in 1967. He landed at Columbia as a data-processing manager.

After cashing out of the rolling paper business, Stiller found himself at his ski condo in Sugarbush, Vt. wondering what to do next. One night, as he enjoyed a rare cup of coffee at a restaurant, he woke up and smelled the opportunity. A couple of days later he visited the small roaster in Waitsfield, Vt., where the restaurant bought its beans. For the next few months he roasted his own beans, using a hot-air popcorn popper at one point, a cookie sheet at another, brewing batches of coffee for friends. Stiller ended up buying the Waitsfield store with a partner and giving the store owner an equal one-third stake in Green Mountain. Within two years he became the sole proprietor, buying out both partners for $100,000.

The business seemed doomed from the start. Holed up in an office over a movie theater, Stiller lent the company $1 million, but still had to pay salaries with credit cards. His $30,000 line of credit was snatched from him after he went to the main branch of the bank in search of more money. What loan officer dared believe in this venture? This was a decade before Starbucks reached the East Coast, and a cup of joe was just something to wash down the morning eggs and toast. Stiller added retail stores in Vermont and Maine, and insisted on roasting only arabica beans, grown at higher altitudes and pricier than the robusta variety. Unable to afford advertising, he gave away samples at wine and food festivals and to organizations like the Cub Scouts and Ronald McDonald House. The red ink flowed, $1.4 million cumulatively from 1981 to 1985.

Always on the prowl for new customers, Stiller began selling to high-end restaurants and specialty stores. He bought a personal computer and hired a programmer to write software that traced customers' orders, deliveries and payments. Ever since, he has invested heavily in technology, becoming one of the first customers of Praxis, which developed a program to monitor and adjust heat levels in the roasters appropriate to each bag of beans. "Some say there is an art to great coffee," says Stiller. "I don't care how artistic you are, there are too many factors in play. You need the technology."

Which is why the fellow with the tube-bending machine and the rolling-paper process has installed $2.5 million worth of software from PeopleSoft to track distribution, manufacturing, sales and personnel. At the time this software project got under way Green Mountain had only $33 million in sales and was PeopleSoft's smallest customer for the product. "Green Mountain," says Michael Frandsen, PeopleSoft's general manager of supply chain management, "is one of the most aggressive small companies I've come across."

As when Stiller ignored the grumbling of some board members over selling his premium coffee to grungy gas stations. He thought it was a good way to spread the brand; the trick was to make sure the coffee at ExxonMobil was brewed as carefully as it was at New York's Harvard Club. So along with its beans, Green Mountain bundled services and tools, including coffee machines, cups, banners and training. Stiller created one- and two-day courses for customers with instruction about coffee farming, grinding and filtering. Now ExxonMobil is its biggest customer, representing 17% of sales last year. Last November Green Mountain signed a five-year agreement, beating out 11 rivals, to supply all 1,100 ExxonMobil company-owned stores and 500 franchise locations.

Another long-shot bet: backing three unknown entrepreneurs peddling a single-serve coffee system. At the time, they held the patent on filter-wrapped individual portions of ground coffee, but had no product ready for market. Stiller invested $150,000 for a 1% stake in Keurig. Green Mountain patiently worked with them on product quality and flavor. Finally, in 1998, the Keurig machine rolled into offices like PricewaterhouseCoopers. Green Mountain, which produces K-Cup individual packages of coffee at its factory, pays Keurig an undisclosed royalty based on the number of packages it sells. Last year K-Cups contributed 15.7% of Green Mountain's revenues.

DAILY GRIND

A grower of fancy coffee gets maybe a dollar a pound. How come you pay $9? Here's how the wholesale price adds up, even before the retail markup. Cost of 1.25 pounds of green beans* $1.25; shipping, 0.16; other costs of goods**, 3.22; overhead***, 2.46; profit****, 0.62; wholesale price*****, $7.71.

*20% weight loss in roasting. **Packaging, services, cups. ***Selling, sampling and administrative costs. ****Operating. *****Average yield to Green Mountain including supermarket coffee and brewed cups. Source: Forbes estimates, using Green Mountain's FY 2000 financials.

Leaning forward so often, Stiller has occasionally fallen off his perch. Anxious to expand, he took the company public in 1993, but couldn't meet Nasdaq listing guidelines and traded for four years on Nasdaq's minor league system (called the Nasdaq SmallCap Market). With the $11.5 million raised, he invested in mail-order catalogs, opened five retail stores and hired a bunch of seasoned outsiders. He also spent $500,000 on packaging equipment that flushes out the oxygen with puffs of nitrogen to improve shelf life.

Stiller wanted to invest now in anticipation of future growth. Such improvements had a cost. The company lost a combined $4.7 million in fiscal 1993 and 1994. For ten months Stiller stopped matching contributions to the 401(k) program, and imposed a hiring freeze. The bigger growth lay with the wholesale business. Green Mountain shuttered its 12 stores in 1998, at a cost of $1.3 million.

Lesson: Don't be afraid to increase capacity for a level of business that doesn't yet exist.

Vermont being Vermont, it goes without saying that Green Mountain strives for a do-gooder image, giving away 5% of pretax profits to "socially responsible" causes. "I'm not doing it because I want to give money away to charities," he confesses. "What we're doing makes the most business sense."

Example: providing startup funding for 100 small-scale farmers who formed a cooperative in Sumatra, Indonesia. Since then, production has increased almost sixfold—18% of its arabica going to Green Mountain. Stiller was one of the early backers of "fair trade" coffee, which pays farmers what they need to break even and clear a small profit. All this draws customers like Columbia University and natural food stores.

Stiller has gradually backed away from the day-to-day business, acting more as teacher than taskmaster. He meditates 45 minutes every day and, despite enduring the occasional pair of rolling eyes, nudges his staff to study "appreciative inquiry," a management technique developed at Case Western Reserve University that encourages people to learn from their successes—what produced a great batch of roasted beans, for instance, or the last deal that closed—instead of their mistakes.

Is this still a growth company? Probably not the one it used to be. The Delta Shuttle will be buying less, and Starbucks, with help from Kraft, is muscling into the grocery-store channel. Stiller predicts sales growth will be 15% to 20% next year, below its five-year average. But he's still a risk-taker. He is spending $2 million for a couple of roasters, which will boost capacity from 15 million pounds to 40 million pounds a year. It will be a long time before demand catches up. But Stiller is sure that day will come.

[From the Rutland Herald, Nov. 5, 2001]

COFFEE COMPANY, FOUNDER GRAB THE SPOTLIGHT

[By Bruce Edwards]

An interview with Robert Stiller, the founder and president of Green Mountain Coffee Roasters in Waterbury. Stiller was recently named Forbes' magazine first "Entrepreneur of the Year." The magazine also ranked the company as one of the "200 Best Small Companies in America."

Question: When you started Green Mountain Coffee Roasters in 1981, did you have a vision for the company. And are you surprised at the success you've achieved?

Robert Stiller: I didn't envision the success the way it has come about. I felt we may have been further along in getting the coffee out there because I always felt there isn't great coffee out there. When people get used to drinking great coffee, they just don't go back to the commercial grades. So, I knew that was going to work. I really didn't envision the awards. I really didn't feel we would be as strong as we were with the social type of issues like the organic and the fair trade coffees.

Q: When you think of Vermont you think of maple syrup. Coffee, on the other hand, is hardly indigenous to the state. Where did you come up with the idea for a coffee company?

Stiller: Actually, a friend had started a small shop at the end of 1979 with a couple that had come up from Connecticut. Their brother had been in the coffee business and they opened a small shop here in Vermont. I got to know them and I wanted to expand that concept. I really wasn't much of a coffee drinker at the time. When I had great coffee, it was like this is terrific and we wanted to carry that concept further.

Q: What kind of competition do you face? There are obviously a lot of coffees out there and your coffee is a premium brand.

Stiller: We provide a better product that people are willing to pay more for. Sometimes they'll use less of our coffee than the commercial coffees and get a more satisfying cup of coffee. There are ways to get around the economics of it. People will also find it a little bit finer than some of the commercial grades and get better extraction in the brewing process. We compete by offering better solutions to customers, like a supermarket, to sell the product. We merchandise the coffee better. We work with the staff to educate them and support the product. A lot of the commercial companies don't want to get into (that). They just want to put it on the shelf and have it sell. We differentiate ourselves by offering the higher levels of service that in turn provide a value to the consumer.

Q: Where do you buy most of your coffee beans?

Stiller: Central and South America. Also Mexico. We have other coffees that come from Africa and Indonesia.

Q: What makes the quality of your coffee beans different?

Stiller: It would be the taste profile of that particular coffee being representative of the area that it comes from. You want the taste to sort of epitomize where that coffee comes from. And we are very selective in getting the taste of that coffee as good as it can be. You also look at the highest-grade coffees. Each of the countries has a grading system. And we would also select the highest grades available. A lot of companies are just interested in the cost aspect and don't look for the taste profile.

Q: How much coffee do you import each year and is it all processed in Waterbury?

Stiller: We're about 12 to 13 million pounds of green coffee a year. We roast all the coffee here and package it and ship from here.

Q: What's the size of the Vermont operation?

Stiller: In the Waterbury area, we employ about 300 people. There's a little over 500 in the organization. We have a 90,000-square-foot production, roasting, warehousing facility. We just purchased a couple of roasters that will substantially increase our roasting capacity. With the new roasters we'll be able to roast over 40 million pounds a year.

Q: Much of your business is wholesale as opposed to retail?

Stiller: We don't have any retail shops. The supermarkets in some industries define that as retail. The bulk of our coffee is sold 25 percent through the supermarkets, about 25 percent through the office distributors and then another 25 percent through convenience stores.

Q: How were you able to land these large contracts like the Exxon Mobil convenience stores, Amtrak and Delta airlines?

Stiller: Mobil came to us over 10 years ago and we got one convenience store that was right across from a Dunkin' Donuts. The owner said if you can do anything with this location I'll talk to you about the rest of the stores. And we increased the coffee sales of the store about five times. So we got the rest of that chain, which led to recognition in the area and we just kept getting more convenience stores. They tested us against all the other coffee companies and found that our products did indeed sell better. We offered better support. And then we signed a contract with Mobil for five years.

Q: Your company has also come up with some technological innovations.

Stiller: I think the whole convenience store area was initiated with our use of air pots or the vacuum pump, thermal server. Because historically the coffee wasn't able to be kept fresh at the convenience store level. And with those servers we were able to offer a variety of coffees with a much longer shelf life than coffee sitting on a burner.

We were one of the first to recognize the sustainable issue with coffee. We tried to work with the farms to improve the farms, the product and the workers. It makes sense from a business point of view that if the people are taken care of you're going to have a better product. Nobody that is treated poorly is going to put their heart and soul into developing a good coffee.

Q: It appears you followed Ben & Jerry's philosophy of social responsibility.

Stiller: It's been very important to us. I think it's been very motivational to people in the company knowing that they are achieving a greater good in the world through what we do. We've had sustainable coffees for quite a while. And that led the industry in organic and fair trade (coffees). We've also encouraged our customers like Exxon Mobil. It was the first convenience store on a national level to have an organic coffee as their coffee of the month. This year they've done a fair trade coffee.

Q: What do you mean by a fair trade coffee?

Stiller: A fair trade coffee is certified that the farm that it comes from is a co-op. It's owned by the farmers. They get a minimum wage. So that they can live off of that. It's a major factor right now in that coffee is the second largest commodity behind oil. But unlike oil, coffee is a product of the people. There are 25 million farmers involved in farming and developing coffee. And about 75 percent of them are small farms. So if a farmer can't earn a living and support a family with coffee, what do they do? They turn to the government for support or they can turn to other illegal crops. We're talking about a life and death situation for these people. The break-even point for coffee is about 85 or 90 cents (a pound). It doesn't pay for them to produce good coffee. Coffee prices are below 50 cents right now. So a lot of the work that goes into good coffee is not happening. Sometimes they will pick coffee four or five times during the harvest season. Now, they're picking it once because they can't afford the pickers. This whole fair trade initiative was really developed to guarantee economic stability for the farmers and with that almost guarantees more of a democracy in a lot of these Third World countries because it provides that economic stability.

Q: Has NAFTA, the North American Free Trade Agreement, had any effect on your business?

Stiller: It doesn't really come into play. I think it's more for manufactured goods as opposed to agriculture.

Q: You have a director of social responsibility to oversee that area of the company?

Stiller: I think consumers are looking for more of that from companies. A lot of the people here are really motivated to make a difference in the world. They feel it's the right thing to do.

Q: The economy is either in a recession or close to a recession. Have you seen any indication of that in your business? Or is coffee one of those products that consumers regard as a necessity?

Stiller: It is a necessity. People enjoy it. It's part of their life. It's an energizing experience. It's reflective in a sense. You sort of take a break for coffee. And lots of times ideas come to you with that reflection. In troubled times, people might drink more coffee. In the overall scheme of things, there might be a little bit of a downturn but it wouldn't be very significant.

Q: You've been doing business in Vermont since 1981. Has the state been a difficult place for your company to do business?

Stiller: I think it's been a great experience. The Vermont name has added a lot (of value). I think the people we have hired are wonderful. There is a real sense of integrity and a hard work ethic. We haven't had too many problems with the permitting process. We've always felt supported by state government and other agencies within the government. The only issue has been in the banking area where we have had trouble getting the credit lines from local banks. We went down to Boston years ago and have been banking out of the state.●

PAYING TRIBUTE TO RON CASS

● Mr. BURNS. Mr. President, I rise today to pay tribute to Ron Cass, a man who embraces the idea that one person can truly make a difference. Ron is retiring after 28 years with KXLF-TV as General Manager in Butte, MT. While his job required a keen sense of community, it was his dedication to his family and the city of Butte that I want to recall today.

Ron joined KXLF in 1974 and worked his way up the corporate ladder. He was named President of KXLF Communications, Inc. in 1986 and later added the management of KBZK in Bozeman, MT. Born in Harlowton, Ron started out as a disc jockey but soon chose television as his medium of choice. I believe he chose wisely.

During the past several years, Ron has been instrumental in helping me understand a variety of telecommunication issues. He has given me his ideas freely and helped me to understand not only the growing complexity of the industry but also the need to remember what is important for Montana TV viewers who rely on the medium for their information.

Meanwhile, Ron found himself complaining about the current state of affairs in his hometown of Butte. He realized rather quickly that talking about problems didn't produce results—actions certainly speak louder than words. Ron went into action. He now has a long list of accomplishments and I believe that Butte is a better place today because of his efforts.

Whether as President of the Butte Chamber of Commerce, a member of the United Way Board of Directors, part of the Butte-Silver Bow Law Enforcement Commission, or even a member of the county's Study Commission, Ron rolled up his sleeves and Butte reaped the benefits. He also made a commitment to the local Exchange Club and the Pachyderms. He even battled Butte's frigid temperatures to help the Salvation Army during their annual bell ringing fundraiser at Christmas time.

Those who know Ron Cass know that his personal participation is not for personal glory or a Butte parade on St. Patrick's Day. Ron's involvement comes from his desire to give back; give back to the very folks who helped him succeed in Montana when he first arrived and decided to raise a family in Butte.

Today, Ron cherishes his family and many friends as he begins his retirement. His children, Barbara, Lura, and Dan—and his grandchildren, Timothy, Sean, Alex, Andrew, and Jake—and of course, his fiance, Nancy all agree that "Poppa" is a true role model.

About the same time he decided to contribute his talent, energy, and strength to Butte, his grandson, Alex, was born with Down Syndrome. From that day on, Ron made it his mission to support and encourage Alex in all that he would choose to do. That has included his grandson's efforts in Special Olympics and the joys of mainstreamed education.

Ron Cass's unselfish actions throughout his CBS Television Network career transcend the airwaves. His actions are shown today in the quality of his family's lives and the many friends who will gather and honor him before or after his last "working" day.

I would like to take this opportunity to personally thank Ron for all he has done to benefit the City of Butte, and the State of Montana. I want to wish him well in his retirement. While I am certain he will be spending plenty of time within the community he holds so close to his heart, I'm also certain that he'll be enjoying the Treasure State on the back of his motorcycle with the wind in his hair.●

MEASURE REFERRED

The following bill, previously received from the House of Representatives for concurrence, was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3282. An act to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, December 14, 2001, she had presented to the President of the United States the following enrolled bills:

S. 494. An act to provide for a transition to democracy and to promote economic recovery in Zimbabwe.

S. 1196. An act to amend the Small Business Investment Act of 1958, and for other purposes.

S.J. Res. 26. A joint resolution providing for the appoint of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on Foreign Relations, with an amendment:

S. 1779: A bill to authorize the establishment of "Radio Free Afghanistan", and for other purposes. (Rept. No. 107-125).

By Mr. BAUCUS, from the Committee on Finance, with an amendment in the nature of a substitute:

H.R. 3009: A bill to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes. (Rept. No. 107-126).

By Mr. BIDEN, from the Committee on Foreign Relations, with an amendment in the nature of a substitute and with an amendment preamble:

H. Con. Res. 211: A concurrent resolution commending Daw Aung San Suu Kyi on the 10th anniversary of her receiving the Nobel Peace Prize and expressing the sense of the Congress with respect to the Government of Burma.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. BIDEN, from the Committee on Foreign Relations:

Treaty Doc. 106-22—Treaty with Russia on Mutual Legal Assistance in Criminal Matters (Exec. Rept. No. 107-3)

Text of the Committee-Recommended Resolution of Advice and Consent

SECTION 1. ADVICE AND CONSENT TO RATIFICATION OF THE TREATY WITH THE RUSSIAN FEDERATION ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS, SUBJECT TO CONDITIONS.

The Senate advises and consents to the ratification of the Treaty Between the United States of America and the Russian Federation on Mutual Legal Assistance in Criminal Matters, signed at Washington on June 17, 1999 (Treaty Doc. 106 22; in this resolution referred to as the "Treaty"), subject to the conditions in section 2.

SEC. 2. CONDITIONS.

The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) Treaty interpretation.—The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31 1996), approved by the Senate on May 14, 1997 (relating to condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988).

(2) Limitation on assistance.—Pursuant to the right of the United States under the

Treaty to deny legal assistance under the Treaty that would prejudice the essential public policy or interests of the United States, the United States shall deny any request for such assistance if the Central Authority of the United States (as designated in Article 3(2) of the Treaty), after consultation with all appropriate intelligence, antinarcotic, and foreign policy agencies, has specific information that a senior Government official of the requesting party who will have access to information to be provided as part of such assistance is engaged in a felony, including the facilitation of the production or distribution of illegal drugs.

(3) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes the enactment of legislation or the taking of any other action by the United States that is prohibited by the Constitution of the United States as interpreted by the United States.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. FEINSTEIN (for herself, Mr. HOLLINGS, and Mrs. BOXER):

S. 1829. A bill to provide for transitional employment eligibility for qualified lawful permanent resident alien airport security screeners until their naturalization process is completed, and to expedite that process; to the Committee on the Judiciary.

By Mr. DEWINE:

S. 1830. A bill to amend sections 3, 4, and 5 of the National Child Protection Act of 1993, relating to national criminal history background checks of providers of care to children, elderly persons, and persons with disabilities, and for other purposes; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself and Mr. KERRY):

S. 1831. A bill to provide alternative minimum tax relief with respect to incentive stock options exercised during 2000; to the Committee on Finance.

By Mrs. LINCOLN (for herself, Mr. HAGEL, and Mr. BOND):

S. 1832. A bill to amend the Internal Revenue Code of 1986 to modify the credit for the production of electricity from renewable resources to include production of energy from agricultural and animal waste; to the Committee on Finance.

By Ms. COLLINS (for herself, Mr. DODD, and Mr. FRIST):

S. 1833. A bill to amend the Public Health Service Act with respect to qualified organ procurement organizations; read the first time.

By Mr. LEVIN:

S. 1834. A bill for the relief of retired Sergeant First Class James D. Benoit and Wan Sook Benoit; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DASCHLE (for himself and Mr. LOTT):

S. Res. 192. A resolution to authorize representation by the Senate Legal Counsel in Judith Lewis v. Rick Perry, et al; considered and agreed to.

ADDITIONAL COSPONSORS

S. 718

At the request of Mr. MILLER, his name was added as a cosponsor of S. 718, a bill to direct the National Institute of Standards and Technology to establish a program to support research and training in methods of detecting the use of performance-enhancing drugs by athletes, and for other purposes.

S. 990

At the request of Mr. JEFFORDS, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 990, a bill to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes.

S. 1008

At the request of Mr. BYRD, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1008, a bill to amend the Energy Policy Act of 1992 to develop the United States Climate Change Response Strategy with the goal of stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, while minimizing adverse short-term and long-term economic and social impacts, aligning the Strategy with United States energy policy, and promoting a sound national environmental policy, to establish a research and development program that focuses on bold technological breakthroughs that make significant progress toward the goal of stabilization of greenhouse gas concentrations, to establish the National Office of Climate Change Response within the Executive Office of the President, and for other purposes.

S. 1054

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1054, a bill to amend titles XVIII and XIX of the Social Security Act to prevent abuse of recipients of long-term care services under the Medicare and Medicaid programs.

S. 1094

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1094, a bill to amend the Public Health Service Act to provide for research, information, and education with respect to blood cancer.

S. 1306

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1306, a bill to amend the Internal Revenue Code of 1986 to transfer all excise taxes imposed on alcohol fuels to the Highway Trust Fund, and for other purposes.

S. 1478

At the request of Mr. SANTORUM, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals , and for other purposes.

S. 1489

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1489, a bill to provide for the sharing of information between Federal departments, agencies, and other entities with respect to aliens seeking admission to the United States, and for other purposes.

S. 1490

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1490, a bill to establish terrorist lookout committees in each United States Embassy.

S. 1491

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1491, a bill to provide for the establishment and implementation of a fingerprint processing system to be used whenever a visa is issued to an alien.

S. 1572

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1572, a bill to endorse the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15, 2001, and by former President William J. Clinton on October 22, 1996, and for other purposes.

S. 1614

At the request of Mr. MILLER, his name was added as a cosponsor of S. 1614, a bill to provide for the preservation and restoration of historic buildings at historically women's public colleges or universities.

S. 1646

At the request of Mr. BINGAMAN, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1646, a bill to identify certain routes in the States of Texas, Oklahoma, Colorado, and New Mexico as part of the Ports-to-Plains Corridor, a high priority corridor on the National Highway System.

S. 1707

At the request of Mr. JEFFORDS, the names of the Senator from Georgia (Mr. MILLER), the Senator from New York (Mrs. CLINTON) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1738

At the request of Mr. KERRY, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of

S. 1738, a bill to amend title XVIII of the Social Security Act to provide regulatory relief, appeals process reforms, contracting flexibility, and education improvements under the medicare program, and for other purposes.

S. 1767

At the request of Mr. KENNEDY, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1767, a bill to amend title 38, United States Code, to provide that certain service in the American Field Service ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veteran's Affairs, and for other purposes.

S. 1788

At the request of Mr. SCHUMER, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1788, a bill to give the Federal Bureau of Investigation access to NICS records in law enforcement investigations, and for other purposes.

S. RES. 171

At the request of Mr. MILLER, his name was added as a cosponsor of S.Res. 171, a resolution expressing the sense of the Senate concerning the provision of funding for bioterrorism preparedness and response.

S. CON. RES. 70

At the request of Mr. MILLER, his name was added as a cosponsor of S.Con.Res. 70, a concurrent resolution expressing the sense of the Congress in support of the "National Wash America Campaign".

S. CON. RES. 79

At the request of Mr. MILLER, his name was added as a cosponsor of S. Con. Res. 79, a concurrent resolution expressing the sense of Congress that public schools may display the words "God Bless America" as an expression of support for the Nation.

AMENDMENT NO. 2546

At the request of Mr. BROWNBACK, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of amendment No. 2546.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN (for herself, Mr. HOLLINGS, and Mrs. BOXER):

S. 1829. A bill to provide for transitional employment eligibility for qualified lawful permanent resident alien airport security screeners until their naturalization process is completed, and to expedite that process; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the Airport Security Personnel Protection Act. This legislation would expedite the naturalization process and authorize transitional employment for the many deserving airport security screeners who are in danger of losing their jobs as a result of a provision in the recently enacted Aviation Transaction Security Act.

In providing this assistance to these worthy individuals, the bill also will provide relief for the airports in which they work and the many customers whom they serve.

On November 19, 2001, President Bush signed the Aviation Transportation Security Act, P.L. 107-71, into law. The measure was passed with overwhelming support in both chambers. Among its many essential provisions was one, found in section 111(a) of the bill, that requires all airport security screeners to be United States citizens.

Some expressed disagreement with the citizenship requirement while the bill was pending but voted for the bill, nonetheless, because of the many positive and essential provisions that the bill contained. Others supported the citizenship requirement as a necessary step to ensure the safety of our aviation system.

Regardless of how Senators and House Members feel about the merits of the provision, we cannot help but be touched by one of its unfortunate consequences. Because of the contentious manner in which differing provisions in the House and Senate bills were resolved, we were unable to provide adequate transition provisions for the many well-qualified, hard-working, loyal, and deserving lawful permanent residents who are on the verge of attaining U.S. citizenship but who will not be able to complete that process before they lose their jobs.

My legislation would resolve their situation in two ways: First, it would require the Attorney General to expedite the naturalization process for those applicants who were employed as airport security screeners at the time of enactment of the Aviation Transportation Security Act.

Second, it would carve out a transition period during which qualified lawful permanent residents could continue their employment as security screeners while their naturalization applications are being adjudicated.

The "Airport Security Personnel Protection Act" would provide for a smoother transition for qualified lawful permanent resident airport security screeners who are on the verge of completing the naturalization process. In so doing, it also would preserve both the integrity of the naturalization process and the strong requirements for security screeners that are contained in the Aviation Transportation Security Act.

Section 4(c) of the legislation specifically precludes the weakening of standards for naturalization for these screeners. It makes it clear that the legislation merely requires the Attorney General to expedite the processing of the naturalization applications of qualified airport security screeners.

Under current law, these standards include such requirements as five years of lawful permanent residence for most of those naturalizing, a demonstration of good moral character, an understanding of the English language, and an understanding of the history, principles, and form of government of the United States.

The legislation also makes it clear that the Standards for continuing in employment during this transition period are to be the same, strong standards that are included in the recently enacted Aviation Transportation Security Act.

Under this bill, in order to continue in employment during the transition period, an affected security screener would have to: be a lawful permanent resident alien; have been employed as a security screener on the date of enactment of the Act; meet the employment eligibility requirements under the Airport Security Screeners Act; have undergone and successfully completed an employment investigation (including a criminal history record check); have had a naturalization application pending on the date of enactment of the Act or, in the alternative, have to be within one year of being eligible to file an application for naturalization; and be approved by the U.S. Department of Transportation for hiring or continued employment.

Just as importantly, in order to remain employed during this transition period, an alien would have to meet the new, enhanced requirements of security screeners that were enacted as part of the Aviation Transportation Security Act. These new, enhanced requirements provide that the alien would have to: have a satisfactory or better score on a Federal security screening personnel selection examination; demonstrate daily a fitness for duty without any impairment due to illegal drugs, sleep deprivation, medication, or alcohol; undergo an employment investigation, including a criminal history record check; not present a threat to national security; possess a high school diploma, a general equivalency diploma, or experience that the Under Secretary has determined to be sufficient for the individual to perform the duties of the position; possess the ability to efficiently and thoroughly manipulate and handle such baggage, containers, and other objects subject to security processing; be able to read, speak, and write English well enough to carry out written and oral instructions regarding the proper performance of screening duties; be able to read English language identification media, credentials, airline tickets, and labels on items normally encountered in the screening process; provide direction to and understand and answer questions from English-speaking individuals undergoing screening; and write incident reports and statements and log entries into security records in the English language; have satisfactorily completed all initial, recurrent, and appropriate specialized training required by the security program; among other requirements.

This simple but important bill would help the many deserving lawful permanent residents who are well qualified, have been performing their jobs admirably, and whose lives are in danger of being disrupted. But it also would help the traveling public.

It is estimated that at least 25 percent of the current 28,000 airport security screeners in the Nation's 419 commercial airports are noncitizens. I have heard from the mayor and airport director of the San Francisco International Airport. They came to me out of concern that, as a result of the new citizenship requirements under the Aviation and Transportation Security Act, the airport stands to lose 70 to 80 percent of its screening personnel. In Los Angeles, about 40 percent of the baggage screeners are noncitizens.

Certainly, not all of these noncitizens will be able to meet the stringent requirements of this legislation. But to the extent that those who are well-qualified are permitted to continue their employment while their naturalization applications are being adjudicated, it will be a great help to the many airports in which they are employed.

I urge my colleagues to move expeditiously to enact this bill into law. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airport Security Personnel Protection Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) AIRPORT SECURITY SCREENER.—The term "airport security screener" means an individual who is employed to perform security screening services at an airport in the United States.

(2) LAWFUL PERMANENT RESIDENT ALIEN.—The term "lawful permanent resident alien" means an alien lawfully admitted for permanent residence, as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).

(3) QUALIFIED LAWFUL PERMANENT RESIDENT ALIEN DEFINED.—The term "qualified lawful permanent resident alien" means an alien with respect to whom a certification has been made by the Under Secretary of Transportation for Security under section 111(e)(1)(B) of the Aviation and Transportation Security Act (Public Law 107–71), as added by section 3 of this Act.

SEC. 3. TRANSITIONAL EMPLOYMENT ELIGIBILITY FOR QUALIFIED LAWFUL PERMANENT RESIDENT AIRPORT SECURITY SCREENERS.

(a) IN GENERAL.—Section 111 of the Aviation and Transportation Security Act (Public Law 107–71) is amended by adding at the end the following:

"(e) SPECIAL TRANSITION RULE FOR QUALIFIED LAWFUL PERMANENT RESIDENT ALIENS.—

"(1) IN GENERAL.—Notwithstanding any rule or regulation promulgated to implement the citizenship requirement in section 44935(e)(2)(A)(ii) of title 49, United States Code, as amended by subsection (a), or any other provision of law prohibiting the employment of aliens by the Federal Government, an alien shall be eligible for hiring or continued employment as an airport security screener until the naturalization process for such alien is completed, if—

"(A) the Attorney General makes the certification described in paragraph (2) to the Under Secretary of Transportation for Security with respect to the alien; and

"(B) the Under Secretary of Transportation for Security makes the certification described in paragraph (3) to the Attorney General with respect to such alien.

"(2) CERTIFICATION BY THE ATTORNEY GENERAL.—A certification under this paragraph is a certification by the Attorney General, upon the request of the Under Secretary of Transportation for Security, with respect to an alien described in paragraph (1) that—

"(A) the alien is a lawful permanent resident alien (as defined in section 2 of the "Airport Security Personnel Protection Act); and

"(B)(i) an application for naturalization has been approved, and the alien is awaiting the holding of a ceremony for the administration of the oath of renunciation and allegiance, as required by section 337 of the Immigration and Nationality Act (8 U.S.C. 1448);

"(ii) an application for naturalization filed by the alien prior to the date of enactment of this Act is pending before the Immigration and Naturalization Service but has not been finally adjudicated; or

"(iii) the alien—

"(I) satisfies, or will satisfy within one year of the date of certification if the alien remains in the United States, the residence requirements applicable to the alien in the Immigration and Nationality Act, or any other Act that are necessary for eligibility for naturalization; and

"(II) not more than 180 days after the date of enactment of the Airport Security Personnel Protection Act, filed under section 334(f) of the Immigration and Nationality Act an application for a declaration of intention to become a United States citizen.

"(3) CERTIFICATION BY THE UNDER SECRETARY OF TRANSPORTATION.—A certification under this paragraph is a certification by the Under Secretary of Transportation for Security with respect to an alien described in paragraph (1) that—

"(A) the Under Secretary has decided to hire or continue the employment of such alien; and

"(B) the alien—

"(i) meets the qualifications to be a security screener under section 44935(f);

"(ii) was employed as an airport security screener as of the date of enactment of this Act, as determined by the Under Secretary of Transportation for Security; and

"(iii) has undergone and successfully completed an employment investigation (including a criminal history record check) required by section 44935(e)(2)(B) of such title, as amended by subsection (a).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be deemed effective as if included in the enactment of the Aviation and Transportation Security Act.

SEC. 4. EXPEDITED NATURALIZATION FOR QUALIFIED LAWFUL PERMANENT RESIDENT AIRPORT SECURITY SCREENERS.

(a) REQUIREMENT.—

(1) IN GENERAL.—For the purpose of enabling qualified lawful permanent resident aliens to satisfy in a timely manner the citizenship requirement in section 44935(e)(2)(A)(ii) of title 49, United States Code, the Attorney General shall expedite—

(A) the processing and adjudication of an application for naturalization filed by any qualified lawful permanent resident alien who was employed as an airport security screener as of the date of enactment of the Aviation and Transportation Security Act (Public Law 107–71); and

(B) if such application for naturalization is approved, the holding of a ceremony for administration of the oath of renunciation and allegiance to such qualified lawful permanent resident alien, as required by section 337 of the Immigration and Nationality Act (8 U.S.C. 1448).

(b) DEADLINES FOR COMPLETED ACTION.—The Attorney General shall complete the actions described in subsection (a)—

(1) not later than 30 days after the date of enactment of this Act, in the case of a qualified lawful permanent resident alien with respect to whom an application for naturalization is approved but such alien is awaiting the holding of a ceremony for the administration of the oath of renunciation and allegiance, as required by section 337 of the Immigration and Nationality Act (8 U.S.C. 1448);

(2) not later than 180 days after the date of enactment of this Act, in the case of a qualified lawful permanent resident alien with respect to whom an application for naturalization was pending on the date of enactment of this Act; and

(3) not later than 180 days after the date on which an application for naturalization is received by the Attorney General, in the case of a qualified lawful permanent resident alien with respect to whom an application for naturalization is filed after the date of enactment of this Act.

(c) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to lower the standards of qualification set forth in title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) that applicants for naturalization must meet in order to become naturalized citizens of the United States.

By Mr. DEWINE:

S. 1830. A bill to amend sections 3, 4, and 5 of the National Child Protection Act of 1993, relating to national criminal history background checks of providers of care to children, elderly persons, and persons with disabilities, and for other purposes; to the Committee on the Judiciary.

Mr. DEWINE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Child Protection Amendments Act of 2001".

SEC. 2. FACILITATION OF BACKGROUND CHECKS.

(a) In General.—Section 3 of the National Child Protection Act of 1993 (42 U.S.C. 5119a) is amended to read as follows:

“SEC. 3. FACILITATION OF BACKGROUND CHECKS.

“(a) In General.—

“(1) Background checks.—

“(A) In general.—A qualified entity designated by a State may contact an authorized agency of the State to obtain a fingerprint-based national criminal history background check (referred to in this section as a ‘background check’) of a provider who provides care to children, the elderly, or individuals with disabilities (referred to in this section as a ‘provider’).

“(B) Definition.—In this paragraph, the term ‘fingerprint-based’ means based upon fingerprints or other biometric identification characteristics approved under rules applicable to the Interstate Identification Index System as defined in Article I (13) of the National Crime Prevention and Privacy Compact.

“(2) Procedures.—

“(A) Submission.—A request for background check pursuant to this section shall be submitted through a State criminal history record repository.

“(B) Duties of repository.—After receipt of a request under subparagraph (A), the State criminal history record repository shall—

“(i) conduct a search of the State criminal history record system and, if necessary, forward the request, together with the fingerprints of the provider, to the Federal Bureau of Investigation; and

“(ii) make a reasonable effort to respond to the qualified entity within 15 business days after the date on which the request is received.

“(C) Duties of the FBI.—Upon receiving a request from a State repository under this section, the FBI shall—

“(i) conduct a search of its criminal history record system; and

“(ii) make a reasonable effort to respond to the State repository or the qualified entity within 5 business days after the date on which the request is received.

“(3) National crime prevention and privacy compact.—Each background check pursuant to this section shall be conducted pursuant to the National Crime Prevention and Privacy Compact.

“(b) Guidelines.—

“(1) In general.—In order to conduct background checks pursuant to this section, a State shall—

“(A) establish or designate one or more authorized agencies to perform the duties required by this section, including the designation of qualified entities; and

“(B) establish procedures requiring that—

“(i) a qualified entity that requests a background check pursuant to this section shall forward to the authorized agency the fingerprints of the provider and shall obtain a statement completed and signed by the provider that—

“(I) sets out the name, address, and date of birth of the provider appearing on a valid identification document (as defined in section 1028 of title 18, United States Code);

“(II) states whether the provider has a criminal history record and, if so, sets out the particulars of such record;

“(III) notifies the provider that the qualified entity may request a background check and that the signature of the provider to the statement constitutes an acknowledgement that such a background check may be conducted and explains the uses and disclosures that may be made of the results of the background check;

“(IV) notifies the provider that pending the completion of the background check the provider may be denied unsupervised access to children, the elderly, or disabled persons with respect to which the provider intends to provide care; and

“(V) notifies the provider of the rights of the provider under subparagraph (B);

“(ii) each provider who is the subject of an adverse fitness determination based on a background check pursuant to this section shall be provided with an opportunity to contact the authorized agency and initiate a process to—

“(I) obtain a copy of the criminal history record upon which the determination was based; and

“(II) file a challenge with the State repository or, if appropriate, the FBI, concerning the accuracy and completeness of the criminal history record information in the report, and obtain a prompt determination of the challenge before a final adverse fitness determination is made on the basis of the criminal history record information in the report;

“(iii) an authorized agency that receives a criminal history record report that lacks disposition information shall make appropriate inquiries to available State and local recordkeeping systems to obtain complete information, to the extent possible considering available personnel and resources;

“(iv) an authorized agency that receives the results of a background check conducted under this section shall either—

“(I) make a determination regarding whether the criminal history record information received in response to the background check indicates that the provider has a criminal history record that renders the provider unfit to provide care to children, the elderly, or individuals with disabilities and convey that determination to the qualified entity; or

“(II) provide some or all of such criminal history record information to the qualified entity for use by the qualified entity in making a fitness determination concerning the provider; and

“(v) a qualified entity that receives criminal history record information concerning a provider in response to a background check pursuant to this section—

“(I) shall adhere to a standard of reasonable care concerning the security and confidentiality of the information and the privacy rights of the provider;

“(II) shall make a copy of the criminal history record available, upon request, to the provider; and

“(III) shall not retain the criminal history record information for any period longer than necessary for a final fitness determination concerning the subject of the information.

“(2) Retention of information.—The statement required under paragraph (1)(B)(i)—

“(A) may be forwarded by the qualified entity to the authorized agency or retained by the qualified entity; and

“(B) shall be retained by such agency or entity, as appropriate, for not less than 1 year.

“(c) Guidance by the Attorney General.—The Attorney General shall to the maximum extent practicable, encourage the use of the best technology available in conducting background checks pursuant to this section.

“(d) Guidance by the National Crime Prevention and Privacy Compact Council.—

“(1) In general.—The Compact Council shall provide guidance to States to ensure that national background checks conducted under this section comply with the National Crime Prevention and Privacy Compact and shall provide guidance to authorized agencies to assist them in performing their duties under this section.

“(2) Model fitness standards.—The guidance under paragraph (1) shall include model fitness standards for particular types of providers, which may be adopted voluntarily by States for use by authorized agencies in making fitness determinations.

“(3) NCPA care provider committee.—In providing the guidance under paragraph (1), the Compact Council shall create a permanent NCPA Care Provider Committee which shall include, but not be limited to, representatives of national organizations representing private nonprofit qualified entities using volunteers to provide care to children, the elderly, or individuals with disabilities.

“(4) Reports.—At least annually, the Compact Council shall report to the President and Congress with regard to national background checks of providers conducted pursuant to the NCPA.

“(e) Penalty.—Any officer, employee, or authorized representative of a qualified entity who knowingly and willfully—

“(1) requests or obtains any criminal history record information pursuant to this section under false pretenses; or

“(2) uses criminal history record information for a purpose not authorized by this section, shall be guilty of a misdemeanor and fined not more than $5,000.

“(f) Limitations on Liability.—

“(1) Liability of qualified entities.—

“(A) Failure to request background check.—A qualified entity shall not be liable in an action for damages solely for the failure of such entity to request a background check on a provider.

“(B) Willful violations.—A qualified entity shall not be liable in an action for damages for violating any provision of this section, unless such violation is knowing and willful.

“(C) Reasonable care standard.—A qualified entity that exercises reasonable care for the security, confidentiality, and privacy of criminal history record information received in response to a background check pursuant to this section shall not be liable in an action for damages.

“(2) Liability of governmental entities.—A State or political subdivision thereof, or any agency, officer, or employee thereof, shall not be liable in an action for damages for the failure of a qualified entity (other than itself) to take adverse action with respect to a provider who was the subject of a background check.

“(3) Reliance on information.—An authorized agency or a qualified entity that reasonably relies on criminal history record information received in response to a background check pursuant to this section shall not be liable in an action for damages based upon the inaccuracy or incompleteness of the information.

“(g) Fees.—

“(1) Limitation.—In the case of a background check pursuant to a State requirement adopted after December 20, 1993, conducted with fingerprints on a person who volunteers with a qualified entity, the fees collected by authorized State agencies and the Federal Bureau of Investigation may not exceed $18, respectively, or the actual cost, whichever is less, of the background check conducted with fingerprints.

"(2) STATE FEE SYSTEMS.—The States shall establish fee systems that ensure that fees to nonprofit entities for background checks do not discourage volunteers from participating in child care programs.

"(3) AUTHORITY OF FEDERAL BUREAU OF INVESTIGATION.—This subsection shall not effect the authority of the Federal Bureau of Investigation or the States to collect fees for conducting background checks of persons who are employed as or apply for positions as paid care providers.".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS; CONFORMING AMENDMENTS.

(a) FUNDING FOR IMPROVEMENT OF CHILD ABUSE CRIME INFORMATION.—Section 4 of the National Child Protection Act of 1993 (42 U.S.C. 5119b) is amended—

(1) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(2) in subsection (a), as redesignated—

(A) in paragraph (1)—

(i) in each of subparagraphs (C) and (D), by striking "national criminal history background check system" and inserting "criminal history record repository"; and

(ii) by striking subparagraph (E) and inserting the following:

"(E) to assist the State in offsetting the costs to qualified entities of background checks under section 3 on volunteer providers."; and

(B) by striking paragraph (2) and inserting the following:

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under paragraph (1)—

"(A) $80,000,000 for fiscal year 2001; and

"(B) such sums as may be necessary for each of fiscal years 2002 through 2005.".

(b) FUNDING FOR COMPACT COUNCIL.—There are authorized to be appropriated to the Federal Bureau of Investigation to support the activities of the National Crime Prevention and Privacy Compact Council—

(1) $1,000,000 for fiscal year 2001; and

(2) such sums as may be necessary for fiscal years 2002 through 2005.

SEC. 4. DEFINITIONS.

Section 5 of the National Child Protection Act of 1993 (42 U.S.C. 5119c) is amended—

(1) by striking paragraph (8);

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively;

(3) by inserting after paragraph (5) the following:

"(6) the term 'criminal history record repository' means the State agency designated by the Governor or other executive official of a State, or by the legislature of a State, to perform centralized recordkeeping functions for criminal history records and services in the State;"; and

(4) in paragraph (9)—

(A) in subparagraph (A)(iii)—

(i) by inserting "or to an elderly person or person with a disability" after "to a child"; and

(ii) by striking "child care" and inserting "care"; and

(B) in subparagraph (B)(iii)—

(i) by inserting "or to an elderly person or person with a disability" after "to a child"; and

(ii) by striking "child care" and inserting "care".

SEC. 5. AMENDMENT TO NATIONAL CRIMINAL HISTORY ACCESS AND CHILD PROTECTION ACT.

Section 215 of the National Criminal History Access and Child Protection Act is amended by—

(1) striking subsection (b) and inserting the following:

"(b) DIRECT ACCESS TO CERTAIN RECORDS NOT AFFECTED.—Nothing in the Compact shall affect any direct terminal access to the III System provided prior to the effective date of the Compact under the following:

"(1) Section 9101 of title 5, United States Code.

"(2) The Brady Handgun Violence Prevention Act (Public Law 103-159; 107 Stat. 1536).

"(3) The Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322; 108 Stat. 2074) or any amendments made by that Act.

"(4) The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

"(5) The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

"(6) Any direct terminal access to Federal criminal history records authorized by law."; and

(2) in subsection (c) by inserting after the period at the end thereof the following: "Criminal history records disseminated by the FBI pursuant to such Act by means of the III System shall be subject to the Compact.".

By Mr. GRASSLEY (for himself and Mr. KERRY):

S. 1831. A bill to provide alternative minimum tax relief with respect to incentive stock options exercised during 2000; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, today Senator KERRY and I introduced bipartisan legislation that will provide some relief to those workers who are facing a massive tax bill on the phantom income they have from incentive stock options.

Because it is important that my colleagues understand the unfairness of this matter, let me provide a very brief background.

Incentive stock options ISO, are an option given by an employer to an employee to purchase stock at a certain price. An individual does not recognize any income on the grant of the option or exercise thereof if the individual holds the shares for more than 2 years after grant and 1 year after exercise. If the holding period requirements are satisfied, the employee is taxed on the excess of the sale price over the exercise price on his disposition of the shares.

The reason these employees have such a significant tax bill is due to the workings of the Tax Code's answer to Rube Goldberg, the Alternative Minimum Tax, AMT. The employee's nonrecognition of income discussed above does not apply for AMT purposes. For AMT purposes, the code requires the recognition of the excess for the stock's fair market value on the date of exercise over the option price when the stock is substantially vested. Thus, while an employee does not have a tax liability of ordinary income for exercising his ISO the employee may be subject to AMT when he exercises his ISO.

While in years past, this may not have been too great a problem in a time when share prices are increasing and individuals have the money to pay the AMT. It is a very different story when shares are declining. The individual is then facing the AMT charges based on the exercise value but often has no funds to pay the AMT since the stock that was the source of the AMT has declined in value since it was exercised.

It is true that if the individual had sold the stock in the same year he exercised his ISO he would have potentially reduced his AMT liability significantly. However, the code sends a mixed signal to the individual telling him that he must hold the stock for one year after exercise if he wants to avoid taxation at ordinary income on the value at the point of exercise.

The above are the facts of the tax code, but they do not reflect the very real disaster this has done to many people across the country. The story of one company in Cedar Rapids, IA, McLeod USA, puts a real face on how this tax has destroyed families. I have received letters from dozens of honest hard-working people of this company telling me how they are making a good salary in Iowa, say $50,000 or $70,000, and were also given these ISOs as an additional incentive to work for McLeod. Now, because of the AMT rules and the declining market, these families are facing tax bills of tens of thousands, if not over a hundred thousand dollars. It is wiping out a lifetime of savings and hardwork, all to pay a tax bill on phantom income, income they never received, never enjoyed and never had. It is outrageous and it is just plain wrong.

The bill that Senator KERRY and I have introduced will provide significant relief from the AMT tax bill for workers. It allows employees to determine the value of their stock options on April 15, 2001, (as opposed to the exercise date), which will reflect the downturn of the market. This will go far in minimizing the AMT hit that employees face. In addition, the relief is targeted to assist low-income and middle-income families.

I hope my colleagues will join myself and Senator KERRY to put an end to this tax disaster.

I ask unanimous consent the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALTERNATIVE MINIMUM TAX RELIEF WITH RESPECT TO INCENTIVE STOCK OPTIONS EXERCISED DURING 2000.

(a) IN GENERAL.—In the case of an incentive stock option (as defined in section 422 of the Internal Revenue Code of 1986) exercised during calendar year 2000, the amount taken into account under section 56(b)(3) of such

Code by reason of such exercise shall not exceed the amount that would have been taken into account if, on the date of such exercise, the fair market value of the stock acquired pursuant to such option had been its fair market value as of April 15, 2001 (or, if such stock is sold or exchanged on or before such date, the amount realized on such sale or exchange).

(b) LIMITATION.—

(1) IN GENERAL.—If the adjusted gross income of a taxpayer for the taxable year in which an exercise described in paragraph (1) occurs exceeds the threshold amount, the amount otherwise not taken into account under paragraph (1) shall be reduced by the amount which bears the same ratio to such amount as the taxpayer's adjusted gross income in excess of the threshold amount bears to the phaseout amount.

(2) THRESHOLD AMOUNT.—For purposes of this subsection, the threshold amount is equal to—

(A) $106,000 in the case of a taxpayer described in section 1(a) of such Code,

(B) $84,270 in the case of a taxpayer described in section 1(b) of such Code, and

(C) $53,000 in the case of a taxpayer described in section 1(c) or 1(d) of such Code.

(3) PHASEOUT AMOUNT.—For purposes of this subsection, the phaseout amount is equal to—

(A) $230,000 in the case of a taxpayer described in section 1(a) of such Code,

(B) $172,500 in the case of a taxpayer described in section 1(b) of such Code, and

(C) $115,000 in the case of a taxpayer described in section 1(c) or 1(d) of such Code.

By Mr. LEVIN:

S. 1834. A bill for the relief of retired Sergeant First Class James D. Benoit and Wan Sook Benoit; to the Committee on the Judiciary.

Mr. LEVIN. Mr. President, I rise today to introduce a bill that I hope will assist a family in my home State of Michigan who suffered the death of their child while living on a U.S. Army base in the Republic of Korea. Nearly 18 years ago, Mr. James Benoit and his wife Mrs. Wan Sook Benoit lost their three year old son, David Benoit, in a tragic mishap.

Some years ago, Mr. and Mrs. Benoit approached my office with a request for assistance. The Benoit family felt that they did not receive the relief that they were entitled to receive. To assist the family, I introduced two private relief bills that sought to give the Benoit family a hearing before the U.S. Court of Federal Claims.

This case was referred to U.S. Court of Federal Claims as the result of private relief legislation I introduced. The legislation, S. 1168, gave the Court of Federal Claims "jurisdiction to hear, determine and render judgement on a claim by Retired Sergeant First Class James D. Benoit, Wan Sook Benoit, or the estate of David Benoit concerning the death of David Benoit on June 28th 1983. On March 14, 2000, oral arguments were heard by the hearing officer assigned to the case and the hearing officer recommended to the Court of Federal Claims on July 28, 2000, "that Sergeant and Mrs.. Benoit be awarded $415,000 for the wrongful death of David Benoit." Subsequently on May 23, 2001, the Court of Federal Claims Review Panel upheld the conclusion of the hearing officer, and found that the plaintiffs "have a valid and equitable claim against the United States." It went on to state that "the Review Panel recommends that plaintiffs be awarded $415,000."

As a result of these findings, I am introducing special legislation to provide relief consistent with the court's recommendation. This legislation can in no way compensate the Benoit's for the horrible loss that they have suffered. No amount of money can do that. However, as the court has stated, the Benoit family does indeed "have a valid and equitable claim." It is my hope that Congress will act expeditiously to resolve this claim.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 192—TO AUTHORIZE REPRESENTATION BY THE SENATE LEGAL COUNSEL IN JUDITH LEWIS V. RICK PERRY, ET AL

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution: which was considered and agreed to:

S. RES. 192

Whereas, Senator Kay Bailey Hutchison has been named as a defendant in the case of Judith Lewis v. Rick Perry, et al., Case No. 01–10098–D, now pending in the District Court for Dallas County, Texas; and

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it

Resolved That the Senate Legal Counsel is authorized to represent Senator Hutchison in the case of Judith Lewis V. Rick Perry, et al.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2602. Mr. WELLSTONE proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

SA 2603. Mr. LUGAR (for Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, and Mrs. MURRAY)) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2604. Mr. HARKIN (for himself, Mr. GRASSLEY, Mr. FEINGOLD, Mr. WELLSTONE, and Mr. ENZI) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2605. Mr. THURMOND (for himself and Mr. HELMS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2606. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2607. Mr. BURNS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2608. Mr. BURNS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2609. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2610. Mr. DASCHLE (for Mr. LIEBERMAN (for himself and Mr . THOMPSON)) proposed an amendment to the bill H.R. 2657, to amend title 11, District of Columbia Code, to redesignate the Family Division of the Superior Court of the District of Columbia as the Family Court of the Superior Court, to recruit and retain trained and experienced judges to serve in the Family Court, to promote consistency and efficiency in the assignment of judges to the Family Court and in the consideration of actions and proceedings in the Family Court, and for other purposes.

TEXT OF AMENDMENTS

SA 2602. Mr. WELLSTONE proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumrs abundant food and fiber, and for other purposes; as follows:

Beginning on page 226, strike line 1 and all that follows through page 235, line 6, and insert the following:

"(4) LARGE CONFINED LIVESTOCK FEEDING OPERATIONS.—

"(A) DEFINITION OF LARGE CONFINED LIVESTOCK FEEDING OPERATION.—In this paragraph:

"(i) IN GENERAL.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equivalent units (as defined by the Secretary).

"(ii) MULTIPLE LOCATIONS.—In determining the number of animal unit equivalents of operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

"(B) NEW OR EXPANDED OPERATIONS.—A producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operation that—

"(i) is established after the date of enactment of this paragraph; or

"(ii) is expanded after the date of enactment of this paragraph so as to become a large confined livestock operation.

"(C) Multiple operations.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

"(D) Flood plain siting.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock operation if—

"(i) the structural practices are located in a 100-year flood plain; and

"(ii) the confined livestock operation is a confined livestock operation that—

(I) is established after the date of enactment of this paragraph or;

(II) is expanded after the date of enactment of this paragraph.

"(e) Incentive Payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

"(f) Technical Assistance.—

"(1) In general.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

"(2) Amount.—The allocated amount may vary according to—

"(A) the type of expertise required;

"(B) the quantity of time involved: and

"(C) other factors as determined appropriate by the Secretary.

"(3) Limitation.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

"(4) Other authorities.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

"(5) Incentive payments for technical assistance.—

"(A) In general.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

"(B) Purpose.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

"(C) Payment.—The incentive payment shall be—

"(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

"(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

"(iii) in an amount determined appropriate by the Secretary, taking into account—

"(I) the extent and complexity of the technical assistance provided;

"(II) the costs that the Secretary would have incurred in providing the technical assistance; and

"(III) the costs incurred by the private provider in providing the technical assistance.

"(D) Eligible practices.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

"(E) Certification by secretary.—

"(i) In general.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

"(ii) Quality assurance.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

"(F) Advance payment.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

"(G) Final payment.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

"(i) completion of the technical assistance; and

"(ii) the actual cost of the technical assistance.

"(g) Modification or Termination of Contracts.—

"(1) Voluntary modification or termination.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

"(A) the producer agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) Involuntary termination.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

"SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) In General.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

"(1) maximize environmental benefits per dollar expended; and

"(2)(A) address national conservation priorities, including—

"(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality;

"(ii) comprehensive nutrient management;

"(iii) water quality, particularly in impaired watersheds;

"(iv) soil erosion;

"(v) air quality; or

"(vi) pesticide and herbicide management or reduction;

"(B) are provided in conservation priority areas established under section 1230(c);

"(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

"(D) an innovative technology in connection with a structural practice or land management practice.

"(b) Additional Priorities for Livestock Producers.—In evaluating applications for technical assistance, cost-share payments, and incentive payments for livestock producers, the Secretary shall accord priority to—

"(1) applications for assistance and payments for systems and practices that avoid subjecting the livestock production operation to Federal, State, tribal, and local environmental regulatory systems while also assisting the operation to meet environmental quality criteria established by Federal, State, tribal, and local agencies; and

"(2) applications from livestock producers using managed grazing systems and other pasture- and forage-based systems.

"SEC. 1240D. DUTIES OF PRODUCERS.

"To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

"(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

"(A) if the Secretary determines that the violation warrants termination of the contract—

"(i) to forfeit all rights to receive payments under the contract; and

"(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

"(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

"(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

"SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) In General.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan.

"(b) CONFINED ANIMAL FEEDING OPERATIONS.—

"(1) IN GENERAL.—To be eligible to receive cost-share payments or incentive payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by a confined animal feeding operation, the producer or owner of the operation shall submit a comprehensive nutrient management plan for the confined animal feeding operation as part of the plan of operations submitted under subsection (a).

"(2) CONTRACT CONDITION.—Implementation of the comprehensive nutrient management plan submitted under paragraph (1) shall be a condition of the environmental quality incentives program contract.

"(c) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

"SEC. 1240F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

"(1) providing technical assistance in developing and implementing the plan;

"(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

"(3) providing the producer with information, education, and training to aid in implementation of the plan; and

"(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

"SEC. 1240G. LIMITATION ON PAYMENTS.

"(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

"(1) $20,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year;

"(2) $60,000 for a contract with a term of 3 years;

"(3) $80,000 for a contract with a term of 4 years; or

"(4) $100,000 for a contract with a term of more than 4 years.

"(b) ATTRIBUTION.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $20,000 for any fiscal year.

"(c) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

"(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

"(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

"(d) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

SA 2603. Mr. LUGAR (for Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, and Mrs. MURRAY)) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

At the appropriate place in the substitute, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. . LABELING OF FISH AS CATFISH.

Section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, is repealed.

SA 2604. Mr. HARKIN (for himself, Mr. GRASSLEY, Mr. FEINGOLD, Mr. WELLSTONE, and Mr. ENZI) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

On page 941, strike line 5 and insert the following:

Subtitle C—General Provisions

SEC. 1021. PACKERS AND STOCKYARDS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended by adding at the end the following:

"(12) LIVESTOCK CONTRACTOR.—The term 'livestock contractor' means any person engaged in the business of obtaining livestock under a livestock production contract for the purpose of slaughtering the livestock or selling the livestock for slaughter, if—

"(A) the livestock is obtained by the person in commerce; or

"(B) the livestock (including livestock products from the livestock) obtained by the person is sold or shipped in commerce.

"(13) LIVESTOCK PRODUCTION CONTRACT.—The term 'livestock production contract' means any growout contract or other arrangement under which a livestock production contract grower raises and cares for the livestock in accordance with the instructions of another person.

"(14) LIVESTOCK PRODUCTION CONTRACT GROWER.—The term 'livestock production contract grower' means any person engaged in the business of raising and caring for livestock in accordance with the instructions of another person.".

(b) CONTRACTORS.—

(1) IN GENERAL.—The Packers and Stockyards Act, 1921, is amended by striking "packer" each place it appears in sections 202, 203, 204, and 205 (7 U.S.C. 192, 193, 194, 195) (other than section 202(c)) and inserting "packer or livestock contractor".

(2) CONFORMING AMENDMENTS.—

(A) Section 202(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(c)), is amended by inserting ", livestock contractor," after "other packer" each place it appears.

(B) Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)), is amended by inserting "or livestock production contract" after "poultry growing arrangement".

(C) Sections 401 and 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221, 223), are amended by inserting "any livestock contractor, and" after "packer," each place it appears.

(c) RIGHT TO DISCUSS TERMS OF CONTRACT.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), is amended by adding at the end the following:

"SEC. 417. RIGHT TO DISCUSS TERMS OF CONTRACT.

"(a) IN GENERAL.—Notwithstanding a provision in any contract for the sale or production of livestock or poultry that provides that information contained in the contract is confidential, a party to the contract shall not be prohibited from discussing any terms or details of any contract with—

"(1) a legal adviser;

"(2) a lender;

"(3) an accountant;

"(4) an executive or manager;

"(5) a landlord;

"(6) a family member; or

"(7) a Federal or State agency with responsibility for—

"(A) enforcing a statute designed to protect a party to the contract; or

"(B) administering this Act.

"(b) EFFECT ON STATE LAWS.—Subsection (a) does not affect State laws that address confidentiality provisions in contracts for the sale or production of livestock or poultry.".

SA 2605. Mr. THURMOND (for himself and Mr. HELMS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 40, line 8, strike the period at the end and insert the following:

SEC. 1 . LEASE AND TRANSFER OF CERTAIN ALLOTMENTS AND QUOTAS.

(a) IN GENERAL.—Section 316(a)(1)(A)(ii) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)(1)(A)(ii)) is amended in the last sentence by inserting "(other than the 2002 crop)" after "crops".

(b) STUDY.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the effects of the prohibition provided under the last sentence of section 316(a)(1)(A)(ii) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)(1)(A)(ii)).

(2) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the study.

SA 2606. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert a period and the following:

SEC. 10 . NATIONAL UNIFORMITY FOR FOOD.

(a) National Uniformity.—Section 403A(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343-1(a)) is amended—

(1) by striking "or" at the end of paragraph (4);

(2) in paragraph (5), by striking the period and inserting a comma; and

(3) by adding at the end the following:

"(6) any requirement for the labeling of food described in section 403(j), or 403(s), that is not identical to the requirement of such section, or

"(7) any requirement for a food described in section 402(a)(1), 402(a)(2), 402(a)(6), 402(a)(7), 402(c), 402(f), 402(g), 404, 406, 408, 409, 512, or 721(a), that is not identical to the requirement of such section.".

(b) Uniformity in Food Safety Warning Notification Requirements.—Chapter IV of such Act (21 U.S.C. 341 et seq.) is amended—

(1) by redesignating sections 403B and 403C as sections 403C and 403D, respectively; and

(2) by inserting after section 403A the following new section:

"SEC. 403B. UNIFORMITY IN FOOD SAFETY WARNING NOTIFICATION REQUIREMENTS.

"(a) Uniformity Requirement.—

"(1) In general.—Except as provided in subsections (c) and (d), no State or political subdivision of a State may, directly or indirectly, establish or continue in effect under any authority any notification requirement for a food that provides for a warning concerning the safety of the food, or any component or package of the food, unless such a notification requirement has been prescribed under the authority of this Act and the State or political subdivision notification requirement is identical to the notification requirement prescribed under the authority of this Act.

"(2) Definitions.—For purposes of paragraph (1)—

"(A) the term 'notification requirement' includes any mandatory disclosure requirement relating to the dissemination of information about a food by a manufacturer or distributor of a food in any manner, such as through a label, labeling, poster, public notice, advertising, or any other means of communication, except as provided in paragraph (3);

"(B) the term 'warning', used with respect to a food, means any statement, vignette, or other representation that indicates, directly or by implication, that the food presents or may present a hazard to health or safety; and

"(C) a reference to a notification requirement that provides for a warning shall not be construed to refer to any requirement or prohibition relating to food safety that does not involve a notification requirement.

"(3) Construction.—Nothing in this section shall be construed to prohibit a State from conducting the State's notification, disclosure, or other dissemination of information, or to prohibit any action taken relating to a mandatory recall or court injunction involving food adulteration under a State statutory requirement identical to a food adulteration requirement under this Act.

"(b) Review of Existing State Requirements.—

"(1) Existing state requirements; deferral.—Any requirement that—

"(A)(i) is a State notification requirement for a food that provides for a warning described in subsection (a) that does not meet the uniformity requirement specified in subsection (a); or

"(ii) is a State food safety requirement described in paragraph (6) or (7) of section 403A that does not meet the uniformity requirement specified in that paragraph; and

"(B) is in effect on the date of enactment of the National Uniformity for Food Act of 2000,

shall remain in effect for 180 days after that date of enactment.

"(2) State petitions.—With respect to a State notification or food safety requirement that is described in paragraph (1), the State may petition the Secretary for an exemption or a national standard under subsection (c). If a State submits such a petition within 180 days after the date of enactment of the National Uniformity for Food Act of 2000, the notification or food safety requirement shall remain in effect until the Secretary takes all administrative action on the petition pursuant to paragraph (3), and the time periods and provisions specified in paragraph (3) shall apply in lieu of the time periods and provisions specified in subsection (c)(3) (but not the time periods and provisions specified in subsection (d)(2)).

"(3) Action on petitions.—

"(A) Publication.—Not later than 270 days after the date of enactment of the National Uniformity for Food Act of 2000, the Secretary shall publish a notice in the Federal Register concerning any petition submitted under paragraph (2) and shall provide 180 days for public comment on the petition.

"(B) Time periods.—Not later than 360 days after the end of the period for public comment, the Secretary shall take final agency action on the petition.

"(C) Judicial review.—The failure of the Secretary to comply with any requirement of this paragraph shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(c) Exemptions and National Standards.—

"(1) Exemptions.—Any State may petition the Secretary to provide by regulation an exemption from paragraph (6) or (7) of section 403A(a) or subsection (a), for a requirement of the State or a political subdivision of the State. The Secretary may provide such an exemption, under such conditions as the Secretary may impose, for such a requirement that—

"(A) protects an important public interest that would otherwise be unprotected, in the absence of the exemption;

"(B) would not cause any food to be in violation of any applicable requirement or prohibition under Federal law; and

"(C) would not unduly burden interstate commerce, balancing the importance of the public interest of the State or political subdivision against the impact on interstate commerce.

"(2) National standards.—Any State may petition the Secretary to establish by regulation a national standard respecting any requirement under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.) relating to the regulation of a food.

"(3) Action on petitions.—

"(A) Publication.—Not later than 30 days after receipt of any petition under paragraph (1) or (2), the Secretary shall publish such petition in the Federal Register for public comment during a period specified by the Secretary.

"(B) Time periods for action.—Not later than 60 days after the end of the period for public comment, the Secretary shall take final agency action on the petition. If the Secretary is unable to take final agency action on the petition during the 60-day period, the Secretary shall inform the petitioner, in writing, the reasons that taking the final agency action is not possible, the date by which the final agency action will be taken, and the final agency action that will be taken or is likely to be taken. In every case, the Secretary shall take final agency action on the petition not later than 120 days after the end of the period for public comment.

"(4) Judicial review.—The failure of the Secretary to comply with any requirement of this subsection shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(d) Imminent Hazard Authority.—

"(1) In general.—A State may establish a requirement that would otherwise violate paragraph (6) or (7) of section 403A(a) or subsection (a), if—

"(A) the requirement is needed to address an imminent hazard to health that is likely to result in serious adverse health consequences or death;

"(B) the State has notified the Secretary about the matter involved and the Secretary has not initiated enforcement action with respect to the matter;

"(C) a petition is submitted by the State under subsection (c) for an exemption or national standard relating to the requirement not later than 30 days after the date that the State establishes the requirement under this subsection; and

"(D) the State institutes enforcement action with respect to the matter in compliance with State law within 30 days after the date that the State establishes the requirement under this subsection.

"(2) Action on petition.—

"(A) In general.—The Secretary shall take final agency action on any petition submitted under paragraph (1)(C) not later than 7 days after the petition is received, and the provisions of subsection (c) shall not apply to the petition.

"(B) Judicial review.—The failure of the Secretary to comply with the requirement described in subparagraph (A) shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(3) Duration.—If a State establishes a requirement in accordance with paragraph (1), the requirement may remain in effect until the Secretary takes final agency action on a petition submitted under paragraph (1)(C).

"(e) No Effect on Product Liability Law.—Nothing in this section shall be construed to modify or otherwise affect the product liability law of any State.

"(f) No Effect on Identical Law.—Nothing in this section or section 403A relating to a food shall be construed to prevent a State or political subdivision of a State from establishing, enforcing, or continuing in effect a requirement that is identical to a requirement of this Act, whether or not the Secretary has promulgated a regulation or issued a policy statement relating to the requirement.

"(g) No Effect on Certain State Law.—Nothing in this section or section 403A relating to a food shall be construed to prevent a State or political subdivision of a State from establishing, enforcing, or continuing in effect a requirement relating to—

"(1) freshness dating, open date labeling, grade labeling, a State inspection stamp, religious dietary labeling, organic or natural designation, returnable bottle labeling, unit pricing, or a statement of geographic origin; or

"(2) a consumer advisory relating to food sanitation that is imposed on a food establishment, or that is recommended by the Secretary, under part 3-6 of the Food Code issued by the Food and Drug Administration and referred to in the notice published at 64 Fed. Reg. 8576 (1999) (or any corresponding similar provision of such a Code).

"(h) Definition.—In section 403A and this section, the term 'requirement', used with respect to a Federal action or prohibition, means a mandatory action or prohibition established under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.), as appropriate, or by a regulation issued under or by a court order relating to, this Act or the Fair Packaging and Labeling Act, as appropriate.".

(c) Conforming Amendment.—Section 403A(b) of such Act (21 U.S.C. 343-1(b)) is amended by adding at the end the following: "The requirements of paragraphs (3) and (4) of section 403B(c) shall apply to any such petition, in the same manner and to the same extent as the requirements apply to a petition described in section 403B(c).".

SA 2607. Mr. BURNS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

On page 205, strike lines 8 through 11 and insert the following:

(c) Maximum Enrollment.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) In general.—The Secretary";

(2) by striking "36,400,000" and inserting "41,100,000"; and

(3) by adding at the end the following:

"(2) Per-farm limitation.—In the case a contract entered into on or after the date of enactment of this paragraph or the expiration of a contract entered into before that date, an owner or operator may enroll not more than 50 percent of the eligible land (as described in subsection (b)) of an agricultural operation of the owner or operator in the program under this subchapter.".

SA 2608. Mr. BURNS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

On page 212, strike lines 13 through 15 and insert the following:

reduce the amount of payments made by the Secretary for other practices under the conservation reserve program.

"(j) Per-Acre Payment Levels.—

"(1) In general.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall conduct a study to determine, and promulgate regulations that establish in accordance with paragraph (2), per-acre values for payments for different categories of land enrolled in the conservation reserve program.

"(2) Values.—In carrying out paragraph (1), the Secretary shall ensure that—

"(A) the per-acre value for highly erodible land or other sensitive land (as identified by the Secretary) that is not suitable for agricultural production; is greater than

"(B) the per-acre value for land that is suitable for agricultural production (as determined by the Secretary).".

SA 2609. Mr. ROBERTS submitted an amendment to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

On page 797, line 4, strike the period at the end and insert a period and the following:

SEC. 787. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (114 Stat. 407) is amended—

(1) in subsection (a), by striking "Of the amount" and all that follows through "to provide" and inserting "To the extent that funds are made available for the purpose, the Secretary shall provide";

(2) in subsection (d), by striking "under subsection (a)" and inserting "to carry out this section"; and

(3) by adding at the end the following:

"(e) Authorization of Appropriations.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as are necessary to carry out this section.".

SA 2610. Mr. DASCHLE (for Mr. LIEBERMAN (for himself and Mr. THOMPSON)) proposed an amendment to the bill H.R. 2657, to amend title 11, District of Columbia Code, to redesignate the Family Division of the Superior Court of the District of Columbia as the Family Court of the Superior Court, to recruit and retain trained and experienced judges to serve in the Family Court, to promote consistency and efficiency in the assignment of judges to the Family Court and in consideration of actions and proceedings in the Family Court, and for other purposes; as follows:

On page 41, line 4, strike "Exception", and insert "Emergency reassignment".

On page 41, line 6, strike "this Act" and insert "the District of Columbia Family Court Act of 2001".

On page 41, line 8, strike all after "15" through line 13 and insert a dash and the following:

"(A) the chief judge may temporarily reassign judges from other divisions of the Superior Court to serve on the Family Court who meet the requirements of paragraphs (1) and (3) of subsection (b) or senior judges who meet the requirements of those paragraphs, except such reassigned judges shall not be subject to the term of service requirements set forth in subsection (c); and

"(B) the chief judge shall, within 30 days of emergency temporary reassignment pursuant to subparagraph (A), submit a report to the President and Congress describing—

"(i) the nature of the emergency;

"(ii) how the emergency was addressed, including which judges were reassigned; and

"(iii) whether and why an increase in the number of Family Court judges authorized in subsection (a)(1) may be necessary to serve the needs of families and children in the District of Columbia.

On page 42, line 20, after "Court" insert "who is reassigned on an emergency temporary basis pursuant to subsection (a)(2)".

On page 43, beginning with line 4, strike all through line 21 and insert the following:

"(1) In general.—Except as provided in paragraph (2), an individual assigned to serve as a judge of the Family Court of the Superior Court shall serve for a term of 5 years.

"(2) Special rule for judges serving on superior court on date of enactment of family court act of 2001.—

"(A) In general.—An individual assigned to serve as a judge of the Family Court of the Superior Court who is serving as a judge of the Superior Court on the date of the enactment of the District of Columbia Family Court Act of 2001 shall serve for a term of not fewer than 3 years.

"(B) Reduction of period for judges serving in family division.—In the case of a judge of the Superior Court who is serving as a judge in the Family Division of the Court on the date of the enactment of the District of Columbia Family Court Act of 2001, the 3-year term applicable under subparagraph (A) shall be reduced by the length of any period of consecutive service as a judge in such Division immediately preceding the date of the enactment of such Act.

On page 43, line 22, strike "(2)" and insert "(3)".

On page 44, line 6, strike "(3)" and insert "(4)".

On page 45, line 19, after "Court" insert ", including a description of how the Superior Court will handle the one family, one judge requirement pursuant to section 11-1104(a) for all cases and proceedings assigned to the Family Court.".

On page 47, line 1, strike "proposal" and insert "plan".

On page 47, beginning with line 15, strike all beginning with "The requirement" through line 19.

On page 48, line 5, after the dash, insert "The chief judge of the Superior Court should make every effort to provide for the earliest practicable disposition of actions.".

On page 48, line 13, after "judges" insert ", including senior judges as defined in section 11–1504, District of Columbia Code".

On page 48, line 15, after "judges" insert ", including senior judges".

On page 48, line 18, strike "section 103(a)(3) of".

On page 48, line 19, strike "(42 U.S.C. 675(5)(E))" and insert ", if applicable".

On page 48, line 19, strike "and".

On page 48, strike lines 20 through 24 and insert the following:

(ii) the chief judge determines, in consultation with the presiding judge of the Family Court, based on the record in the case and any unique expertise, training, or knowledge of the case that the judge might have, that permitting the judge to retain the case would lead to permanent placement of the child more quickly than reassignment to a judge in the Family Court.

(D) PRIORITY FOR CERTAIN ACTIONS AND PROCEEDINGS.—The chief judge of the Superior Court, in consultation with the presiding judge of the Family Court, shall give priority consideration to the disposition or transfer of the following actions and proceedings:

(i) The action or proceeding involves an allegation of abuse or neglect.

(ii) The action or proceeding was initiated in the family division prior to the 2-year period which ends on the date of enactment of this Act.

(iii) The judge to whom the action or proceeding is assigned as of the date of enactment of this Act is not assigned to the Family Division.

On page 49, line 1, strike "(D)" and insert "(E)".

On page 49, line 2, strike "report" and insert "submit reports to the President,".

On page 49, lines 7 and 8, strike "enactment of this Act" and insert "submission of the transition plan required under paragraph (1)".

On page 49, line 9, strike "(D)" and insert "(E)".

On page 49, after line 10, insert the following:

(F) RULE OF CONSTRUCTION.—Nothing in this subsection shall preclude the chief judge, in consultation with the presiding judge of the Family Court, from transferring actions or proceedings pending before judges outside the Family Court at the enactment of this Act which do not involve allegations of abuse and neglect but which would otherwise fall under the jurisdiction of the Family Court to judges in the Family Court prior to the deadline as defined in subparagraph 2(B), particularly if such transfer would result in more efficient resolution of such actions or proceedings.

On page 51, line 18, after "including the" insert "implementation of the".

On page 52, after line 14 insert the following:

(D) An analysis of the timeliness of the resolution and disposition of pending actions and proceedings required under the transition plan (as described in paragraphs (1)(I) and (2) of subsection (b)), including an analysis of the effect of the availability of magistrate judges on the time required to resolve and dispose of such actions and proceedings.

On page 54, line 23, strike "chapter 11" and insert "chapter 13".

On page 54, line 23, strike "title 21" and insert "title 7".

On page 54, line 24, strike "substantially" and insert "at least moderately mentally".

On page 56, line 18, strike "2(C)" and insert "2(D)".

On page 56, line 22, after "magistrate judge" insert "in the Family Court".

On page 56, line 25, after "lawful" insert ", subject to subparagraph (C)".

On page 57, line 22, strike "18 months" and insert "6 months or, in extraordinary circumstances, for not more than 12 months".

On page 57, line 25, strike "section 103(a)(3) of".

On page 58, line 1, strike "(42 U.S.C. 675(E))".

On page 58, beginning with line 2, strike all through line 10 and insert the following:

applicable; and

"(ii) if Public Law 105–89 is applicable, the chief judge determines, in consultation with the presiding judge of the Family Court, based on the record in the case and any unique expertise, training or knowledge of the case that the judge might have, that permitting the judge to retain the case would lead to permanent placement of the child more quickly than reassignment to a judge in the Family Court.

On page 69, line 12, after "appointed" insert "or assigned".

On page 69, line 14, strike "assigned to handle Family Court cases" and insert "as a magistrate judge for the Domestic Violence Unit handling actions or proceedings which would otherwise be under the jurisdiction of the Family Court".

On page 71, line 2, insert "appropriate" before "presiding judge".

On page 71, line 16, insert "appropriate" before "presiding judge".

On page 71, line 16, strike "of the Family Court".

On page 73, line 24, strike "not more than 5".

On page 74, line 5, after "subsection (a))" insert ", for the purpose of assisting with the implementation of the transition plan under section 3(b) of this Act, and in particular with the transition or disposal of actions or proceedings pursuant to section 3(b)(2) of this Act".

On page 74, after line 25, insert the following:

(C) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to preclude magistrate judges appointed pursuant to this subsection from performing upon appointment any or all of the functions of magistrate judges of the Family Court or Domestic Violence Unit as set forth in subsection 11–1732A(d).

On page 75, line 22, after "construction" insert ", lease, or acquisition".

On page 76, line 12, beginning after "upon" strike all through line 14 and insert "enactment of this Act.".

HIGHER EDUCATION ACT OF 1965 AMENDMENTS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 277, S. 1762.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1762) to amend the Higher Education Act of 1965 to establish fixed interest rates for student and parent borrowers, to extend current law with respect to special allowances for lenders, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements related thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1762) was read the third time and passed as follows:

S. 1762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INTEREST RATE PROVISIONS.

(a) FFEL FIXED INTEREST RATES.—

(1) AMENDMENT.—Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a) is amended—

(A) by redesignating subsections (*l*) and (m) as subsections (m) and (n), respectively; and

(B) by inserting after subsection (k) the following new subsection:

"(*l*) INTEREST RATES FOR NEW LOANS ON OR AFTER JULY 1, 2006.—

"(1) IN GENERAL.—Notwithstanding subsection (h), with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

"(2) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

"(3) CONSOLIDATION LOANS.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after July 1, 2006, the applicable rate of interest shall be at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(A) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of 1 percent; or

"(B) 8.25 percent.".

(2) CONFORMING AMENDMENT.—Section 428C(c)(1)(A) of such Act (20 U.S.C. 1078–3(c)(1)(A)) is amended to read as follows:

"(1) INTEREST RATE.—(A) Notwithstanding subparagraphs (B) and (C), with respect to any loan made under this section for which the application is received by an eligible lender—

"(i) on or after October 1, 1998, and before July 1, 2006, the applicable interest rate shall be determined under section 427A(k)(4); or

"(ii) on or after July 1, 2006, the applicable interest rate shall be determined under section 427A(*l*)(3).".

(b) DIRECT LOANS FIXED INTEREST RATES.—

(1) TECHNICAL CORRECTION.—Paragraph (6) of section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)), as redesignated by section 8301(c)(1) of the Transportation Equity Act for the 21st Century (Public Law 105–178; 112 Stat. 498) is redesignated as paragraph (9) and is transferred to follow paragraph (7) of section 455(b) of the Higher Education Act of 1965.

(2) AMENDMENTS.—Section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

"(7) INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER JULY 1, 2006.—

"(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

"(B) PLUS loans.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct PLUS loan for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

"(C) Consolidation loans.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after July 1, 2006, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

"(ii) 8.25 percent.".

(c) Extension of Current Interest Rate Provisions for Three Years.—Sections 427A(k) and 455(b)(6) of the Higher Education Act of 1965 (20 U.S.C. 1077a(k), 1087e(b)(6)) are each amended—

(1) by striking "2003" in the heading and inserting "2006"; and

(2) by striking "July 1, 2003," each place it appears and inserting "July 1, 2006,".

SEC. 2. EXTENSION OF SPECIAL ALLOWANCE PROVISION.

Section 438(b)(2)(I) of the Higher Education Act of 1965 (20 U.S.C. 1087-1(b)(2)(I)) is amended—

(1) by striking ", and before July 1, 2003" in the heading;

(2) by striking "and before July 1, 2003," each place it appears, other than in clauses (ii) and (v);

(3) by striking clause (ii) and inserting the following:

"(ii) In school and grace period.—In the case of any loan—

"(I) for which the first disbursement is made on or after January 1, 2000, and before July 1, 2006, and for which the applicable rate of interest is described in section 427A(k)(2); or

"(II) for which the first disbursement is made on or after July 1, 2006, and for which the applicable rate of interest is described in section 427A(*l*)(1), but only with respect to (aa) periods prior to the beginning of the repayment period of the loan; or (bb) during the periods in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 427(a)(2)(C) or 428(b)(1)(M);

clause (i)(III) of this subparagraph shall be applied by substituting '1.74 percent' for '2.34 percent'.";

(4) in clause (iii), by inserting "or (*l*)(2)" after "427A(k)(3)";

(5) in clause (iv), by inserting "or (*l*)(3)" after "427A(k)(4)";

(6) in clause (v)—

(A) in the heading, by inserting "before July 1, 2006" after "PLUS loans"; and

(B) by striking "July 1, 2003," and inserting "July 1, 2006,";

(7) in clause (vi)—

(A) by inserting "or (*l*)(3)" after "427A(k)(4)" the first place it appears; and

(B) by inserting "or (*l*)(3), whichever is applicable" after "427A(k)(4)" the second place it appears; and

(8) by adding at the end the following new clause:

"(vii) Limitation on special allowances for PLUS loans on or after July 1, 2006.—In the case of PLUS loans made under section 428B and first disbursed on or after July 1, 2006, for which the interest rate is determined under section 427A(*l*)(2), a special allowance shall not be paid for such loan during any 12-month period beginning on July 1 and ending on June 30 unless—

"(I) the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial), as published by the Board of Governors of the Federal Reserve System in Publication H-15 (or its successor), for the last calendar week ending on or before such July 1; plus

"(II) 2.64 percent,

exceeds 9.0 percent.".

Mr. JOHNSON. Mr. President, today the Senate passed S. 1762, a bill I introduced to improve the formula for student loan interest rates and to ensure the long-term viability of the student loan program. I am pleased the Senate unanimously agreed to this important legislation and I am proud to have worked with both students and lenders and my colleagues on the Health, Education, Labor, and Pensions Committee, especially Chairman Kennedy and Ranking Member Gregg, as well as Majority Leader Daschle, in passing this monumental legislation.

All across America, millions of young people are preparing to apply to college. These teenagers are dreaming not only of the college experience they are about to embark upon, but also of graduating to become teachers, doctors, engineers, and even public servants. Thanks to the national education loan program, the educational and career aspirations of students and their families can become reality.

We know that the future of our Nation lies in educating the next generation of young people so that each of them can realize the promise of America. For 35 years, we have invested in our future by opening the doors of colleges and universities to the broadest cross-section of our citizens at the lowest possible cost. That is why passing this legislation was crucial to ensure that education loans are available to help future generations of students, workers, and their families climb the ladder of economic opportunity.

Since 1965, a partnership of students, workers, their families, educational institutions, lenders, and the Federal Government has opened the doors of educational opportunity for more than 50 million Americans. By any measure, the education loan program is a winning investment for our Nation.

Education loans are good investments in our economy and in our citizens. As I travel across South Dakota, educators, employers, and students tell me how valuable a college degree is in today's economy. Indeed, we know that graduates with college degrees earn an average of 80 percent more than individuals with only a high school diploma. Over a lifetime, the earnings difference between individuals with high school and college degrees can be more than $1 million. At a time when many workers are losing their jobs through no fault of their own, education loans are critical tools that can empower these workers to upgrade their skills. As we search for ways to expand our economic prosperity, we must preserve this important investment in the future of our Nation.

Congress has now taken the initiative to ensure that future generations have access to the college or university of their choice by enacting a permanent solution to the interest rate issue. Again, I thank my colleagues on both sides of the aisle for their support in passing this critically important legislation of which we can all be proud.

HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS ACT OF 2001

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 278, S. 1793.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1793) to provide the Secretary of Education with the specific waiver authority to respond to conditions in national emergency declared by the President on September 14, 2001.

There being no objection, the Senate proceeded to consider the bill.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1793) was read the third time and passed as follows:

S. 1793

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Higher Education Relief Opportunities for Students Act of 2001".

SEC. 2. WAIVER AUTHORITY FOR RESPONSE TO NATIONAL EMERGENCY.

(a) Waivers and Modifications.—

(1) In general.—Notwithstanding any other provision of law, unless enacted with specific reference to this section, the Secretary of Education (referred to in this Act as the "Secretary") may waive or modify any statutory or regulatory provision applicable to the student financial aid programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) as the Secretary deems necessary in connection with the national emergency to provide the waivers or modifications authorized by paragraph (2).

(2) Actions authorized.—The Secretary is authorized to waive or modify any provision described in paragraph (1) as may be necessary to ensure that—

(A) borrowers of Federal student loans who are affected individuals are not placed in a worse position financially in relation to those loans because of their status as affected individuals;

(B) administrative requirements placed on affected individuals who are borrowers of Federal student loans are minimized, to the extent possible without impairing the integrity of the student loan programs, to ease the burden on such borrowers and avoid inadvertent, technical violations or defaults;

(C) the calculation of "annual adjusted family income" and "available income", as used in the determination of need for student financial assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) for any such affected individual (and the determination of such need for his or her spouse and dependents, if applicable), may be modified to mean the sums received in the first calendar year of the award year for which such determination is made, in order to reflect more accurately the financial condition of such affected individual and his or her family; and

(D) institutions of higher education, eligible lenders, guaranty agencies, and other entities participating in the student assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any Federal, State, or local official in connection with the national emergency may be granted temporary relief from requirements that are rendered infeasible or unreasonable by the national emergency, including due diligence requirements and reporting deadlines.

(b) Notice of Waivers or Modifications.—

(1) In general.—Notwithstanding section 437 of the General Education Provisions Act (20 U.S.C. 1232) and section 553 of title 5, United States Code, the Secretary shall, by notice in the Federal Register, publish the waivers or modifications of statutory and regulatory provisions the Secretary deems necessary to achieve the purposes of this section.

(2) Terms and conditions.—The notice under paragraph (1) shall include the terms and conditions to be applied in lieu of such statutory and regulatory provisions.

(3) Case-by-case basis.—The Secretary is not required to exercise the waiver or modification authority under this section on a case-by-case basis.

(c) Impact Report.—The Secretary shall, not later than 15 months after first exercising any authority to issue a waiver or modification under subsection (a), report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate on the impact of any waivers or modifications issued pursuant to subsection (a) on affected individuals and the programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), and the basis for such determination, and include in such report the Secretary's recommendations for changes to the statutory or regulatory provisions that were the subject of such waiver or modification.

(d) No Delay in Waivers and Modifications.—Sections 482(c) and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to the waivers and modifications authorized or required by this Act.

SEC. 3. TUITION REFUNDS OR CREDITS FOR MEMBERS OF ARMED FORCES.

(a) Sense of Congress.—It is the sense of Congress that—

(1) all institutions offering postsecondary education should provide a full refund to students who are members of the Armed Forces serving on active duty during the national emergency, for that portion of a period of instruction such student was unable to complete, or for which such individual did not receive academic credit, because he or she was called up for such service; and

(2) if affected individuals withdraw from a course of study as a result of such service, such institutions should make every effort to minimize deferral of enrollment or reapplication requirements and should provide the greatest flexibility possible with administrative deadlines related to those applications.

(b) Definition of Full Refund.—For purposes of this section, a full refund includes a refund of required tuition and fees, or a credit in a comparable amount against future tuition and fees.

SEC. 4. USE OF PROFESSIONAL JUDGMENT.

At the time of publishing any waivers or modifications pursuant to section 2(b), the Secretary shall publish examples of measures that institutions may take in the appropriate exercise of discretion under section 479A of the Higher Education Act of 1965 (20 U.S.C. 1087tt) to adjust financial need and aid eligibility determinations for affected individuals.

SEC. 5. DEFINITIONS.

In this Act:

(1) Active duty.—The term "active duty" has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

(2) Affected individual.—The term "affected individual" means an individual who—

(A) is serving on active duty during the national emergency;

(B) is serving on National Guard duty during the national emergency;

(C) resides or is employed in an area that is declared a disaster area by any Federal, State, or local official in connection with the national emergency; or

(D) suffered direct economic hardship as a direct result of the national emergency, as determined under a waiver or modification issued under this Act.

(3) Federal student loan.—The term "Federal student loan" means a loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., and 20 U.S.C. 1087aa et seq.).

(4) National emergency.—The term "national emergency" means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

(5) Serving on active duty during the national emergency.—The term "serving on active duty during the national emergency" shall include service by an individual who is—

(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with such emergency or subsequent actions or conditions, regardless of the location at which such active duty service is performed; and

(B) any other member of an Armed Force on active duty in connection with such emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

(6) Serving on National Guard duty during the national emergency.—The term "serving on National Guard duty during the national emergency" shall include performing training or other duty authorized by section 502(f) of title 32, United States Code, as a member of the National Guard, at the request of the President, for or in support of an operation during the national emergency.

SEC. 6. TERMINATION OF AUTHORITY.

The provisions of this Act shall cease to be effective on September 30, 2003.

DISTRICT OF COLUMBIA FAMILY COURT ACT OF 2001

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 258, H.R. 2657.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2657) to amend title XI of the District of Columbia Code to redesignate the Family Division of the Superior Court of the District of Columbia as the Family Court of the Superior Court, to recruit and retain trained and experienced judges to serve in the Family Court, to promote consistency and efficiency in the assignment of judges to the Family Court and in the consideration of actions and proceedings in the Family Court, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Family Court Act of 2001".

SEC. 2. REDESIGNATION OF FAMILY DIVISION AS FAMILY COURT OF THE SUPERIOR COURT.

(a) In General.—Section 11-902, District of Columbia Code, is amended to read as follows:

"§ 11-902. Organization of the court

"(a) In General.—The Superior Court shall consist of the following:

"(1) The Civil Division.

"(2) The Criminal Division.

"(3) The Family Court.

"(4) The Probate Division.

"(5) The Tax Division.

"(b) Branches.—The divisions of the Superior Court may be divided into such branches as the Superior Court may by rule prescribe.

"(c) Designation of Presiding Judge of Family Court.—The chief judge of the Superior Court shall designate one of the judges assigned to the Family Court of the Superior Court to serve as the presiding judge of the Family Court of the Superior Court.

"(d) Jurisdiction Described.—The Family Court shall have original jurisdiction over the actions, applications, determinations, adjudications, and proceedings described in section 11-1101. Actions, applications, determinations, adjudications, and proceedings being assigned to cross-jurisdictional units established by the Superior Court, including the Domestic Violence Unit, on the date of enactment of this section may continue to be so assigned after the date of enactment of this section.".

(b) Conforming Amendment to Chapter 9.—Section 11-906(b), District of Columbia Code, is amended by inserting "the Family Court and" before "the various divisions".

(c) CONFORMING AMENDMENTS TO CHAPTER 11.—(1) The heading for chapter 11 of title 11, District of Columbia, is amended by striking "FAMILY DIVISION" and inserting "FAMILY COURT".

(2) The item relating to chapter 11 in the table of chapters for title 11, District of Columbia, is amended by striking "FAMILY DIVISION" and inserting "FAMILY COURT".

(d) CONFORMING AMENDMENTS TO TITLE 16.—

(1) CALCULATION OF CHILD SUPPORT.—Section 16–916.1(o)(6), District of Columbia Code, is amended by striking "Family Division" and inserting "Family Court of the Superior Court".

(2) EXPEDITED JUDICIAL HEARING OF CASES BROUGHT BEFORE HEARING COMMISSIONERS.—Section 16–924, District of Columbia Code, is amended by striking "Family Division" each place it appears in subsections (a) and (f) and inserting "Family Court".

(3) GENERAL REFERENCES TO PROCEEDINGS.—Chapter 23 of title 16, District of Columbia Code, is amended by inserting after section 16–2301 the following new section:

"§ 16–2301.1. References deemed to refer to Family Court of the Superior Court

"Any reference in this chapter or any other Federal or District of Columbia law, Executive order, rule, regulation, delegation of authority, or any document of or pertaining to the Family Division of the Superior Court of the District of Columbia shall be deemed to refer to the Family Court of the Superior Court of the District of Columbia.".

(4) CLERICAL AMENDMENT.—The table of sections for subchapter I of chapter 23 of title 16, District of Columbia, is amended by inserting after the item relating to section 16–2301 the following new item:

"16–2301.1. References deemed to refer to Family Court of the Superior Court.".

SEC. 3. APPOINTMENT AND ASSIGNMENT OF JUDGES; NUMBER AND QUALIFICATIONS.

(a) NUMBER OF JUDGES FOR FAMILY COURT; QUALIFICATIONS AND TERMS OF SERVICE.—Chapter 9 of title 11, District of Columbia Code, is amended by inserting after section 11–908 the following new section:

"§ 11–908A. Special rules regarding assignment and service of judges of Family Court

"(a) NUMBER OF JUDGES.—

"(1) IN GENERAL.—The number of judges serving on the Family Court of the Superior Court shall be not more than 15.

"(2) EXCEPTION.—If the chief judge determines that, in order to carry out the intent and purposes of this Act, an emergency exists such that the number of judges needed on the Family Court of the Superior Court at any time is more than 15, the chief judge may temporarily reassign qualified judges from other divisions of the Superior Court or qualified senior judges to serve on the Family Court. Such reassigned judges shall not be subject to the term of service requirements of this Act.

"(3) COMPOSITION.—The total number of judges on the Superior Court may exceed the limit on such judges specified in section 11–903 to the extent necessary to maintain the requirements of this subsection if—

"(A) the number of judges serving on the Family Court is less than 15; and

"(B) the Chief Judge of the Superior Court—

"(i) is unable to secure a volunteer judge who is sitting on the Superior Court outside of the Family Court for reassignment to the Family Court;

"(ii) obtains approval of the Joint Committee on Judicial Administration; and

"(iii) reports to Congress regarding the circumstances that gave rise to the necessity to exceed the cap.

"(b) QUALIFICATIONS.—The chief judge may not assign an individual to serve on the Family Court of the Superior Court or handle a Family Court case unless—

"(1) the individual has training or expertise in family law;

"(2) the individual certifies to the chief judge that the individual intends to serve the full term of service, except that this paragraph shall not apply with respect to individuals serving as senior judges under section 11–1504, individuals serving as temporary judges under section 11–908, and any other judge serving in another division of the Superior Court;

"(3) the individual certifies to the chief judge that the individual will participate in the ongoing training programs carried out for judges of the Family Court under section 11–1104(c); and

"(4) the individual meets the requirements of section 11–1501(b).

"(c) TERM OF SERVICE.—

"(1) IN GENERAL.—

"(A) SITTING JUDGES.—An individual assigned to serve as a judge of the Family Court of the Superior Court who is serving as a judge in the Superior Court on the date of enactment of the District of Columbia Family Court Act of 2001 shall serve in the Family Court for a term of not fewer than 3 years as determined by the chief judge of the Superior Court (including any period of service on the Family Division of the Superior Court immediately preceding the date of enactment of such Act).

"(B) NEW JUDGES.—An individual assigned to serve as a judge of the Family Court of the Superior Court who is not serving as a judge in the Superior Court on the date of enactment of the District of Columbia Family Court Act of 2001 shall serve for a term of 5 years.

"(2) ASSIGNMENT FOR ADDITIONAL SERVICE.—After the term of service of a judge of the Family Court (as described in paragraph (1)) expires, at the judge's request and with the approval of the chief judge, the judge may be assigned for additional service on the Family Court for a period of such duration (consistent with section 431(c) of the District of Columbia Home Rule Act) as the chief judge may provide.

"(3) PERMITTING SERVICE ON FAMILY COURT FOR ENTIRE TERM.—At the request of the judge and with the approval of the chief judge, a judge may serve as a judge of the Family Court for the judge's entire term of service as a judge of the Superior Court under section 431(c) of the District of Columbia Home Rule Act.

"(d) REASSIGNMENT TO OTHER DIVISIONS.—The chief judge may reassign a judge of the Family Court to any division of the Superior Court if the chief judge determines that in the interest of justice the judge is unable to continue serving in the Family Court.".

(b) PLAN FOR FAMILY COURT TRANSITION.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the chief judge of the Superior Court of the District of Columbia shall prepare and submit to the President and Congress a transition plan for the Family Court of the Superior Court, and shall include in the plan the following:

(A) The chief judge's determination of the role and function of the presiding judge of the Family Court.

(B) The chief judge's determination of the number of judges needed to serve on the Family Court.

(C) The chief judge's determination of the number of magistrate judges of the Family Court needed for appointment under section 11–1732, District of Columbia Code.

(D) The chief judge's determination of the appropriate functions of such magistrate judges, together with the compensation of and other personnel matters pertaining to such magistrate judges.

(E) A plan for case flow, case management, and staffing needs (including the needs for both judicial and nonjudicial personnel) for the Family Court.

(F) A plan for space, equipment, and other physical plant needs and requirements during the transition, as determined in consultation with the Administrator of General Services.

(G) An analysis of the number of magistrate judges needed under the expedited appointment procedures established under section 6(d) in reducing the number of pending actions and proceedings within the jurisdiction of the Family Court (as described in section 11–902(d), District of Columbia, as amended by subsection (a)).

(H) Consistent with the requirements of paragraph (2), a proposal for the disposition or transfer to the Family Court of child abuse and neglect actions pending as of the date of enactment of this Act (which were initiated in the Family Division but remain pending before judges serving in other Divisions of the Superior Court as of such date) in a manner consistent with applicable Federal and District of Columbia law and best practices, including best practices developed by the American Bar Association and the National Council of Juvenile and Family Court Judges.

(I) An estimate of the number of cases for which the deadline for disposition or transfer to the Family Court, specified in paragraph (2)(B), cannot be met and the reasons why such deadline cannot be met.

(2) IMPLEMENTATION OF THE PROPOSAL FOR TRANSFER OR DISPOSITION OF ACTIONS AND PROCEEDINGS TO FAMILY COURT.—

(A) IN GENERAL.—Except as provided in subparagraph (C), the chief judge of the Superior Court and the presiding judge of the Family Court shall take such steps as may be required as provided in the proposal for disposition of actions and proceedings under paragraph (1)(H) to ensure that each child abuse and neglect action of the Superior Court (as described in section 11–902(d), District of Columbia Code, as amended by subsection (a)) is transferred to the Family Court or otherwise disposed of as provided in subparagraph (B). The requirement of this subparagraph shall not apply to a child abuse or neglect action pending before a senior judge as defined in section 11–1504, District of Columbia Code.

(B) DEADLINE.—

(i) IN GENERAL.—Notwithstanding any other provision of this Act or any amendment made by this Act and except as provided in subparagraph (C), no child abuse or neglect action shall remain pending with a judge not serving on the Family Court upon the expiration of 18 months after the filing of the transition plan required under paragraph (1).

(ii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall preclude the immediate transfer of cases to the Family Court, particularly cases which have been filed with the court for less than 6 months prior to the date of enactment of this Act.

(C) RETAINED CASES.—Child abuse and neglect cases that were initiated in the Family Division but remain pending before judges in other Divisions of the Superior Court as of the date of enactment of this Act may remain before judges in such other Divisions when—

(i) the case remains at all times in full compliance with section 103(a)(3) of Public Law 105–89 (42 U.S.C. 675(5)(E)); and

(ii) the case has been assigned continuously to the judge for 18 months or more and the judge has a special knowledge of the child's needs, such that reassignment would be harmful to the child.

(D) PROGRESS REPORTS.—The chief judge of the Superior Court shall report to the Committee on Appropriations of each House, the Committee *on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives at 6-month intervals for a period of 2 years after the date of enactment of this Act on the progress made towards disposing of actions or proceedings described in subparagraph (B).*

(3) EFFECTIVE DATE OF IMPLEMENTATION OF PLAN.—The chief judge of the Superior Court may not take any action to implement the transition plan under this subsection until the expiration of the 30-day period which begins on the date the chief judge submits the plan to the President and Congress under paragraph (1).

(c) TRANSITION TO REQUIRED NUMBER OF JUDGES.—

(1) ANALYSIS BY CHIEF JUDGE OF SUPERIOR COURT.—The chief judge of the Superior Court of the District of Columbia shall include in the transition plan prepared under subsection (b)—

(A) the chief judge's determination of the number of individuals serving as judges of the Superior Court who—

(i) meet the qualifications for judges of the Family Court of the Superior Court under section 11–908A, District of Columbia Code (as added by subsection (a)); and

(ii) are willing and able to serve on the Family Court; and

(B) if the chief judge determines that the number of individuals described in subparagraph (A) is less than 15, a request that the Judicial Nomination Commission recruit and the President nominate (in accordance with section 433 of the District of Columbia Home Rule Act) such additional number of individuals to serve on the Superior Court who meet the qualifications for judges of the Family Court under section 11–908A, District of Columbia Code, as may be required to enable the chief judge to make the required number of assignments.

(2) ROLE OF DISTRICT OF COLUMBIA JUDICIAL NOMINATION COMMISSION.—For purposes of section 434(d)(1) of the District of Columbia Home Rule Act, the submission of a request from the chief judge of the Superior Court of the District of Columbia under paragraph (1)(B) shall be deemed to create a number of vacancies in the position of judge of the Superior Court equal to the number of additional appointments so requested by the chief judge, except that the deadline for the submission by the District of Columbia Judicial Nomination Commission of nominees to fill such vacancies shall be 90 days after the creation of such vacancies. In carrying out this paragraph, the District of Columbia Judicial Nomination Commission shall recruit individuals for possible nomination and appointment to the Superior Court who meet the qualifications for judges of the Family Court of the Superior Court.

(d) REPORT BY COMPTROLLER GENERAL.—

(1) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall prepare and submit to Congress and the chief judge of the Superior Court of the District of Columbia a report on the implementation of this Act (including the transition plan under subsection (b)), and shall include in the report the following:

(A) An analysis of the procedures used to make the initial appointments of judges of the Family Court under this Act and the amendments made by this Act, including an analysis of the time required to make such appointments and the effect of the qualification requirements for judges of the Court (including requirements relating to the length of service on the Court) on the time required to make such appointments.

(B) An analysis of the impact of magistrate judges for the Family Court (including the expedited initial appointment of magistrate judges for the Court under section 6(d)) on the workload of judges and other personnel of the Court.

(C) An analysis of the number of judges needed for the Family Court, including an analysis of how the number may be affected by the qualification requirements for judges, the availability of magistrate judges, and other provisions of this Act or the amendments made by this Act.

(2) SUBMISSION TO CHIEF JUDGE OF SUPERIOR COURT.—Prior to submitting the report under paragraph (1) to Congress, the Comptroller General shall provide a preliminary version of the report to the chief judge of the Superior Court and shall take any comments and recommendations of the chief judge into consideration in preparing the final version of the report.

(e) CONFORMING AMENDMENT.—The first sentence of section 11–908(a), District of Columbia Code, is amended by striking "The chief judge" and inserting "Subject to section 11–908A, the chief judge".

(f) CLERICAL AMENDMENT.—The table of sections for chapter 9 of title 11, District of Columbia Code, is amended by inserting after the item relating to section 11–908 the following new item:

"11–908A. Special rules regarding assignment and service of judges of Family Court.".

SEC. 4. IMPROVING ADMINISTRATION OF CASES AND PROCEEDINGS IN FAMILY COURT.

(a) IN GENERAL.—Chapter 11 of title 11, District of Columbia, is amended by striking section 1101 and inserting the following:

"§ 11–1101. Jurisdiction of the Family Court

"(a) IN GENERAL.—The Family Court of the District of Columbia shall be assigned and have original jurisdiction over—

"(1) actions for divorce from the bond of marriage and legal separation from bed and board, including proceedings incidental thereto for alimony, pendente lite and permanent, and for support and custody of minor children;

"(2) applications for revocation of divorce from bed and board;

"(3) actions to enforce support of any person as required by law;

"(4) actions seeking custody of minor children, including petitions for writs of habeas corpus;

"(5) actions to declare marriages void;

"(6) actions to declare marriages valid;

"(7) actions for annulments of marriage;

"(8) determinations and adjudications of property rights, both real and personal, in any action referred to in this section, irrespective of any jurisdictional limitation imposed on the Superior Court;

"(9) proceedings in adoption;

"(10) proceedings under the Act of July 10, 1957 (D.C. Code, secs. 30–301 to 30–324);

"(11) proceedings to determine paternity of any child born out of wedlock;

"(12) civil proceedings for protection involving intrafamily offenses, instituted pursuant to chapter 10 of title 16;

"(13) proceedings in which a child, as defined in section 16–2301, is alleged to be delinquent, neglected, or in need of supervision;

"(14) proceedings under chapter 5 of title 21 relating to the commitment of the mentally ill;

"(15) proceedings under chapter 11 of title 21 relating to the commitment of the substantially retarded; and

"(16) proceedings under Interstate Compact on Juveniles (described in title IV of the District of Columbia Court Reform and Criminal Procedure Act of 1970).

"(b) DEFINITION.—

"(1) IN GENERAL.—In this chapter, the term 'action or proceeding' with respect to the Family Court refers to cause of action described in paragraphs (1) through (16) of subsection (a).

"(2) EXCEPTION.—An action or proceeding may be assigned to or retained by cross-jurisdictional units established by the Superior Court, including the Domestic Violence Unit.

"§ 11–1102. Use of alternative dispute resolution

"To the greatest extent practicable and safe, cases and proceedings in the Family Court of the Superior Court shall be resolved through alternative dispute resolution procedures, in accordance with such rules as the Superior Court may promulgate.

"§ 11–1103. Standards of practice for appointed counsel

"The Superior Court shall establish standards of practice for attorneys appointed as counsel in the Family Court of the Superior Court.

"§ 11–1104. Administration

"(a) 'ONE FAMILY, ONE JUDGE' REQUIREMENT FOR CASES AND PROCEEDINGS.—To the greatest extent practicable, feasible, and lawful, if an individual who is a party to an action or proceeding assigned to the Family Court has an immediate family or household member who is a party to another action or proceeding assigned to the Family Court, the individual's action or proceeding shall be assigned to the same judge or magistrate judge to whom the immediate family member's action or proceeding is assigned.

"(b) RETENTION OF JURISDICTION OVER CASES.—

"(1) IN GENERAL.—In addition to the requirement of subsection (a), any action or proceeding assigned to the Family Court of the Superior Court shall remain under the jurisdiction of the Family Court until the action or proceeding is finally disposed, except as provided in paragraph (2)(C).

"(2) ONE FAMILY, ONE JUDGE.—

"(A) FOR THE DURATION.—An action or proceeding assigned pursuant to this subsection shall remain with the judge or magistrate judge to whom the action or proceeding is assigned for the duration of the action or proceeding to the greatest extent practicable, feasible, and lawful.

"(B) ALL CASES INVOLVING AN INDIVIDUAL.—If an individual who is a party to an action or proceeding assigned to the Family Court becomes a party to another action or proceeding assigned to the Family Court, the individual's subsequent action or proceeding shall be assigned to the same judge or magistrate judge to whom the individual's initial action or proceeding is assigned to the greatest extent practicable and feasible.

"(C) FAMILY COURT CASE RETENTION.—If the full term of a Family Court judge to whom the action or proceeding is assigned is completed prior to the final disposition of the action or proceeding, the presiding judge of the Family Court shall ensure that the matter or proceeding is reassigned to a judge serving on the Family Court.

"(D) EXCEPTION.—A judge whose full term on the Family Court is completed but who remains in Superior Court may retain the case or proceeding for not more than 18 months after ceasing to serve if—

"(i) the case remains at all times in full compliance with section 103(a)(3) of Public Law 105–89 (42 U.S.C. 675(E)), if applicable, and the case has been assigned continuously to the judge for 18 months or more and the judge has a special knowledge of the child's needs, such that reassignment would be harmful to the child; and

"(ii) the chief judge, in consultation with the presiding judge of the Family Court determines that such retention is in the best interests of the parties.

"(3) STANDARDS OF JUDICIAL ETHICS.—The actions of a judge or magistrate judge in retaining an action or proceeding under this paragraph shall be subject to applicable standards of judicial ethics.

"(c) TRAINING PROGRAM.—

“(1) IN GENERAL.—The chief judge, in consultation with the presiding judge of the Family Court, shall carry out an ongoing program to provide training in family law and related matters for judges of the Family Court and other judges of the Superior Court who are assigned Family Court cases, including magistrate judges, attorneys who practice in the Family Court, and appropriate nonjudicial personnel, and shall include in the program information and instruction regarding the following:

“(A) Child development.

“(B) Family dynamics, including domestic violence.

“(C) Relevant Federal and District of Columbia laws.

“(D) Permanency planning principles and practices.

“(E) Recognizing the risk factors for child abuse.

. “(F) Any other matters the presiding judge considers appropriate.

“(2) USE OF CROSS-TRAINING.—The program carried out under this section shall use the resources of lawyers and legal professionals, social workers, and experts in the field of child development and other related fields.

“(d) ACCESSIBILITY OF MATERIALS, SERVICES, AND PROCEEDINGS; PROMOTION OF ‘FAMILY-FRIENDLY’ ENVIRONMENT.—

“(1) IN GENERAL.—To the greatest extent practicable, the chief judge and the presiding judge of the Family Court shall ensure that the materials and services provided by the Family Court are understandable and accessible to the individuals and families served by the Family Court, and that the Family Court carries out its duties in a manner which reflects the special needs of families with children.

“(2) LOCATION OF PROCEEDINGS.—To the maximum extent feasible, safe, and practicable, cases and proceedings in the Family Court shall be conducted at locations readily accessible to the parties involved.

“(e) INTEGRATED COMPUTERIZED CASE TRACKING AND MANAGEMENT SYSTEM.—The Executive Officer of the District of Columbia courts under section 11–1703 shall work with the chief judge of the Superior Court—

“(1) to ensure that all records and materials of cases and proceedings in the Family Court are stored and maintained in electronic format accessible by computers for the use of judges, magistrate judges, and nonjudicial personnel of the Family Court, and for the use of other appropriate offices of the District government in accordance with the plan for integrating computer systems prepared by the Mayor of the District of Columbia under section 4(b) of the District of Columbia Family Court Act of 2001;

“(2) to establish and operate an electronic tracking and management system for cases and proceedings in the Family Court for the use of judges and nonjudicial personnel of the Family Court, using the records and materials stored and maintained pursuant to paragraph (1); and

“(3) to expand such system to cover all divisions of the Superior Court as soon as practicable.

“§ 11–1105. Social services and other related services

“(a) ONSITE COORDINATION OF SERVICES AND INFORMATION.—

“(1) IN GENERAL.—The Mayor of the District of Columbia, in consultation with the chief judge of the Superior Court, shall ensure that representatives of the appropriate offices of the District government which provide social services and other related services to individuals and families served by the Family Court (including the District of Columbia Public Schools, the District of Columbia Housing Authority, the Child and Family Services Agency, the Office of the Corporation Counsel, the Metropolitan Police Department, the Department of Health, and other offices determined by the Mayor) are available on-site at the Family Court to coordinate the provision of such services and information regarding such services to such individuals and families.

“(2) DUTIES OF HEADS OF OFFICES.—The head of each office described in paragraph (1), including the Superintendent of the District of Columbia Public Schools and the Director of the District of Columbia Housing Authority, shall provide the Mayor with such information, assistance, and services as the Mayor may require to carry out such paragraph.

“(b) APPOINTMENT OF SOCIAL SERVICES LIAISON WITH FAMILY COURT.—The Mayor of the District of Columbia shall appoint an individual to serve as a liaison between the Family Court and the District government for purposes of subsection (a) and for coordinating the delivery of services provided by the District government with the activities of the Family Court and for providing information to the judges, magistrate judges, and nonjudicial personnel of the Family Court regarding the services available from the District government to the individuals and families served by the Family Court. The Mayor shall provide on an ongoing basis information to the chief judge of the Superior Court and the presiding judge of the Family Court regarding the services of the District government which are available for the individuals and families served by the Family Court.

“§ 11–1106. Reports to Congress

“Not later than 90 days after the end of each calendar year, the chief judge of the Superior Court shall submit a report to Congress on the activities of the Family Court during the year, and shall include in the report the following:

“(1) The chief judge's assessment of the productivity and success of the use of alternative dispute resolution pursuant to section 11–1102.

“(2) Goals and timetables as required by the Adoption and Safe Families Act of 1997 to improve the Family Court's performance in the following year.

“(3) Information on the extent to which the Family Court met deadlines and standards applicable under Federal and District of Columbia law to the review and disposition of actions and proceedings under the Family Court's jurisdiction during the year.

“(4) Information on the progress made in establishing locations and appropriate space for the Family Court that are consistent with the mission of the Family Court until such time as the locations and space are established.

“(5) Information on any factors which are not under the control of the Family Court which interfere with or prevent the Family Court from carrying out its responsibilities in the most effective manner possible.

“(6) Information on—

“(A) the number of judges serving on the Family Court as of the end of the year;

“(B) how long each such judge has served on the Family Court;

“(C) the number of cases retained outside the Family Court;

“(D) the number of reassignments to and from the Family Court; and

“(E) the ability to recruit qualified sitting judges to serve on the Family Court.

“(7) Based on outcome measures derived through the use of the information stored in electronic format under section 11–1104(d), an analysis of the Family Court's efficiency and effectiveness in managing its case load during the year, including an analysis of the time required to dispose of actions and proceedings among the various categories of the Family Court's jurisdiction, as prescribed by applicable law and best practices, including (but not limited to) best practices developed by the American Bar Association and the National Council of Juvenile and Family Court Judges.

“(8) If the Family Court failed to meet the deadlines, standards, and outcome measures described in the previous paragraphs, a proposed remedial action plan to address the failure.”.

(b) EXPEDITED APPEALS FOR CERTAIN FAMILY COURT ACTIONS AND PROCEEDINGS.—Section 11–721, District of Columbia Code, is amended by adding at the end the following new subsection:

“(g) Any appeal from an order of the Family Court of the District of Columbia terminating parental rights or granting or denying a petition to adopt shall receive expedited review by the District of Columbia Court of Appeals.”.

(c) PLAN FOR INTEGRATING COMPUTER SYSTEMS.—

(1) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Mayor of the District of Columbia shall submit to the President and Congress a plan for integrating the computer systems of the District government with the computer systems of the Superior Court of the District of Columbia so that the Family Court of the Superior Court and the appropriate offices of the District government which provide social services and other related services to individuals and families served by the Family Court of the Superior Court (including the District of Columbia Public Schools, the District of Columbia Housing Authority, the Child and Family Services Agency, the Office of the Corporation Counsel, the Metropolitan Police Department, the Department of Health, and other offices determined by the Mayor) will be able to access and share information on the individuals and families served by the Family Court.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Mayor of the District of Columbia such sums as may be necessary to carry out paragraph (1).

(d) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, District of Columbia Code, is amended by adding at the end the following new items:

“11–1102. Use of alternative dispute resolution.
“11–1103. Standards of practice for appointed counsel.
“11–1104. Administration.
“11–1105. Social services and other related services.
“11–1106. Reports to Congress.”.

SEC. 5. TREATMENT OF HEARING COMMISSIONERS AS MAGISTRATE JUDGES.

(a) IN GENERAL.—

(1) REDESIGNATION OF TITLE.—Section 11–1732, District of Columbia Code, is amended—

(A) by striking “hearing commissioners” each place it appears in subsection (a), subsection (b), subsection (d), subsection (i), subsection (l), and subsection (n) and inserting “magistrate judges”;

(B) by striking “hearing commissioner” each place it appears in subsection (b), subsection (c), subsection (e), subsection (f), subsection (g), subsection (h), and subsection (j) and inserting “magistrate judge”;

(C) by striking “hearing commissioner's” each place it appears in subsection (e) and subsection (k) and inserting “magistrate judge's”;

(D) by striking “Hearing commissioners” each place it appears in subsections (b), (d), and (i) and inserting “Magistrate judges”; and

*(E) in the heading, by striking “**Hearing commissioners**” and inserting “**Magistrate judges**”.*

(2) CONFORMING AMENDMENTS.—Section 16–924, District of Columbia Code, is amended—

(A) by striking “hearing commissioner” each place it appears and inserting “magistrate judge”; and

(B) in subsection (f), by striking “hearing commissioner's” and inserting “magistrate judge's”.

(3) CLERICAL AMENDMENT.—The item relating to section 11–1732 of the table of sections of chapter 17 of title 11, D.C. Code, is amended to read as follows:

"11–1732. Magistrate judges.".

(b) TRANSITION PROVISION REGARDING HEARING COMMISSIONERS.—Any individual serving as a hearing commissioner under section 11–1732 of the District of Columbia Code as of the date of the enactment of this Act shall serve the remainder of such individual's term as a magistrate judge, and may be reappointed as a magistrate judge in accordance with section 11–1732(d), District of Columbia Code, except that any individual serving as a hearing commissioner as of the date of the enactment of this Act who was appointed as a hearing commissioner prior to the effective date of section 11–1732 of the District of Columbia Code shall not be required to be a resident of the District of Columbia to be eligible to be reappointed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 6. SPECIAL RULES FOR MAGISTRATE JUDGES OF FAMILY COURT.

(a) IN GENERAL.—Chapter 17 of title 11, District of Columbia Code, is amended by inserting after section 11–1732 the following new section:

"§ 11–1732A. Special rules for magistrate judges of the Family Court of the Superior Court and the Domestic Violence Unit

"(a) USE OF SOCIAL WORKERS IN ADVISORY MERIT SELECTION PANEL.—The advisory selection merit panel used in the selection of magistrate judges for the Family Court of the Superior Court under section 11–1732(b) shall include certified social workers specializing in child welfare matters who are residents of the District and who are not employees of the District of Columbia Courts.

"(b) SPECIAL QUALIFICATIONS.—Notwithstanding section 11–1732(c), no individual shall be appointed as a magistrate judge for the Family Court of the Superior Court or assigned to handle Family Court cases unless that individual—

"(1) is a citizen of the United States;

"(2) is an active member of the unified District of Columbia Bar;

"(3) for the 5 years immediately preceding the appointment has been engaged in the active practice of law in the District, has been on the faculty of a law school in the District, or has been employed as a lawyer by the United States or District government, or any combination thereof;

"(4) has not fewer than 3 years of training or experience in the practice of family law as a lawyer or judicial officer; and

"(5)(A) is a bona fide resident of the District of Columbia and has maintained an actual place of abode in the District for at least 90 days immediately prior to appointment, and retains such residency during service as a magistrate judge; or

"(B) is a bona fide resident of the areas consisting of Montgomery and Prince George's Counties in Maryland, Arlington and Fairfax Counties, and the City of Alexandria in Virginia, has maintained an actual place of abode in such area, areas, or the District of Columbia for at least 5 years prior to appointment, and certifies that the individual will become a bona fide resident of the District of Columbia not later than 90 days after appointment.

"(c) SERVICE OF CURRENT HEARING COMMISSIONERS.—Those individuals serving as hearing commissioners under section 11–1732 on the effective date of this section who meet the qualifications described in subsection (b)(4) may request to be appointed as magistrate judges for the Family Court of the Superior Court under such section.

"(d) FUNCTIONS OF FAMILY COURT AND DOMESTIC VIOLENCE UNIT MAGISTRATES.—A magistrate judge, when specifically designated by the chief judge in consultation with the presiding judge to serve in the Family Court or in the Domestic Violence Unit and subject to the rules of the Superior Court and the right of review under section 11–1732(k), may perform the following functions:

"(1) Administer oaths and affirmations and take acknowledgements.

"(2) Subject to the rules of the Superior Court and applicable Federal and District of Columbia law, conduct hearings, make findings and enter interim and final orders or judgments in uncontested or contested proceedings within the jurisdiction of the Family Court and the Domestic Violence Unit of the Superior Court (as described in section 11–1101), excluding jury trials and trials of felony cases, as assigned by the presiding judge of the Family Court.

"(3) Subject to the rules of the Superior Court, enter an order punishing an individual for contempt, except that no individual may be detained pursuant to the authority of this paragraph for longer than 180 days.

"(e) LOCATION OF PROCEEDINGS.—To the maximum extent feasible, safe, and practicable, magistrate judges of the Family Court of the Superior Court shall conduct proceedings at locations readily accessible to the parties involved.

"(f) TRAINING.—The chief judge, in consultation with the presiding judge of the Family Court of the Superior Court, shall ensure that all magistrate judges of the Family Court receive training to enable them to fulfill their responsibilities, including specialized training in family law and related matters.".

(b) CONFORMING AMENDMENTS.—(1) Section 11–1732(a), District of Columbia Code, is amended by inserting after "the duties enumerated in subsection (j) of this section" the following: "(or, in the case of magistrate judges for the Family Court or the Domestic Violence Unit of the Superior Court, the duties enumerated in section 11–1732A(d))".

(2) Section 11–1732(c), District of Columbia Code, is amended by striking "No individual" and inserting "Except as provided in section 11–1732A(b), no individual".

(3) Section 11–1732(k), District of Columbia Code, is amended—

(A) by striking "subsection (j)," and inserting the following: "subsection (j) (or proceedings and hearings under section 11–1732A(d), in the case of magistrate judges for the Family Court or the Domestic Violence Unit of the Superior Court),"; and

(B) by inserting after "appropriate division" the following: "(or, in the case of an order or judgment of a magistrate judge of the Family Court or the Domestic Violence Unit of the Superior Court, by a judge of the Family Court or the Domestic Violence Unit)".

(4) Section 11–1732(l), District of Columbia Code, is amended by inserting after "responsibilities" the following: "(subject to the requirements of section 11–1732A(f) in the case of magistrate judges of the Family Court of the Superior Court or the Domestic Violence Unit)".

(c) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 17 of title 11, District of Columbia, is amended by inserting after the item relating to section 11–1732 the following new item:

"11–1732A. Special rules for magistrate judges of the Family Court of the Superior Court and the Domestic Violence Unit.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of enactment of this Act.

(2) EXPEDITED INITIAL APPOINTMENTS.—

(A) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the chief judge of the Superior Court of the District of Columbia shall appoint not more than 5 individuals to serve as magistrate judges for the Family Division of the Superior Court in accordance with the requirements of sections 11–1732 and 11–1732A, District of Columbia Code (as added by subsection (a)).

(B) TRANSITION RESPONSIBILITIES OF INITIALLY APPOINTED FAMILY COURT MAGISTRATES.—The chief judge of the Superior Court and the presiding judge of the Family Division of the Superior Court (acting jointly) shall first assign the magistrate judges of Family Court appointed under this paragraph to work with judges to whom the cases are currently assigned in making case disposition or transfer decisions as follows:

(i) The action or proceeding involves an allegation of abuse or neglect.

(ii) The judge to whom the action or proceeding is assigned as of the date of enactment of this Act is not assigned to the Family Division.

(iii) The action or proceeding was initiated in the Family Division prior to the 2-year period which ends on the date of enactment of this Act.

SEC. 7. SENSE OF CONGRESS REGARDING BORDER AGREEMENT WITH MARYLAND AND VIRGINIA.

It is the sense of Congress that the State of Maryland, the Commonwealth of Virginia, and the District of Columbia should promptly enter into a border agreement to facilitate the timely and safe placement of children in the District of Columbia's welfare system in foster and kinship homes and other facilities in Maryland and Virginia.

SEC. 8. SENSE OF THE SENATE REGARDING THE USE OF COURT APPOINTED SPECIAL ADVOCATES.

It is the sense of the Senate that the chief judge of the Superior Court and the presiding judge of the Family Division should take all steps necessary to encourage, support, and improve the use of Court Appointed Special Advocates (CASA) in family court actions or proceedings.

SEC. 9. INTERIM REPORTS.

Not later than 12 months after the date of enactment of this Act, the chief judge of the Superior Court and the presiding judge of the Family Court—

(1) in consultation with the General Services Administration, shall submit to Congress a feasibility study for the construction of appropriate permanent courts and facilities for the Family Court; and

(2) shall submit to Congress an analysis of the success of the use of magistrate judges under the expedited appointment procedures established under section 6(d) in reducing the number of pending actions and proceedings within the jurisdiction of the Family Court (as described in section 11–902(d), District of Columbia).

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Courts of the District of Columbia and the District of Columbia such sums as may be necessary to carry out the amendments made by this Act.

SEC. 11. EFFECTIVE DATE.

The amendments made by this Act shall take effect upon the initial appropriation of funds specifically designated by Federal law for purposes of carrying out this Act.

AMENDMENT NO. 2610

Mr. DASCHLE. Mr. President, Senators LIEBERMAN and THOMPSON have an amendment at the desk, and I ask for its consideration; that the amendment be agreed to, the motion to reconsider be laid upon the table, that the committee substitute, as amended, be agreed to, the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table, with no further intervening action or debate, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2610) was agreed to.

(The amendment is printed in today's RECORD under "Amendments Submitted and Proposed.")

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (H.R. 2657), as amended, was passed.

Mr. DEWINE. Mr. President, I rise today to thank my colleagues for supporting and passing the "District of Columbia Family Court Act of 2001," which my friend and colleague, Senator LANDRIEU, and I introduced earlier this summer. Our bill is aimed at guiding the District, as the Superior Court strives to reform its role in the child welfare system through its creation of a Family Court. This is a good bill, an important bill. It will have a significant impact on children and families throughout the District of Columbia.

Just last week, by passing the fiscal year 2002 District of Columbia Appropriations bill, the Senate took a major step toward fundamentally changing the direction of what we are doing in the District regarding its child welfare system. Passage of that bill, while significant, was just the beginning of our work, not the end. As Chair and Ranking Member of the District of Columbia Appropriations Subcommittee, Senator LANDRIEU and I made sure that the appropriations bill made a sizeable and sound investment in the District's court system. However, the bill we are passing today, through the creation of a new family court structure, actually outlines the essential, institutional changes necessary to achieve long-term reform and improvement in the District's ability to protect its children.

We need fundamental reforms, because, quite frankly, the District's child welfare system is a mess. This is nothing new. We have seen articles repeatedly in the Washington Post, that paint a very disturbing picture of the kinds of atrocities that children in the District of Columbia court system have faced. For example, a recent Post series outlined multiple mistakes made by the District of Columbia Government by placing children in unsafe homes or institutions. Unfortunately, these same mistakes occur in the child welfare system throughout our country. Here in Washington, though, these mistakes resulted in over 180 deaths of children in foster care since 1993, 40 of whom died as a direct result of government workers' failure to take key preventative actions or because they placed children in unsafe homes or institutions.

Again just last week, the Post ran a story about deficiencies in District's child services. According to this story, "nearly 80 percent of the District's child abuse complaints were not investigated within 30 days and close to two-thirds of foster homes housing city children were unlicensed this year," a study reported. The article continues: "Among the reports' findings, 30 percent of the children under District care were not visited by social workers during their first 8 weeks in foster care. Thirty-seven percent of child neglect complaints were not investigated within 30 days after they came into the city's hotline. Abuse and neglect cases are required to be investigated within a 30-day period."

Stories like this, have been running for years in the District of Columbia. What is happening here in America's capital, is a national tragedy. I realize that no child welfare system is perfect. Each one of us representing our respective States has seen problems in our home States, but what we see in the District of Columbia is an absolute outright scandal.

Since being appointed to the District of Columbia Appropriations Committee, I have made it my personal mission to find financial solutions for the problems facing District of Columbia's foster children. In March, we laid the groundwork for a District of Columbia Family Court Bill that would be bipartisan and effective. In drafting this bill, we have held numerous hearings, met with child welfare advocates from across the District, and had countless meetings with the District of Columbia Superior Court Judges.

The bill we are now passing today includes a number of important reforms that would ensure that the judicial system protects the children of the District. First, it increases the length of judicial terms for judges from 1 year for judges already presiding over the Superior Court to 3 years. New judges appointed to the Superior Court and then assigned to the Family Court will have 5-year terms. This change enables judges to develop an expertise in Family Law.

Second, our bill creates magistrates so that the current backlog of 4,500 permanency cases can be properly and adequately addressed. These magistrates will be distributed among the judges according to a transition plan, which must be submitted to Congress within 90 days of passage of this bill. We want to make sure the court has the flexibility to deal with these important child welfare issues.

Third, the bill provides the resources for an Integrated Judicial Information System, IJIS. This will enable the court to track and properly monitor family cases and will allow all judges and magistrates to have access to the information necessary to make the best decisions about placement and child safety.

Fourth, a reform in the bill that I find extremely important is the One-Judge/One Family provision. This policy will ensure that the same judge, a judge who knows the history of a family and the child, will be making the important permanency decisions. This provision is essential for those hard cases involving abuse and neglect. It ensures consistency. It ensures safety. And, it just makes sense.

Ultimately, our bill will help provide consistency through the One-Judge/One-Family provision. It will help increase safety and security, and it will help instill stability for the children of the District. We need to give the children in the District's welfare system all of these things. It is the right thing to do.

We must never, ever lose sight of our responsibility to the children involved. Their needs and their best interests must always come first. And today, I believe we are putting children first and taking a huge step forward on their behalf.

AUTHORIZING REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of a resolution submitted earlier today by the majority and Republican leaders.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 192) to authorize representation by the Senate Legal Counsel in Judith Lewis v. Rick Perry, et al.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Mr. President, this resolution concerns a civil action commenced in the District Court for Dallas County, Texas. The lawsuit, filed by a pro se plaintiff, names Texas Governor Rick Perry and Senator KAY BAILEY HUTCHISON as defendants. While the allegations in the complaint are not clear, the plaintiff appears to call for the impeachment of the defendants by the Texas state courts because of some unspecified, official action. This resolution authorizes the Senate Legal Counsel to represent Senator HUTCHISON in this suit.

Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 192) was agreed to.

The preamble was agreed to.

(The text of the resolution, with its preamble, is printed in today's RECORD under "Submitted Resolutions.")

MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 2002

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.J. Res. 78, the continuing resolution, just received from the House.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 78) making further continuing appropriations for the fiscal year 2002, and for other purposes.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the joint resolution be read a third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 78) was read the third time and passed.

MEASURE READ THE FIRST TIME—S. 1833

Mr. DASCHLE. Mr. President, I understand that a bill introduced earlier today by Senator COLLINS is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 1833) to amend the Public Health Service Act with respect to qualified organ procurement organizations.

Mr. DASCHLE. Mr. President, I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. The bill will remain at the desk.

ORDER FOR RECORD TO REMAIN OPEN

Mr. DASCHLE. Mr. President, I ask unanimous consent that the RECORD remain open today until 4 p.m. for the introduction of legislation and the submission of statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, DECEMBER 17, 2001

Mr. DASCHLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 12:30 p.m., Monday, December 17; that on Monday, immediately following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business until 1 p.m., with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DASCHLE. For the information of the Senate, as previously announced, no rollcall votes will occur on Monday. The next vote will occur on Tuesday, December 18, at 11 a.m.

ORDER FOR ADJOURNMENT

Mr. DASCHLE. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand adjourned as under the previous order, following the remarks of Senator SESSIONS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. I thank the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

MONEY SPENT UNWISELY

Mr. SESSIONS. Mr. President, one thing we need to do a better job of in this Congress—and we do have oversight and appropriations authority for all moneys that are expended—is to make sure that those moneys have been spent wisely, efficiently, and that the taxpayers' interests are protected with the same degree of fidelity that homeowners and families protect theirs, as small business people protect theirs. We don't always do that. We spend such big sums of money that sometimes we think small matters are not that significant.

I had the responsibility a few years ago as Attorney General of Alabama to take over an office that was financially out of control. We had a huge debt facing the office the year I took office. We had to reduce personnel, substantially cut back on all kinds of things, and to reorganize the office. When it was over, even though we had lost some good people—no career people, thank goodness, but almost a third of the office, those who were political appointees; that office has never gotten close to the same number of people that it had—what we found was that working together we actually improved productivity. We did a great job. The people worked hard. They reorganized. They had a new vision.

We have a false impression that money is the only thing that answers a problem around here. Always the answer is, just give it more money. And we in Congress say: We did what we could; that is somebody else's problem.

I have initiated a program I call "Integrity Watch." It is a program in which I take time periodically to analyze bad fiscal management expenditure practices in our Government and to highlight those. The one today I take no real pleasure in. It was a sad, confusing story, but it is appropriate for the taxpayers to know the final outcome, to see what has happened, to be aware of how much it has cost us in expenditures.

Many people remember the decision by General Shinseki, Chief of Staff of the Army, to change the berets to give everybody a black beret. He set a deadline of this year, only a few months away from that date, and he had to find a whole lot of berets in a hurry. Under the Berry amendment, the Federal law requires that all clothing items be manufactured within the United States except in times of armed conflict.

What happened with the deadline that was given was, the Defense Logistics Agency, that had been delegated the authority way down the line to grant waivers of the Berry amendment, found itself in a position where they did not have sufficient American manufacturers to meet that deadline. And so based on this artificial goal by the Chief of Staff of the Army, General Shinseki, they set about to get the berets wherever they could. They issued waivers and started getting berets from all over.

They got 925,000 of them made from China, by the Communist government. Other countries were called on and agreed to manufacture in this rushed process. When that all became public and there were complaints about the beret decision to begin with and all these factors came up, there was quite an uproar. The result was that the military admitted that they had not complied at least with the spirit of the Berry amendment, that they should not utilize the Chinese-made black berets, worth $6.5 million, and so they stored them. They paid for them. They stored them. So we now have 925,000 black berets valued at $6.5 million not being utilized. Hopefully, some other army in the world might buy them from us, but we are certainly going to take a big hit on that.

Another thing that we learned: Some of this information came about as a result of my request to the General Accounting Office that does audits for the Congress and other agencies to determine how moneys are being spent. We just got this audit back earlier this week. The General Accounting Office report indicates a number of other things that happened.

GAO declared that the military, in order to meet its deadline, chose to shortcut normal contracting procedures. They found, for example, that the defense logistics agency awarded the first set of contracts without competition.

According to the contract documents, all the contract actions were not completed because of "an unusual and compelling urgency." The real urgency was the self-imposed deadline they set.

It also goes on to point out that these rushed up contracts hadn't worked very well. Not only were they being done substantially outside the United States by foreign suppliers in violation of congressional acts, but they weren't being performed well and had to be canceled.

The Denmark military equipment supplier which manufactured black berets in Romania agreed to supply 480,000 berets. Only 90,000 have been supplied, and the military canceled the order for 350,000.

Another one was a Bernard Cap Company, which is manufacturing the berets in South Africa but with Chinese content. They contracted to supply 750,000 berets. The cancellation has now taken place, and 442,000 were canceled.

A third contract was with Northwest Woolen Mills to have the berets manufactured in India. The number purchased was 342,000; the number delivered was 56,000; the quantity canceled was 235,000.

Every time the military has to go through a cancellation of a contract, it costs us money. We all know that. That was bad management. A lot of things happened that I think were not good. I am, however, quick to say that the Assistant Deputy Secretary of Defense, Paul Wolfowitz, early on had a study and review done of the compliance with the Berry amendment. And what they concluded was that he would direct an order, throughout the Defense Department, requiring compliance with the Berry amendment, directing that any waiver authority could not be delegated below the Under Secretary of Defense for Acquisition. That is what the problem was in this case.

It required that no waivers be granted without a full analysis of the alternative because it is easy to say there is no supplier in the United States. But had the Defense Department really searched it out to make sure that is true? Had they considered other possibilities? He directed that it be done. He achieved revisions throughout the acquisition regulations which govern our military forces as they make acquisitions. There are complex regulations and he revised them to make sure there would be no further violations of the Berry amendment. In the course of all this, he uncovered at least three cases in which the Berry amendment had apparently been violated. No one had even raised it, and no analysis or waiver had been done. They just went on and purchased military apparel outside the U.S. without any kind of waiver authority.

Now, the Chief of Staff of the Army came under a lot of criticism, and I think he told the truth. He was frank when he discussed why he did what he did and why he believed it was important. I think he made a mistake. He did not argue with people about it. He explained why he did what he did, and he believe he was justified. So I hope that is a learning experience there.

It is not enough that we just complain about waste, fraud, and abuse. My little program, called Integrity Watch, is designed to ask in some detail how can we make it better. Do we need legislation to be passed? Do we need regulations to be changed? Do we need to cut off funding? What do we need to do to improve a situation? In this case, I would say the Berry amendment is adequate. It does the task. What the problem was a cavalier attitude about how it should be administered. I also think there was an unnecessary rush to produce the berets, and it cost us a considerable amount of money, a $26 million total contract price. So I believe the actions of the Defense Department in reinvigorating and highlighting the need to enforce the Berry amendment, to raise up the level of the personnel of the Defense Logistics Agency before anybody can grant a waiver, will probably solve that.

So I don't think legislation is needed. I am certainly not of the view that we need to pass legislation to direct how the Chief of Staff of the Army decides emergency matters. I hope through this experience, however, that he will have learned a lesson, and those who work with him will have learned a lesson, that sometimes it is better to go slow, not to set deadlines and goals that are too fast because the costs can be paid by the taxpayer and you can end up with problems such as we had in this case. You can end up with a situation where a nation is supplying berets that we don't intend to use. You can end up with a situation where contracts, because they were rushed, got canceled and where it cost more money and ended up delaying distribution of the berets.

I think this is worth highlighting. I appreciate the GAO for doing an objective and fair analysis of the situation. It was not a bright day for the Department of Defense. In fact, it was a clear error—a kind of problem that should not have occurred. But it did occur. I believe we have all learned from it and, hopefully, in the future, this will be avoided as we go forward with the additional procurement we will be facing to make sure the men and women in uniform have the equipment, clothing, and resources they need to do the important jobs with which they are challenged.

I thank the Chair and yield the floor.

ADJOURNMENT UNTIL 12:30 P.M., MONDAY, DECEMBER 17, 2001

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 12:30 p.m. on Monday, December 17.

Thereupon, the Senate, at 3:14 p.m., adjourned until Monday, December 17, 2001, at 12:30 p.m.

EXTENSIONS OF REMARKS

PAYING TRIBUTE TO INGRID BOGGESS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I would like to take this opportunity and pay tribute to the life and memory of Ingrid Boggess who recently passed away in Pueblo, Colorado on December 3, 2001. Ingrid was fighting pancreatic cancer, and as we mourn her loss, I would like to recognize the dedication displayed and contributions made by Ingrid to her community.

Ingrid was born in Czechoslovakia and dreamed of coming to the United States early in life. While living in Germany, she learned English and worked as a translator for the German government in the late 1950's. Her dream was realized when Ingrid became a naturalized citizen in 1964 and moved to the community of Pueblo. Ingrid soon found work, married her husband Jack, and dedicated her free time and energy to the community. Among her interests were promoting education, public health, and the arts.

Ingrid was a member of and served as President of the Pueblo Symphony and the Symphony Guild. Her commitment to helping others was evident in her service to the National Assistance League, Assistance League of Pueblo, Parkview Hospital Foundation Board and the Pueblo Community College Foundation. She also dedicated her time and efforts to the preservation of our history and arts through the Pueblo County Historical Society, the Rosemount Museum Auxiliary, and the Sangre de Cristo Arts and Conference Center.

Mr. Speaker, I have mentioned just a few of Ingrid's many contributions to the community of Pueblo. She was a dedicated servant who dreamed of coming to this nation and living the American dream. She not only lived that dream but dedicated her life to helping others reach their aspirations. Her husband, two children survive her. My heart and my condolences go out to Ingrid's family and friends during this time of loss and healing.

TRIBUTE TO SAND FORK ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Sand Fork Elementary in recognition of their achievement as an "exemplary" school.

Sand Fork Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Sand Fork Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Sand Fork Elementary.

DENOUNCE TERROR IN ANY FORM

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. SCHAKOWSKY. Mr. Speaker, I rise today to condemn terrorism in all forms. We continue to be shocked and saddened by the September 11 attacks, and the gruesome attacks that have been taking place in Israel this month. Wednesday night, at least 10 Israelis were killed and more than 30 were injured during a roadside bombing and shooting attack against a bus. It was among the bloodiest incidents in nearly 15 months of violence in the Middle East. If there is going to be hope for peace in the region, these acts of hate and terror must stop. Israel cannot be expected to negotiate with those that allow for such atrocities to occur.

I was also angered and saddened yesterday to learn that two leaders of the Jewish Defense League were assembling bombs to use in planned attacks against one of L.A.'s largest mosques and the local offices of a House member (Mr. ISSA).

The two men, Irving David Rubin and Earl Leslie Krugel, have been charged with conspiracy to manufacture and detonate bombs targeting Arab and Muslim buildings in the Los Angeles area, as well as the San Clemente offices the gentleman from California (Mr. ISSA).

As a Jewish Member of Congress, I was particularly outraged by the news of those vicious plans. I want all of my colleagues and the entire American public to know that those individuals are seen by Jews as any other terrorist would be seen. They have no right to attempt to carry out murder in the name of religion and they do not represent the values or the beliefs of the Jewish community.

Now, more than any time, it is important for this nation to embrace its diversity and for all of us to denounce discrimination, terror, and hate in any form.

CHRIS PIENING, A BUILDER OF TRANS-ATLANTIC RELATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GILMAN. Mr. Speaker, it is with regret that we report that last weekend our friend Chris Piening died after a long struggle with amyloidosis.

Chris worked for years as the staff engine, behind the European side of what is not called the Transatlantic Legislative Dialogue—the interparliamentary dialogue between the United States Congress and the European Parliament. That dialogue just had its 53d meeting, and is a critical part of the bourgeoning interaction between the two largest economic and political entities in the Western world.

Chris was born in New York in 1945: he was an exceptional human being. His good humor, capacity for hard work, and diplomatic skills were regularly tested but never found lacking. He always exhibited an extraordinary zest for life that touched all those he came in contact with.

Chris was a scholar as well as a legislative official. During a leave at the University of Washington he wrote Global Europe: the European Union in World Affairs (Lynne Rienner: Boulder, Co., 1997), considered an authoritative account of the EU's actions abroad. He worked in recent years as the head of the European Parliament's information office in London.

Mr. Speaker, on our own behalf, and on behalf of the Members, former Members, and staff associated with the Congress-EP exchange, we extend our condolences to Chris's wife, Marion, his children, Jenny and Claude, and his colleagues and friends at the European Parliament.

For the information of our colleagues, we set out below a tribute relating to Chris's life and work issued by the Secretary General of the European Parliament.

STRASBOURG,
December 12, 2001.

NOTICE TO STAFF

DEAR COLLEAGUES: It is with the deepest sadness that I have to inform you of the death of our colleague, Chris Piening, who died in London last Saturday, December 8, aged 56 after a long and painful illness. Chris leaves his wife, Marion, and two children, Jenny and Claude.

He began work in the Parliament on May 1, 1973 as a Translator in Luxembourg, becoming an official the following year. He was appointed Administrator in June 1979, Principal Administrator in December 1983 and became Head of Division in 1989. In 1985 he was

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

assigned to Brussels where he worked for DG II, DG III and then the President's Cabinet. In February 1999 he was appointed Head of our London Information Office.

Chris leaves an indelible impression on his very many friends amongst Members and staff. A convinced European from the first hour, he was a fine public servant with strong convictions. Demanding of others, he gave of himself. Always dedicated to his work, he inspired loyalty and affection in his colleagues, even though his habit of asking difficult questions would sometimes put his hierarchy in a spin.

But it is as a great and loyal friend that we remember him: his love of life, his kindness, his enthusiasm for everything from skiing to books or to good-natured gossip over a good meal. To this list of qualities, and to his wonderful sense of humour, I must add his extraordinary courage and fortitude, particularly over the last two years. I saw him a week before he died, frail but still with his ineradicable sense of humour and bravery.

We will all miss him deeply.

JULIAN PRIESTLEY,
Secretary General.

PAYING TRIBUTE TO VINCE BAKER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I would like to take this opportunity to pay tribute to an icon of the Pueblo, Colorado community. Vince Baker recently passed away at the age of 88, and as his family mourns his loss, I think it is appropriate to remember Vince and pay tribute to him for his contributions to his community.

Vince owned and operated Vince Baker Motors, a car dealership located in Pueblo. He went on to become President of Modern Trailer Sales, Director of Western Acceptance Corporation, and managed a regional General Motors distributorship. Vince's success was evident in the creation of over 30 automobile agencies in Colorado and New Mexico.

Vince's true love was working and interacting with people. This became clear later in his life when Vince served as a motivational speaker and a writer. His communication skills served as motivational tools for others that were widely used throughout the automobile industry. In addition, Vince was a contributing writer for a motor magazine for over eight years.

Mr. Speaker, it is with profound sadness that we remember Vince Baker. He was known for his kind heart and a gentle demeanor he displayed throughout his life. Vince Baker will be remembered and missed not only by his family but also by a grateful community.

IN SUPPORT OF EDUCATION TAX CREDITS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. SCHAFFER. Mr. Speaker, I rise today to express my excitement for the next phase of education reform which will empower parents to make the best educational choices for their children. The bill before us today, the "No Child Left Behind Act," will offer some small measure of parental options in the form of supplemental services for after-school tutoring and other educational resources. These reforms are an important step toward educational choice, but the real victory for American schoolchildren will be found in the Administration's next education reform initiative—education tax credits.

Shortly after President Bush took office in January of this year, he announced an innovative plan to offer children in failing schools the option of attending a private school of their choice. The proposal would have implemented much needed competition into our education system today and would have benefited all schoolchildren, public and private alike. Unfortunately, the President's proposal is not a part of the bill before us today. I am pleased to report, however, the President has indicated his full support and leadership for parental choice through tax credits in the next session of the 107th Congress.

In the remainder of my time, I'd like to discuss some of the promising benefits and opportunities afforded children through education tax credit legislation.

As you know, Mr. Speaker, the current tax system financially penalizes parents who send their children to schools other than the government-owned schools assigned to their children. A tax credit for educational expenses would allow parents to redirect their own money to pay expenses at a school that best meets the needs of their child.

Parents across the country are becoming increasingly concerned about their children's education. More than $125 billion in federal funds have been directed toward K–12 education programs over the past 25 years, but these increases in financial investment have not been accompanied by similar gains in student achievement. American children languish far behind their international peers in math and science; the racial achievement gap on test scores is widening; and test scores on the nation's report card (the National Assessment of Educational Progress) have remained largely stagnant over the past 20 years.

Any business that received such poor profit margins in return for such large financial investments would be forced to close its doors, yet the federal government continues to funnel billions of American taxpayer dollars annually toward the government's education monopoly.

Additional money, resources and programs—with all of the attached federal regulations and mandates—will not solve the nation's education crisis. These methods have been tested and tried without positive results. Fundamental changes to the structure of our education system are needed and this can only happen by relying on the power of free markets by empowering parents with the ability to select the best school options for their children, whether it is a government-owned, private or home school.

Education tax credits are emerging as one of the most effective vehicles to encourage parental choice in education around the country. To date, six states have enacted some form of tax credit for elementary and secondary educational expenses—Arizona, Minnesota, Iowa, Illinois, Florida and Pennsylvania. A tax credit at the federal level would enable families to save on their federal income taxes, which are typically much higher than state income taxes. Nine states do not have a state income tax, therefore, a federal tax credit is their only option to receive educational assistance in this form. Moreover, federal education tax credits can provide a massive cash infusion toward a competitive, free-market education system in America.

Mr. Speaker, there are many different kinds of tax credits, including credits for educational expenses incurred by families and credits for individual and corporate donations to educational scholarship foundations. The details of the President's legislation are forthcoming, but I think if we look to the example of education tax credits in the states, we will observe the exciting educational opportunities for children. In Arizona, for example, the state legislature passed a $500 tax credit for donations to scholarship foundations. The law has been effective since 1997, and since that time the number of scholarship organizations has grown from 2 to 34. Nearly $14 million was raised during that time through the donations of 30,000 taxpayers. Arizona's tax credit could potentially raise $75 million in scholarships annually, according to some estimates.

Another indication of the promise of tax credits is the overwhelming public support for such opportunities. A recent poll by McLaughlin and Associates, however, shows broad based support for education tax credits that cuts across party lines, ideologies, income levels, age and race. The poll found that seven out of 10 likely voters support providing $2,000 tax credits per child for all educational expenses, including tuition. Self-described liberals gave a 70 percent approval rating for the concept. African-Americans and households earning under $40,000 a year also show very high numbers of support (76.5 percent and 75 percent, respectively).

The corporate tax credit concept for donations to scholarship foundations or local schools had widespread approval ratings in the poll, as well. Nearly three in four Americans surveyed supported the idea, with more than 78 percent approval among blacks and 80 percent approval among Hispanics.

Education tax credit programs have withstood challenges in court, as well. Six consecutive court challenges have gone in favor of tax credit legislation. The courts have found that tax credits merely allow families to keep a greater portion of their own private money and do not involve the transfer of public funds to schools or individuals.

Finally, Mr. Speaker, education tax credits bypass the potential threat of government meddling. Many private school administrators are afraid to accept government assistance due to the threat of greater government regulation that would compromise the autonomy and integrity of the school. Vouchers are particularly susceptible to government regulation. In Milwaukee, for example, schools involved in the district's voucher program are required to permit students to "opt-out" of religious activities—in effect, watering down the curriculum of the schools. Education tax credits, however, are more insulated from government regulation than vouchers because tax credits involve private money and do not constitute "public" spending.

Thank you, Mr. Speaker, for giving me this time to discuss the future of education reform in America. We have all seen the effects of a government monopoly on our education system, and it isn't good. The absence of competition only benefits bureaucrats, not children. The time has come to give parents the option of sending their children to the schools of their choice, and I look forward to working with the President to successfully passing education tax credit legislation in the coming year.

R. LAWRENCE COUGHLIN, JR.

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. COYNE. Mr. Speaker, I rise today to join in this special order honoring our former colleague, R. Lawrence Coughlin. I want to thank Mr. GEKAS for organizing this special order.

Larry Cougiin represented a suburban Philadelphia district in the House of Representatives for 24 years. He was a gracious gentleman who represented his constituents with integrity and wisdom.

Mr. Coughlin had a remarkable background. Raised on a farm in Pennsylvania, he earned a degree in economics from Yale and an MBA from Harvard. He subsequently attended night school at Temple University to get his law degree while working during the day as a foreman in a steel plant. His academic accomplishments speak to his energy and ability.

Mr. Couglin was also a dedicated public servant. He served in the Marines in Korea during the Korean war as an aide-de-camp to legendary Marine Lt. General Lewis B. "Chesty" Puller. He served ably in the Pennsylvania House of Representatives and Senate before running for—and winning—a seat in Congress in 1968.

During his 12 terms in Congress, Representative Coughlin served on the House Judiciary Committee, the House Appropriations Committee, and the House Select Committee on Narcotics Abuse and Control. He was particularly active in working to increase federal housing and transportation assistance to our nation's cities. Mr. Coughlin understood that even affluent suburbs like the ones he represented depend upon central cities for their continued economic well-being. Our Nation is healthier and more prosperous as a result of his service in Congress.

Larry Couglin was always a quite, upbeat, courteous man. It was an honor and a pleasure to serve in the House of Representatives with him. I join my colleagues in mourning his passing.

DIETARY SUPPLEMENT TAX FAIRNESS ACT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. PALLONE. Mr. Speaker, I was pleased yesterday to be joining my colleague from Indiana, Mr. BURTON, in introducing this important legislation that will help shift the focus of our healthcare system to wellness and disease prevention. This legislation is the House companion to the Harkin-Hatch Senate bill, S. 1330.

Mr. Speaker, I have always been supportive of dietary supplements and the potential and promise they bring to our healthcare. I always participate in actively leading the effort for progressive reforms, like we did with the Dietary Supplement Health and Education Act of 1994 (DSHEA). The prime significance of this simple legislation is that the Internal Revenue Code will be modified in order to allow health insurers to create benefits that would provide some coverage for dietary supplements for insurance beneficiaries. Health insurers will not be required to provide coverage under this legislation. However, they will be now in a position to do it in a way that will provide the tax benefits to both the consumer and the insurer.

Unfortunately, the Internal Revenue Code is not consumer friendly when it comes to health wellness and prevention. And if we are ever going to take meaningful roads to promote good health, wellness, and disease prevention, the Tax Code needs to be examined and reformed. This legislation is enormously popular with consumers who continually ask their insurance companies to offer some coverage for these healthcare products. Without passage of this legislation, they will not be able to obtain this type of insurance and healthcare benefit.

The low up-front cost of this coverage and the potential long-term savings they offer by assisting our country in staying healthy longer will indeed be a meaningful step to lowering and stabilizing our health care costs. This bipartisan legislation is an important part of realizing the requests of millions of Americans who want to enhance their healthcare. I look forward to working with my colleague for prompt and swift passage of this legislation.

PAYING TRIBUTE TO PAUL LINDSTROM

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I would like to take this opportunity and pay respect to the life and memory of Paul Lindstrom who recently passed away in Grand Junction, Colorado on November 21, 2001. Paul will always be remembered as a dedicated friend and leader to several Colorado communities. His passing is a great loss for those who knew Paul and relied on him for his strength and good nature in times of hardship and prosperity.

Paul graduated from Centennial High School in Pueblo, CO in 1934. Dreaming of flying his entire life, he moved to the West Coast to become a pilot. With his license and flight experience in hand, Paul returned to Parachute, Colorado and entered into the flying profession. Upon completing his instructor's license, Paul took his first job with Feeney Flying School at Pueblo Airport. This began a long flying career for Paul that eventually led to training aviation cadets for World War II, flying private charters, crop dusting, and even uranium prospecting in Wyoming.

Later in life, Paul went on a different career path becoming a dude rancher in New Castle, Colorado, where he developed a popular campground for the KOA chain. His service in the guest industry gave Paul much gratification in his life. He loved to work and mingle with people, and was always known as a friend to everyone. To his family, he was known as a kind and caring patriarch who is survived by wife Bertha, three children, five grandchildren, nine step grandchildren, and six great-grandchildren.

Mr. Speaker, Paul Lindstrom passed away in Grand Junction after a long struggle with an illness. Yet despite his battle, Paul was able to live his dream of flying and raised a large and loving family. He will be missed by the many he touched with his sense of humor and positive attitude. I extend my condolences to Paul Lindstrom's family, friends, and the communities he blessed in the State of Colorado.

TRIBUTE TO NORMANTOWN ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Normantown Elementary in recognition of their achievement as an "exemplary" school.

Normantown Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Normantown Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Normantown Elementary.

QUENTIN YOUNG: "THE CONSCIENCE FOR THE COUNTRY"

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. SCHAKOWSKY. Mr. Speaker, some of my colleagues have had the privilege of getting to know Dr. Quentin Young, a revered Chicago institution known for his unremitting commitment to health care, economic and social justice. Some of us know him because of his dedication to universal health care, under the banner he coined of "Everybody in, nobody out." Some of us know him because of his leadership in protecting public health. Some of us know him because of his dedication to ending discrimination and bigotry. I also known him because he is a trusted friend and my personal physician.

Dr. Young brought his years of activism, dedication, and enthusiasm to the House last spring, when he testified at the inaugural meeting of the House Universal Health Care Task Force. I share his lifelong goal of universal health care for all and agree that he is the "conscience of the country" on this issue.

Dr. Young's remarkable spirit and career are described in a December 9, 2001 article in the Chicago Tribune. It is entitled "The Patient Doctor," and chronicles the story of a remarkable individual who fights every day to improve people's lives and our nation, and I urge my colleagues to read the entire article, but I want to provide a brief sampling of Dr. Young's extraordinary.

Young was barely launched on his medical center in the early 1950s when he became a leading advocate—and one of the few whites—in the fight to end the discriminatory attitudes and practices at Chicago-area hospitals that led to minority physicians' being denied practice privileges at all but Cook County Hospital. In 1964, he co-founded the Medical Committee for Human Rights, a group of progressive physicians who provided medical care at civil rights marches and sit-ins and riots.

That role earned Young a prestigious position in the civil rights movement: He was Martin Luther King Jr.'s doctor when King lived in Chicago in 1966. His committee affiliation also got Young subpoenaed to appear before the House Un-American Activities Committee in October 1968 to answer questions about his and the medical committee's role during the riots at the Democratic National Convention in Chicago that year—an experience friends say was a high point of Young's career because he believed he got the best of verbal sparring with committee members.

Young and the late Dr. Jorge Prieto, former head of the Chicago Board of Health, were the primary forces behind the movement to establish neighborhood medical clinics in the late '60s. Their work led to the current network of 32 medical clinics throughout Cook County that will support the new $500 million Cook County Hospital.

Even now, nearing his 80th year, Young cannot keep still. "I am impulsively an advocate," he says.

In addition to running an internal medicine practice in his native Hyde Park—as he has done since 1952—the indefatigable doctor is medical commentator for National Public Radio on WBEZ-FM and helps direct two organizations he founded to advocate for national health care (often referred to by critics as socialized medicine): Physicians for a National Health Program and the Health and Medicine Policy Research Group.

Last summer, he and other health-care activists marched for 15 days across 137 miles of northern Illinois to drum up political support for the Bernardin Amendment to the state constitution. Named for the late Cardinal Joseph Bernardin, who supported universal health care, the proposed amendment would guarantee health insurance for every Illinois resident.

Despite the long odds against any national health-care reform in a closely divided Congress, Young is optimistic about national health insurance being enacted, even after the war on terrorism put many domestic issues on the back burner. "I think very emphatically that the complications of Sept. 11 create a much more urgent need for national health insurance," he says. "Our current system is imploding. Even with our straitened circumstances economically, because of the incredible administrative waste in the present system, there's still enough money there to take care of everybody."

Of course, being at the forefront of divisive social and political issues can be risky, as Young learned in 1954 when as a young doctor he took a stand on an issue that cost him his job.

On Jan. 17, 1954, 15-month-old Laura Lingo was severely scalded when a vaporizer full of melted menthol oil overturned on top of her in her South Side home. The toddler's mother, Irene, rushed her to nearby Woodlawn Hospital, which no longer exists. Irene Lingo had little money and no hospital insurance.

After initial emergency treatment, officials at Woodlawn decided not to admit the baby because of the mother's inability to pay and sent them to Cook County Hospital. The baby died there the next day.

A coroner's inquest found Woodlawn Hospital negligent in the baby's death. Young, an attending physician at Woodlawn, was among several Chicago doctors who signed a letter published in one of the daily papers condemning the practice of hospitals' sending poor patients to Cook County. Not long after the letter was printed, Woodlawn revoked Young's privileges, putting the young physician and father out of work.

Neither that nor any other setback has slowed Young down. He has been doing his advocacy work, seeing patients in his Hyde Park office and getting his various messages out through press conferences, newspaper op-ed pieces and, until recently, his weekly radio show "Public Affairs" on WBEZ. The war on terrorism has given him new spins on his causes, such as the recent anthrax-by-mail cases, which he says underscored the need to correct serious shortcomings in the public-health system.

"We can end huge threats to human existence," says Young, a former president of the American Public Health Association, noting that public-health campaigns were able to defeat smallpox, polio and flu. "And we can help with our current problem if we make our public health infrastructure really muscular, by training more epidemiologists and computerizing our 3,000 county, city and state public health organizations."

Right or not, he will always be doing something, friends say. Dr. Ida Hellander, executive director of Physicians for a National Health Program who has worked with Young for 10 years, took a sabbatical last summer to rest and study photography in Montana. Just before leaving, she turned to her boss and mentor and asked him, partly out of frustration: "Quentin, don't you ever think about what it'd be like to live like regular people—not be so aware of all the social injustice, all the suffering, all the great struggles?"

Young didn't miss a beat: "Yes, Ida," he responded. "I call it death."

LETTER TO SECRETARY OF DEFENSE

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. SCHAFFER. Mr. Speaker, I respectfully submit the following correspondence for the RECORD.

DEAR SECRETARY RUMSFELD: We must consider the likelihood China is preparing a sneak attack upon the United States. The flashpoint will be Taiwan. Holding immense strategic value for the United States and Japan, as well as China, the stakes will involve more than Taiwan's 23 million people who have achieved a democratic form of government and freedom. They will involve the leadership and security of the United States.

Contrary to the belief of many analysts who think in terms of a Cold War balance of power and who would view China as a threat only as it increases its military power to a level equal to the United States, China's strategic military planning distinctly calls for seizing the initiative when facing a superior opponent such as the United States, taking advantage of special circumstances.

China plans to take full advantage of a surprise attack like the Japanese attack at Pearl Harbor. Its strategy is to conduct lightning warfare, or blitzkrieg, using ballistic missiles and information warfare to seize the initiative, letting the momentum of its attacks overwhelm its opponent. Surprise imparts immense tactical advantages, and its value should not be discounted. For six months after Pearl Harbor the Japanese ruled the Pacific.

China's ballistic missiles, which have achieved an accuracy within 50 meters, give it, contrary to a number of views, the ability to launch a surgical strike deep behind lines, attacking radar, communications, intelligence, and air and naval bases with a high degree of precision and confidence. U.S. ballistic missile defenses are non-existent except for the short-range Patriot.

China's information warfare capabilities, including capabilities against satellites or ASAT, will enable it to conduct strikes against U.S. satellites, communications, and computer networks. Its attacks on satellites may use a variety of weapons, ranging from high explosive and nuclear-generated electromagnetic pulse, to parasitic satellites, high-energy lasers and jamming and cyberwarfare against ground communication links.

China's strategy calls for dismantling the U.S. Revolution in Military Affairs, which relies heavily on satellites for intelligence, communications, navigation, and weather forecasting. China's ASAT could disable the effectiveness of U.S. forces in a sudden blow. This blow would go beyond immediate repair as satellites take years to build and launch into space.

In January 2001 the Rumsfeld Space Commission noted that, "U.S. Satellites are vulnerable to attacks in space and the government must step up efforts to protect them and the critical services they provide." In February 2001 CIA Director George Tenet noted, "Our adversaries well understand U.S. strategic dependence on access to space. Operations to disrupt, degrade, or defeat U.S. space assets will be attractive options for those seeking to counter U.S. strategic military superiority."

The CIA Director added, "China is developing ground-based laser weapons and electronic pulse weapons that can blind or destroy U.S. satellites." In July 2000 the Chinese news agency Xinhua noted, "For countries that could never win a war by using the methods of tanks and planes, attacking the U.S. space system may be an irresistible and most tempting choice." This irresistible and tempting choice would prove highly effective against U.S. forces, as verified in the U.S. Space War Games held in Colorado Springs in January 2001.

In March 2001 Air Force General Ralph Eberhart, then head of the U.S. Space Command and promoted to Chairman of the Joint Chiefs of Staff, noted China is developing cyber-warfare capabilities that could put at risk the computer networks U.S. military forces increasingly rely on. His observation as Space Commander, in charge of the U.S. information warfare program, is especially pertinent.

China's strategy of nuclear deterrence plans to seize the initiative with inferior forces, believing that the threat of nuclear retaliation upon just a small number of U.S. cities will be sufficient to ensure deterrence, and prevent the United States from deep involvement with Taiwan. As recorded by Bill Gertz in his book *Betrayal*, in 1995 PLA General Xiong Guangkai told Charles Freeman, a former Assistant Secretary of Defense, that "In the end, you care a lot more about Los Angeles than you do about Taipei."

China'a war planning will take advantage of its strategic alliance with Saddam Hussein. With Saddam as an ally, China will be able to threaten the flow of oil from the Middle East, and threaten Israel. Iraqi troops have infiltrated into Jordan. To further threaten the flow of oil from the Middle East, China has formed alliances with Pakistan and Myanmar, providing itself with access to the strategic strait of Malacca, connecting the Persian Gulf to the Far East.

China is preparing for direct military confrontation with the United States on its own terms. It plans to take advantage of the element of surprise, seeking to attack U.S. satellites, intelligence, communications, and forces in a sudden blow of lightning warfare, seizing the initiative. The effectiveness of China's strategy will be heightened by the lack of U.S. ballistic missile defense and China's corresponding buildup of ballistic missiles of all types—short, intermediate and long-range.

The United States needs to ask itself if it is ready for China's attack especially in a simultaneous confrontation with Saddam Hussein. We must prepare accordingly. Urgency is required.

Very truly yours,
BOB SCHAFFER,
Member of Congress from Colorado.

PAYING TRIBUTE TO RUSSELL VIELE

HON. SCOTT McINNIS

OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute and recognize Russell Viele of Rifle, Colorado and thank him for his contributions to this nation. Russell began his service in the military in the 1950's, and served as a Marine in the Korean War. Upon his discharge, Russell had accumulated over eight years of service to the Marine Corps.

Russell joined the Marines on July 1, 1952 and attended basic training in San Diego. Following graduation, he went on to mechanical school in Camp Lejeune, North Carolina. As a mechanical student, Russell graduated at the head of his class and was assigned back to California. It was from there that Russell left for the Korean War where he was assigned to a motor pool in Japan.

Russell's duty, while in the motor pool, was to maintain the large five-ton trucks that were crucial to troop and ration supply for combat units in the theater. He was stationed there for fourteen months, promoted three times, and left the country at the end of the war as a Sergeant. He finished his tour with the Marines in the Mohave Desert of California. Russell now makes his home in Rifle, Colorado.

Mr. Speaker, it is a great privilege to recognize and pay tribute to Russell Viele for his service to his country during the Korean War. He served selflessly in a time of great need, bringing credit to himself and this nation. Paul Russell is one reason that our country enjoys the freedom that we hold so high today.

RETIREMENT OPPORTUNITY EXPANSION ACT OF 2001

HON. WILLIAM J. COYNE

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 13, 2001

Mr. COYNE. Mr. Speaker, today I am introducing legislation, the "Retirement Opportunity Expansion Act of 2001," that would increase pension participation for workers without pensions, low-wage workers, and women. Joining me in this effort are Congressman CHARLES B. RANGEL, the ranking member of the Committee on Ways and Means, and Congressman ROBERT T. MATSUI, the ranking member of the Social Security Subcommittee.

Earlier this year the House passed H.R. 10, "The Comprehensive Retirement Security and Pension Reform Act." I saw that bill as a beginning, a first step, to improve retirement opportunities for workers in this country. But, at that time, I emphasized the need to do more to address the many gaps and shortfalls in pension coverage.

In March 1999, the Oversight Committee of the Committee on Ways and Means held hearings on pension issues. At those hearings, Teresa Heinz, in her capacity as Chairman of the Heinz Foundation Philanthropies, testified that nearly 40 percent of women are dependent on Social Security for almost all of their retirement income because they have fewer opportunities to participate in the retirement plans provided by employers. This is but one aspect of the problems facing our country as the baby-boom generation begins to retire and younger workers lack adequate pension coverage.

I believe that steps must be taken to help employees to fund their retirement accounts, to assist small business owners to start and maintain pension plans for themselves and their employees, and to provide women with improved retirement income protections. To that end, I have included in this bill a refundable tax credit that is substantially the same as that provided for in the Democratic substitute which was introduced by Mr. NEAL in the 106th Congress.

Recently I ask the General Accounting Office (GAO) to look at the extent of pension coverage among American workers and the likely effects of increasing contribution limits in defined contribution plans, the type of pension plan that covers most pension participants. GAO identified what I believe to be disturbing trends in the degree of pension participation among lower-income and women workers. For instance, while 47 percent of all workers participate in some type of a pension plan, only 38 percent of workers earning less than $40,000 per year participate in a pension plan. Fully 70 percent of workers earning between $40,000 and $74,999 participate in a plan. GAO also revealed that 56 percent of female workers do not participate in a pension plan.

The disparities in coverage are even greater when looking at defined contribution plans. In a defined contribution plan, the employee may provide all or a portion of the funds and decide how to invest the money. There is no guaranteed benefit amount or formula as there are in traditional defined benefit plans. Of all workers who earned less than $40,000 per year, 28 percent participated in defined contribution plans. Only 32 percent of all female workers participated in defined contribution plans. Further, GAO found that only 8% of all defined contribution plan participants would likely benefit directly from increases in statutory contribution limits. Thus, it is clear that changes in contribution limits will do little directly to promote or extend coverage to workers lacking pension coverage.

Clearly greater effort is needed to encourage and facilitate pension participation, especially among lower-income workers and women.

After considering GAO's findings and revisiting the issues raised during our consideration of H.R. 10, I am introducing a pension bill which addresses the following issues: The expansion of pension coverage for workers without pensions; the expansion of coverage for low-wage workers; the improvement of pension coverage for women; and the creation of additional incentives for small businesses to provide pension coverage for employees.

These are the very issues I emphasized in May during our deliberation of H.R. 10.

Because the findings of the GAO and the research of other groups such as the Pension Rights Center and the Women's Institute for a Secure Retirement (WISER) demonstrate that lower-income and female workers are much less likely to be participants in pension plans, I believe we must direct our focus to these workers who often toil at the margins of pension coverage. Specific efforts are needed to help women secure the pension benefits which all manner of their contributions have earned for them.

The Pension Rights Center, a nonprofit consumer rights organization dedicated to promoting retirement income security, has expressed its "strong support" for the Retirement Opportunity Expansion Act of 2001, noting that this legislation would "encourage the creation of new private retirement plans for those lacking such coverage, particularly low and moderate wage earners." WISER, a nonprofit organization that seeks to ensure that poverty among older women will be reduced by improving the opportunities for women to secure retirement benefits, stated that they are "extremely gratified" about the introduction of this bill. They have urged support for the bill in order to "improve the alarming retirement situation for older women . . . where millions of women are retiring into poverty, despite a lifetime of work and caregiving for their families."

Earlier initiatives provided a starting point to improve the pension system we have. It is now time to develop the pension system that we need. I would urge my colleagues to join me in supporting this legislation and ensuring its passage during the 107th Congress.

Mr. Speaker, I am attaching a summary of the provisions of the "Retirement Opportunity Expansion Act of 2001."

THE RETIREMENT OPPORTUNITY EXPANSION ACT OF 2001 SUMMARY

TITLE I: EXPANSION OF PENSION COVERAGE TO WORKERS WITHOUT PENSIONS

The purpose of this section is to provide an incentive for low- and middle-income individuals to save for retirement.

Section 101: This section would provide a refundable tax credit to low and middle income workers of up to 50% of annual contributions made to a traditional, deductible IRA or an employer-sponsored pension plan (e.g., 401 (k), 403(b) or 457 plans).

Eligible contributions could not exceed the maximum annual allowable contributions to a deductible IRA. The credit would be phased out as the income of the eligible taxpayer increases. (Eligible taxpayers defined as married filing joint returns would receive the maximum credit on AGI of $30,000 and the credit would be phased out at $50,000; head of household returns would receive the maximum credit on AGI of $22,500 and the credit would be phased out at $37,500; single and married filing separate returns would receive the maximum credit on AGI of $15,000 and the credit would be phased out at $25,000.)

An eligible taxpayer would be required to earn at least $5,000 during the tax year and to have attained the age of 18 by the close of the tax year and could not qualify as a dependent child of another taxpayer or be a full-time student.

TITLE II: EXPANSION OF COVERAGE TO LOW-WAGE WORKERS

The purpose of this section is to expand pension participation among lower-paid workers.

Section 201: This section would allow contributions of up to $2,000 made to an IRA through payroll deduction generally to be excluded from an employee's income (and not to be reported on the employee's form W-2) if the taxpayer is otherwise eligible for a deductible IRA.

TITLE III: IMPROVEMENT OF PENSION COVERAGE FOR WOMEN

The purpose of these sections is primarily to expand pension benefits to women and individuals who have spent time out of the workforce to raise children or care for parents or spouses.

Section 301: This section would require pension plans to provide the option of a "joint and 3/4 survivor annuity" for participants who so elect. Under the option, a widowed spouse would receive 75 percent of the pension benefit received during the life of the other spouse.

Section 302: This section would require spousal consent on 401(k) distributions of more than 10% of the value of the account.

Section 303: This section would provide full vesting of pension benefits upon the death or disability of the plan participant.

Section 304: This section would prohibit plans from making changes in 401(k) investments or giving lump sum distributions during the 90-day period from the date the plan is notified of the preparation for a domestic relations order.

Section 305: This section would require the Secretary of Labor to conduct a study to determine the participation rate of women and other underrepresented minorities in pension plans and to make recommendations to the Congress for way to increase participation among these groups of workers.

Section 306: This section would count family and medical leave time hours of service for purposes of meeting pension participation, vesting and accrual thresholds.

TITLE IV: INCENTIVES FOR SMALL BUSINESSES TO OFFER PENSION BENEFITS

The purpose of this section is to encourage small businesses to offer retirement benefits to their employees.

Section 401: This section would give businesses with 100 or fewer employees a tax credit of up to 50 percent of employer contributions made to a pension plan during the first three years.

Section 402: This section would establish the Secure Money or Annuity Retirement Trusts (SMART). SMART plans are simplified, tax-favored pension plans that combine the features of both defined benefit and defined contribution plans. The plans would provide participants with a minimum guaranteed benefit at retirement.

Section 403: This section would simplify the definition of "highly compensated employee."

ATTACKS ON INDIAN PARLIAMENT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. PALLONE. Mr. Speaker, very early this morning, a suicide squad of six terrorists attacked the Indian Parliament. Prime Minister Vajpayee and Members of the Cabinet and Parliament were thankfully safe. Unfortunately, seven people, including guards and workers, were killed and at least 17 people were injured at the hands of one suicide bomber and other assailants equipped with grenades and guns.

The United States has come forward and declared this raid "an outrageous act of terrorism". Not only was this an attack on India, it was a brutal attack on the largest symbol of democracy worldwide. I am shocked and appalled at this extreme act of terrorism and I express my deepest regards towards India at this time.

India is a country that has been sadly afflicted for 50 years by the loss of countless innocent citizens at the hands of cold-blooded murder by terrorists. For the past decade, India has fallen victim to terrorist attacks by groups that belong to the same terrorist network responsible for the attacks on the World Trade Center and Pentagon.

Since September 11th, there has been a flurry of terrorist attacks in Kashmir taking place on a daily basis. On October 1st in particular, a suicide car bomb exploded in front of the Jammu and Kashmir State Assembly while it was in session and 38 people were killed. Since this incident, a clear pattern of cross-border terrorism in Kashmir has manifested and Islamic terrorist groups are to be blamed for these terrorist activities.

The atrocious attack on the Indian Parliament falls within this familiar pattern of attacks by active terrorist forces in Kashmir. The suicide attack on democracy in Srinagar was clearly a precursor to this morning's attack on democracy in New Delhi. However, terrorist groups have crossed the line this time. This attack on diversity, vibrancy, equality, democracy and all characteristics of India's open society, goes too far.

The parallel that can be drawn between the United States and India at this time is remarkable. The U.S. and India are not only friends, but they are also two nations that serve together as pillars of commitment to democracy. The U.S. was brutally attacked by terrorists in an attempt to break down our democratic ideals and we are retaliating with a successful war effort in Afghanistan. Similarly, the attack on Indian Parliament is impetus for India's retaliation against the relentless terrorism taking place in Kashmir and now in New Delhi. These punitive actions undoubtedly will help in the global war on terrorism and the current effort to eliminate the Al-Qaeda terrorist network. The citizens of India deserve to live their lives without violence and terror. The Government of India deserves to exercise its strong democratic ideals.

HONORING THE IDA TOWNSHIP VOLUNTEER FIRE DEPARTMENT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. DINGELL. Mr. Speaker, I rise today to pay tribute to the patriotic citizens of the Ida Township Volunteer Fire Department, which has served Ida and the surrounding area for over 63 years. Mr. Speaker, these local Michigan heroes stand ready to put their lives on the line in service to their community. They are a brave, professional and dedicated group, providing a lifeline to all whose lives are in danger.

The tragic events of September 11, 2001, have brought to light the important role firefighters and other first-responders play in protecting this country from numerous threats.

Not only are they prepared to safeguard our communities from everyday tragedies such as fires and accidents, but they serve as the first line of response in the event of major catastrophes, including terrorism.

I am proud to represent these courageous individuals and on behalf of our local community, thank them for their service. Therefore, it is with great pride that I submit the following names of the Ida Township Volunteer Fire Department into the CONGRESSIONAL RECORD in recognition of their past and continued service: Chief Ed Wertenberger, Lonnie Wertenberger, Troy Stein, Randy Stanifer, Paul Metz, Mark Mruzek, Dale Longnecker, Jim Longnecker, Kirt Horn, Rocky Oberski, Tim Mata, Scott Desbrough, Shawn Geyman, Mike Geyman, Chad Metz, Curtis Durocher, Scott Weeman, Adam Booker, Scott Ducharme, Carl Arnold, Curtis Stanifer, Jim Longnecker Sr., Tim Wertenberger, Corey Jones and Tyler Stern.

Mr. Speaker, I note that their hard work is not limited to their local community. Two days after the September 11 terrorist attacks, Curt Stanifer, Randy Stanifer, Carl Arnold, Scott Ducharme, Mark Murzke, Ed Wertenberger, Dale Longnecker, Troy Stein, Rocky Oberski and Curt Durocher traveled to New York City, to assist in the rescue and recovery efforts. They make this trip at great personal sacrifice and risk to their own lives. Accordingly, I salute them for their courageousness and commitment to serve others, and I ask my colleagues to join me in recognizing these brave individuals.

TRIBUTE TO TROY ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker,. I rise today in honor of Troy Elementary in recognition of their achievement as an "exemplary" school.

Troy Elementary has been selected as one of the top 50 schools of West Virginia, "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Troy Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Troy Elementary.

PAYING TRIBUTE TO BOB PARKS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize an extraordinary man who has repeatedly defied the odds and has embodied the spirit of my district in Colorado. The man I am referring to is Bob Parks and the odds he defied was whether he would live or die. Bob suffers from cancer and by all accounts, he should not be with us today.

Bob has much to be grateful for these days. Over a year ago, he was diagnosed with a cancerous tumor in his lung. Relying on an oxygen bottle, Bob was given little hope for recovery. Following a turn for the worse and with no salvation in sight, Bob learned of a clinic in Tijuana, Mexico that specialized in alternative medicines. He arrived last December and fell into a coma soon after arrival. His prognosis was grim and friends and family in Durango were informed yet again that his life was in jeopardy.

Bob held on, and with hope and prayer, he has unexpectedly recovered his strength and continues to defy his illness. Residents of Durango, Colorado, recently collected funds to fly Bob home for a visit and noted, in an article in the Durango Herald, that he looks stronger than ever and his recovery is nothing short of a miracle. Bob, who is a former psychology professor at Fort Lewis College and a greeter for the Wal-Mart, believes his recovery is due in part to an optimistic attitude and prayer from his family and friends.

Mr. Speaker, we hear everyday stories of survival, hardship, and recently terror. It's gratifying at this time in our nation's struggle that a story unfolds about a man unwilling to give up his most cherished gift, his life. As so many suffer in this nation and around the world, let some of these people look to Bob Parks as a model to never give up on life, no matter what the odds faced. It is an honor to tell his story to this body and Congress and I wish him the best in the coming new year.

REGARDING THE SMALL BUSINESS ECONOMIC RECOVERY ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, on November 27, 2001 I introduced the Small Business Economic Recovery Act to help struggling small businesses survive.

Countless small businesses have suffered significant economic injury since the September 11 terrorist attacks. Some suffered direct economic injury as a result of closed and damaged buildings. Many more have suffered from the economic fallout caused by an economy that has plunged into a recession.

Small businesses are hurting and need help. The National Bureau of Economic Research announced that the United States entered a recession in March 2001. The Gross Domestic Product fell to 1.1 percent in the third quarter, and the unemployment rate has risen to 5.7 percent.

Prompted by the widespread economic impact of the terrorist attacks on New York City and the Pentagon, on October 18, 2001 the Small Business Administration widened access to Economic Injury Disaster Loans (EIDLs) for small businesses throughout the country. To qualify for these loans, small businesses must have suffered direct and substantial economic injury due to the terrorist attacks or the federal government's response to the attacks. This notion of "direct" injury will severely limit the Small Business Administration's ability to help all suffering businesses. Clearly a small business in an airport will qualify, but small businesses dependent on tourism may have a harder time proving that they were directly affected by the terrorist actions.

Even though 11,659 small businesses outside of New York City and Arlington, Virginia have requested Economic Injury Disaster Loans applications, the Small Business Administration has only granted 100 loans. Small businesses who are suffering because the attacks plunged the economy into a recession cannot prove a direct relationship to the terrorist attacks. They cannot get the Small Businesses Administration's emergency loans. We must make sure there are no ambiguous rules that confuse applicants or make it difficult for the Small Business Administration to grant loans to struggling businesses.

I have introduced a bill that removes any ambiguities and ensures that the Small Business Administration can help all small businesses that need assistance. The Small Business Economic Recovery Act does not require businesses to prove that they suffered a "direct" injury as a result of the terrorist attacks. It permits any small business that has suffered "substantial economic injury" to obtain Economic Injury Disaster Loans from the Small Business Administration. Normally, businesses must be in a federally designated disaster area to receive these loans. My bill temporarily waives the federal disaster area requirement. Businesses will only have to prove that they suffered substantial economic injury. It will help businesses that cannot: meet obligations as they mature, and pay necessary operating expenses.

The act will authorize the Small Business Administration to provide up to $1.5 million in disaster assistance to a suffering small business. The interest rate on the loans will not exceed 4 percent per year, and the loan terms cannot exceed 30 years. This emergency assistance program will expire on September 11, 2002.

Small businesses represent more than 99% of all employers and employ 51% of private-sector workers. We must provide immediate assistance to help this vital sector of our economy.

I urge my colleagues to help small businesses and cosponsor this important legislation.

HONORING THE CITY OF BLACKFOOT, IDAHO, ON ITS CENTENNIAL

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. SIMPSON. Mr. Speaker, I rise today to pay tribute to a place I call home. Blackfoot, Idaho is celebrating its centennial and as a resident of Blackfoot, I'd like to share with you what makes it an all-American town.

Nestled in the Snake River Plain, Blackfoot, Idaho in Bingham County produces more potatoes than any other place in the world. The "famous" Idaho potatoes that the world enjoys come from Blackfoot and the numerous potato fields that surround it. In fact, Blackfoot offers "free taters for out of staters" at its Idaho Potato Expo Museum. It's made Blackfoot the Potato Capitol of the World by producing more than 200 million pounds of potatoes every year.

While Blackfoot is celebrating 100 yeas of incorporation, its history expands to the early 1800s. The first reference to Blackfoot is found in the 1818 journals of the Hudson Bay Company. In 1860, Grove City, where Blackfoot now sits, was settled to accommodate freight wagons bound for mines in central Idaho. Like many western settlements, the establishment of the Utah and Northern Railroad opened expansion and immigration. Then in 1878, the train arrived in Blackfoot on Christmas Day.

Using the Snake River to irrigate the fertile lava soil, pioneers and settlers found Blackfoot to be a prosperous agriculture community. Blackfoot became the county seat for Bingham County and at one time held the largest population in the state with 13,575 people. In 1901, Blackfoot was incorporated and now celebrates its centennial.

As many of you know, when I'm not serving in Congress, I go home to Blackfoot. I grew up there, graduated from Blackfoot High School and chose to return after completing dental school. I started my political career in Blackfoot, serving on the city council for four years.

My wife, Kathy, and I have witnessed the kind heart and gentle spirit of many who live there. It's truly a place where everyone knows your name. I salute this community that has give me so much over the years. While it may be the potatoe capitol of the world, it's a place I prefer to call home. Congratulations to Blackfoot on 100 years of excellence.

HONORING MR. GEORGE ALVIN TERRY OF NASHVILLE, TENNESSEE ON THE OCCASION OF HIS 75TH BIRTHDAY

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. CLEMENT. Mr. Speaker, I rise today to honor Mr. George Alvin Terry of Nashville, Tennessee, on the occasion of his 75th birthday, December 19, 2001. A native Tennessean, Terry is a graduate of Columbia Military Academy and the University of Tennessee.

Mr. Terry has been a courageous leader in Tennessee for many years, as both a public servant and a community leader. A military veteran, he served as Second Lt. in the United States Army from 1945–1946.

With several years of public service, he was a member of the State House of Representatives from 1957–1959 during the 80th General Assembly. Additionally, he served in the State Senate during the 82nd, 83rd, and 84th sessions from 1961–1967. A portion of this service occurred during my father, Governor Frank G. Clement's, tenure as governor of Tennessee.

In 1972, Governor Winfield Dunn appointed Mr. Terry Director of State and Federal Surplus Property for the Department of General Services of Tennessee. His career includes services as senior Vice President on the bank board of directors at Oneida First Trust and Savings Bank, as well as, holding the position of Chairman of the Board at First Southern Savings and Loan.

A deeply committed family man, he is married to Sarah Ellen Winn, and the father of four daughters with six grandchildren and three step grandchildren. Because of his deep love of genealogy and history, he authored the book, The Terrys of Scott County, chronicling the history of his family.

Civic and community work has always been an integral part of Terry's life with involvement on various boards promoting important issues such as children, education, agriculture, and historic preservation. For instance, he served as President of the Oneida Kiwanis Club and on both the Karns and Mid-South Youth Camp Boards.

Further, he has enjoyed membership in the American Legion, the Tennessee Automotive Association, the National Committee for the Support of the Public Schools, and the National Committee for the support of Future Farmers. He has also participated in the National Trust for Historic Preservation, the United States Civil Defense Council, and the Scott County Historical Society.

Mr. Terry is dearly loved and respected by his peers, serving as a deacon and then elder in the Oneida Church of Christ, and later as an elder in the Madison Church of Christ. Today, he is a member of the Goodlettsville Church of Christ and a member of the Goodpasture Christian School Booster Club.

An ardent University of Tennessee (UT) fan, George Alvin Terry is to honored and commended for outstanding service and contributions to Tennessee in a spirit of excellence and strong moral character. Today we recognize his life and legacy as he celebrates a landmark birthday.

TRIBUTE TO SHEPHERDSTOWN ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Shepherdstown Elementary in recognition of their achievement as an "exemplary" school.

Shepherdstown Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia. I equally commend the students and parents of Shepherdstown Elementary for their commitment to a quality education and a bright future. Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Shepherdstown Elementary.

PAYING TRIBUTE TO TAMARA McFARLAND

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize a very special person from Glenwood Springs, Colorado. Tamara McFarland is a local nurse who has taken on a quest to bring joy and happiness this holiday season to several local nursing homes. Her efforts have brought much credit to herself and the community of Glenwood Springs, and it is my pleasure today to recognize her contributions.

Tamara began her charitable crusade last year with a simple gift to a friend. Since then her efforts have risen from one to 140 gifts for the residents of two local nursing homes. The homes include Glen Valley Care Center of Glenwood Springs and Heritage Park Center of Carbondale. Tamara has made these contributions possible by soliciting local merchants and citizens throughout the year to donate products and money to her fund. Thanks to their generosity, the "Roaring Fork Holiday Cheer" headed by Tamara, has been able to provide presents to the senior citizens of the area. The presents are simple gifts such as hair products, clothing and trinkets, but the joy they provide is priceless.

Mr. Speaker, it is an honor to be able to commend Tamara and thank her for her efforts to bring happiness this time of year. Her dedication and commitment to the elderly community as a nurse and gift provider has brought joy into the lives of many. Thanks for all your hard work and cheer this Christmas season. Good luck in your future endeavors and in the New Year.

CONDEMNING THE TERRORIST ATTACKS ON THE INDIAN PARLIAMENT

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. LANTOS. Mr. Speaker, I rise today to denounce the cowardly and barbaric terrorist attack on the Indian Parliament building that took place in New Delhi earlier this morning.

First I want to express by deepest condolences to Prime Minister Vajpayee, the families of victims and to the people of India.

This latest attack, which comes two months after the October suicide bombing on the parliament building in Kashmir, strikes at the heart of India, the symbol of its democracy.

Six heavily armed terrorists, dressed in Indian military commando fatigues charged into the Parliament complex and set off a fierce gun battle in which six policemen and a Parliament staffer were killed as well as all six of the terrorists. From the amount of explosives found on the attackers, Indian authorities believe the terrorists were on a suicide mission. The attack took place minutes after both Houses of Parliament had adjourned for the day and could easily have taken the lives of numerous Members of Parliament, staff and visitors.

Three months and two days ago, terrorists used box cutters, knives and fuel-laden passenger jets to launch suicide missions against the United States. One of those airplanes, we later learned, may have been intended to hit this very Capitol building—the symbol of our democracy.

The attack against India, as with the attacks against the United States, were not aimed at bringing down buildings. They were cowardly attempts by criminal terrorist organizations to attack free and democratic societies, to intimidate their people and their government.

India has waged a long and often-lonely battle against terrorism. Today, I want to assure the people and government of India that you are not alone.

Mr. Speaker, it is time that the international community made clear that terrorism and violence as a means of political expression will not be tolerated and will not be allowed to continue. We must act together in rooting out the terrorist networks whereever they exist.

HONORING THE DEARBORN/DEARBORN HEIGHTS CHAPTER OF THE LEAGUE OF WOMEN VOTERS ON THE OCCASION OF THEIR 50TH ANNIVERSARY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. DINGELL. Mr. Speaker, I am pleased to rise today to pay tribute to the Dearborn/Dearborn Heights Chapter of the League of Women Voters on their 50th Anniversary.

Recognized by the National League of Women Voters on December 19th, 1951, the Dearborn/Dearborn Heights Chapter has fulfilled and continues to fulfill its primary goal of encouraging the informed and active participation of citizens in government, working to increase understanding of major public issues and influencing public policy through education and advocacy.

The Dearborn/Dearborn Heights Chapter has provided numerous services to the community since their inception in 1951. In 1952, they provided election-day childcare in 63 precincts, allowing parents to vote. They helped establish the Northwestern Child Guidance Clinic in 1963. Throughout the years, they have worked with ABC News on election-day exit polling. These fine women have helped pass library proposals and establish a diversity committee which works to engage local students in community discussions. Mr. Speaker, these women have served their community well.

Though they are a non-partisan group, the Dearborn/Dearborn Heights Chapter of the League of Women's Voters is extremely political, focusing their efforts on child health and welfare, juvenile justice, and campaign finance reform. A League representative sits on the Rouge River Advisory Council, as well as the Southeast Michigan Council of Governments Educational Advisory Council. As spelled out in their original charter, the League's actions are always a reflection their member's priorities.

I would like to recognize the current officers of the Dearborn/Dearborn Heights Chapter of the League of Women Voters: Elizabeth Linick, Janice Berry, Mary Jo Durivage, Jeni Dunn and Mary Bugeia. I thank all the fine members of this Chapter of the League for all their hard work over the past 50 years, and would ask that they keep it up. On the occasion of their 50th anniversary, I would ask all my colleagues to salute the Dearborn/Dearborn Heights Chapter of the League of Women Voters.

21ST CENTURY MONTGOMERY GI BILL ENHANCEMENT ACT

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in support of H.R. 1291, the 21st Century Montgomery GI Bill Enhancement Act.

The bill includes numerous provisions to help veterans. It broadens the categories of illnesses connected to Agent Orange and the Gulf War Sickness, and it increases educational assistance under the Montgomery GI Bill for full-time students from $650 per month to $800 starting on January 1, 2002, to $900 in FY03, and to $985 in FY03.

Section 302 extends the Native American Veterans Housing Loan Program until 2006. The program was scheduled to expire in 2002.

Tribal lands are generally held in trust. Lands held in trust cannot be encumbered by those who use it. As a result, native people have historically had limited access to mortgages to build and repair houses.

The Native American Veterans Housing Loan Pilot Program was created by legislation authored by Senator DANIEL AKAKA in 1992. It provides direct housing loans to Native American veterans to purchase, construct, or improve dwellings on trust lands. The program helps Native American, Native Hawaiians, and Native Alaskans who were honorably released from active duty service since World War II.

I urge my colleagues to vote for H.R. 1291 to recognize and compensate the service that native people have made to defend our country.

HONORING DR. ROBERT CARVER BONE OF LEBANON, TN, AS AN OUTSTANDING TENNESSEAN

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. CLEMENT. Mr. Speaker, I rise today to honor Dr. Robert Carver Bone of Lebanon, TN, as an outstanding Tennessean, who has made numerous contributions to medicine, education, and the community-at-large. I consider Dr. Bone a dear friend and confidante of many years.

Dr. Bone will be honored by Cumberland University during the Clement Leadership Reception on Decmeber 22 for numerous accomplishments—including his leadership as Chairman of the Board of Trust from 1982 through May 2001. As president of Cumberland University from 1983 through 1987 and a current member of the Board of Trust, I have personally worked closely with Dr. Bone for a significant period of time and I have seen the devotion, care, and attention, that he has lavished upon that hallowed institution.

A native of Lebanon, TN, and an early achiever, Dr. Bone graduated as valedictorian of Lebanon High School in 1954, and earned a Bachelor of Arts from Vanderbilt University in 1958, where he graduated magna cum laude. Meanwhile, he completed the mathematics program at Cumberland in 1957 and the genetics program at Harvard in 1961. He received his Doctor of Medicine from Vanderbilt in 1962, while completing internships with Stanford University Hospital in Palo Alto, California, and Presbyterian Hospital in San Francisco. His residencies in pediatrics and surgery were completed in 1967 through 1969 at Vanderbilt, and 1971 through 1975, respectively. Later, in 1985, he earned a Master of Business Administration (MBA) from Vanderbilt's Owen School of Businesss Management and then received a Doctor of Letters from Cumberland in 1994.

His military experience includes service as a flight surgeon and commander of the USAF, 1974–1980; commander of the 118th Tactical Hospital, USAF, 1974–1980; and U.S. Army flight surgeon in 1997.

He has participated in numerous furthering education programs such as study overseas in 1959 with the Wellcome Library of Historic Medicine in London, the Royal College of Physicians in Edinburgh, and a preceptorship with Dr. G.A. Grant Peterkin in Leyden, Montpelier, Uppsala.

Dr. Bone has also completed a number of assistantships and fellowships including work as a research assistant on nuclear medicine at Vanderbilt in 1961; a World Study Tour with the Institutes of Nutrition in 65 countries from 1962–1963; mission hospital visits in Kenya, Tanzania in 1986; and a surgical oncology fellowship in 1987 at Vanderbilt. Further, he carries certifications from the American Board of Pediatrics, the American Board of Surgery, Advanced Cardiac Life Support, and Advanced Trauma Life Support.

He is beloved throughout Middle Tennessee, having practiced medicine in the community of Lebanon for nearly 40 years, and having performed surgeries at numerous Nashville area hospitals. These include Vanderbilt, Baptist, St. Thomas, Donelson, University Medical Center, Nashville General Hospital, Humana Hospital McFarland, Williamson County Medical Center, and Summit Medical Center.

Every endeavor undertaken by Dr. Robert Carver Bone is met with enthusiasm and excellence. His educational influence and expertise has impacted both Vanderbilt and Cumberland over the years, as he has continually shared his experience with students pursuing the medical field, both as an instructor and professor. In 1982, he published techniques in Surgery with the Vanderbilt Surgical Faculty, through Vanderbilt University Press.

Dr. Bone's involvement in his community is renowned. In 1985, he represented Wilson County in Tokyo, Japan, on a mission to recruit a Toyota plant to Tennessee. Also that year, he represented the National Association of Independent Business on a mission sponsored by the U.S. Department of Commerce, to promote the export of U.S. products to the Far East in Hong Kong, Taiwan, South Korea, and Japan.

In 1987, Bone represented Cumberland University to establish exchange relationships at the faculty level between Cumberland and Armidale College in New South Wales, Australia. He also negotiated with the Soviets and British over freeing a Zanbari dental student from Moscow to Prague, Cairo, Nairobi, and Zanzibar.

Further, he has served as President of the Wilson County Medical Society, and as a member of the Board of Health, Public Health Department of Wilson County.

Because of Dr. Bone's outstanding contributions to the university, the community, and the state Tennessee throughout his lifetime—we honor him today.

HONORING STANLEY ROGERS ON THE OCCASION OF HIS RETIREMENT

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. DELAURO. Mr. Speaker, it gives me great pleasure to rise today to pay tribute to a man who has been active in the New Haven community for nearly 50 years. Today, I am pleased to join family, friends, and colleagues in wishing Stanley Rogers the very best as he celebrates his retirement.

A lifelong New Haven resident, Stanley has served his community in a variety of ways throughout his life. For forty-two years, he worked at G&O, a manufacturing company which made automotive parts. During his tenure at G&O, Stanley became the first African-American to serve as President of the United Auto Workers in Connecticut—fighting for better wages, more comprehensive health benefits, and safer work environments for his membership. In addition to his career with G&O, Stanley also served on the Redevelopment Agency with former Mayor Richard Lee in a time when New Haven underwent one of its most sweeping economic redevelopment periods. It was also during this time that Stanley presented the first affirmative action plan for minority hiring in the building trades to the Redevelopment Agency. His actions went a long way in assuring good jobs for New Haven's minority communities.

Stanley has also been involved with the local municipal government for nearly 20 years. He was first elected to New Haven's Board of Alderman in 1981 where he served as its president Pro Tempore from 1992 to 1994 and for 3 years as the chairman of the Board's Black and Hispanic Caucus. His dedication and commitment to New Haven's 22nd Ward made a real difference in the lives of so many. After his tenure on the Board of Alderman, Stanley served three terms as the city/town clerk—a position from which he retired earlier this year.

Stanley's involvement with the New Haven community stretches far beyond his professional and political career. His participation in a number of local civic and service organizations reflect his personal commitment to enriching the lives of our fellow citizens. The United Way, the Private Industry Council, and the Dixwell Community Development Corporation are just a few who have benefitted from his time and efforts.

I am pleased to rise today to extend my deepest thanks and appreciation to Stanley Rogers for his invaluable contributions to our community and my very best wishes as he enjoys his retirement.

TRIBUTE TO POLK CREEK ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Polk Creek Elementary in recognition of their achievement as an "Exemplary" school.

Polk Creek Elementary has been selected as one of the top 50 schools in West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Polk Creek Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education of all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Polk Creek Elementary.

HONORING TEXAS LEGISLATIVE BLACK CAUCUS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today to pay tribute to the legacy of representation and positive activism that has been fostered by the Texas Legislative Black Caucus. Since its inception, this fearless and focused group of State leaders has consistently fought to ensure that the policy priorities of Texas reflect the best interests of all of our citizens. The education, economic, civil and human rights initiative have revolutionized State services and have helped ensure that all Texans are empowered to achieve the American dream.

The Caucus will host its statewide conference from March 14–16, 2001. This year's topic, "Excellence and Achievement for the Millennium," is particularly poignant. As Texas prepares to lead the Nation in the technology driven, global economy of today and tomorrow, it is critical that its leaders devise ways to ensure that everyone is included. No organization in the State is better prepared or has a better track record of holding those in power accountable for the tools given to Texas families to improve their lives.

Mr. Speaker, I ask that the U.S. Congress join me in paying honor and tribute to the Texas Legislative Black Caucus as they continue their critical fight for all Texas families.

TRIBUTE TO PICKENS SCHOOL

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Pickens School in recognition of their achievement as an "exemplary" school.

Pickens School has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Pickens School for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Pickens School.

HELP AMERICA VOTE ACT OF 2001

SPEECH OF

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. UDALL of Colorado. Mr. Speaker, we could do better than this bill. We should do better than this bill. But clearly, today, we will not do better than this bill—and so, with some reluctance, I will vote for this bill.

Over the course of this year, the House has considered several important measures, including bills to respond to the terror attacks on our country. But this could be the most important bill of the year, and maybe even of this 107th Congress—because nothing is more important for the health of our democracy than improving the fairness and inclusiveness of our elections. That is why I am cosponsoring H.R. 1170, introduced by Representative Conyers.

That comprehensive reform bill would establish uniform and nondiscriminatory requirements for Federal elections, which must be met by the 2004 general election. Under that bill, all voting machines would have to: Allow voters to verify their votes before tabulation; notify voters of over votes and under votes; provide an auditable record; and be equally accessible to voters with disabilities and special needs.

Also, under that bill provisional ballots would be permitted in all Federal elections and all voters would have to get a sample ballot and instructions 10 days prior to election day, and would have to be notified of their voting rights under federal and state law and of the federal and state agencies to contract if they think their rights are violated.

The Conyers bill would provide for federal reimbursement to the states for meeting these requirements and a matching grant fund program that would provide advance assistance to enable sates and localities for that purpose. And the bill would establish a politically balanced study Commission to examine voter registration and maintenance of voters rolls; issues of voter intimidation; accuracy of voting; establishing a federal or State election-day holiday; modified polling place hours; and whether an existing or a new Federal agency should provide continuing assistance to states. it would also examine access to ballots and polling places, including notice of voting locations and access for voters with disabilities, limited English proficiency, visual and hearing impairments, and with other special needs. The commission would develop recommendations of the best practices in voting and election administration.

These are all things that should be done—and while it does into do everything that should be done, this bill takes very important steps to improve current conditions. I opposed the rule because I wanted the bill to do more. I supported the motion to recommit for the same reason. But we should not refuse to do something even if we re not going to do all we should. So I will support the bill in the hope that it will be improved as the legislative process continues.

GETTING AMERICA'S ANTI-TERRORIST MESSAGE TO CENTRAL ASIA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. LANTOS. Mr. Speaker, I am very pleased that the International Relations Committee recently passed legislation to create Radio Free Afghanistan. I also commend the Administration for the steps it has taken to ensure that the United States does not lose the public relations battle as it wages the war on terrorism. It is vital that the people of Afghanistan and its neighbors know the truth about America's objectives in combating terrorism and understand how our actions benefit all of mankind.

Setting up Radio Free Afghanistan will give us a valuable tool to fight the vicious propaganda that Osama bin Laden and his supporters continue to spew forth. But Radio Free Afghanistan cannot succeed in isolation. Its broadcasts must be supplemented by stepped up and improved broadcasts to Afghanistan's neighbors—Pakistan and the Eurasian states of Kazahkstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. As my colleagues are aware, the Taliban are actively supporting an Islamic extremist insurgency in the Fergana Valley, where the borders of Uzbekistan, Kyrgyzstan and Tajikistan converge. It is conceivable that the Taliban's ultimate objective is Kazakhstan, the largest country in the region, rich in oil and minerals.

Broadcasts by Radio Free Europe and Radio Liberty to these countries should be increased both in air time and in quality. They should also be broadcast in FM frequency, not short-wave, in order to reach the largest percentage of the population. In the case of Kazakhstan, I understand that these broadcasts are transmitted only in the Kazakh language, despite the fact that Russian remains the most widely used language in Kazakhstan. The only Russian-language broadcasts report on events in Russia, not in Kazakhstan. We need to broadcast in Russian to the Russian speakers in Kazakhstan.

Journalists and publishers in Kazakhstan and elsewhere are struggling to report the truth to their readers and listeners, but they are harassed and periodically shut down by the authorities. Getting newsprint on a reliable basis is also a problem. On November 27, 2001, President Nazarbayev threatened the media unless editors developed a code of conduct for journalists. The threatened clampdown came after critical articles appeared in the media concerning President Nazarbayev's son-in-law. Government agencies are sabotaging or shutting down Internet access as well. Local sources of non-government controlled news would be a valuable complement to U.S. government broadcasts. U.S. assistance, including supplying printing presses and ensuring continued access to the Internet, would be greatly welcomed by these lonely and persecuted voices of democracy and freedom.

In our broadcasts to these countries, we should bear in mind that repression and corruption are causing the people to lose hope; and if the governments that rule in the five former Soviet republics of Central Asia do not loosen their grip on their people, the people may respond to the siren call of Islamic extremists as holding out the only source of hope for change. Accordingly, even as we work with the governments of Central Asia to oust the Taliban and al-Qaeda from Afghanistan, we need also to make it very clear both to the governments and the peoples of the region that we oppose the repression and corruption that are causing so much suffering, deprivation and opportunities for Islamic extremists.

PAYING TRIBUTE TO MARIANO APRAIZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize a representative of the American spirit and drive, Mariano Apraiz. Mariano is from Spain originally, who after living in this nation for over thirty years, will take his oath and become a citizen of the United States. The ceremony will take place in Denver, Colorado on Friday, December 14.

The reason I bring Mariano's name to bear is to tell his story and determination to become an American. Mariano came to this country to find a new way of life and experience new opportunities in the world. He found work as a miner, rancher, and eventually a position in the local school district. Now at the age of 55, Mariano has made for himself successful life in this country and I praise him for his determination and courage to live his dream.

Mr. Speaker, when asked by the Grand Junction Sentinel why he wants to gain citizenship, he simply replies, "I want to vote." I think this statement speaks volumes for the pride Mariano has in his new country. He wants to be part of the process, he wants to participate in civic responsibility, and he wants to make a difference. Mariano has grown to love this nation and in these difficult and trying times, he is a symbol of national pride and spirit.

HONORING THE BISHOP FAMILY AS THEY RECEIVE THE MASS MUTUAL 2001 FAMILY BUSINESS OF THE YEAR AWARD

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. DELAURO. Mr. Speaker, it is with great pleasure that I rise today to congratulate an outstanding family and my good friends, the Bishops of Guilford, Connecticut as the recipients of the Mass Mutual 2001 Family Business of the Year Award. This remarkable family has been a fixture of the Guilford community for nearly 400 years and we are all proud to join with them as they celebrate this very special occasion.

Connecticut has a long and proud history in agriculture and our famous fruit orchards have become a highlighted attraction for visitors. From picking your own fruits and vegetables to learning the intricacies of the perfect apple cider, our orchards offer an unique view into one of our nation's oldest industries. The Bishop family has run Bishop Orchards since its establishment in 1871. Today, the families of brothers Albert and Gene Bishop preserve this New England treasure while expanding the business to meet the needs of today's consumers. With three hundred acres lined with apply, peach, and pear trees, the Bishops continue to work hard to ensure the success of the orchards.

Located on the shores of the Long Island Sound, Bishop Orchards captures the spirit of New England. The Bishop family, recognizing the importance of preserving its natural beauty, were one of the first of our local farmers to initiate an integrated pest management program, significantly reducing the pesticides and chemicals used in the orchards. Integrated pest management programs utilize alternative means of pest control to ensure successful crops while protecting the surrounding ecosystem from harm. While more labor intensive, setting traps for bugs and pest will ensure that the orchards and the surrounding environment will be enjoyed for generations to come.

There is more to the Bishop family than their business—they are an integral part of the Guilford community. They have long been involved in the Town of Guilford, holding a variety of positions on local town boards and demonstrating a unique commitment and dedication. Many members of the Bishop family have also participated in statewide civic and agricultural organizations. In fact, Jonathan Bishop was recently appointed to the USDA Farm Service Agency State Committee, where I am sure he will work hard to ensure the continued stability and protection of Connecticut farmers.

The Bishop family has left an indelible mark on our local community and I am proud to join the Center for Family Business and their many friends and family in congratulating the Bishop family as the 2001 Family Business of the Year.

RECOGNIZING BOB HAYES

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to pay tribute to the spirit of America. Perhaps at no time before has the determination, drive and perseverance that make up the American spirit been more evident. All of us should take a moment to recognize the contributions that many Americans make to ensure that our country represents the highest standard of excellence.

One such American is Mr. Bob Hayes. I want to recognize him on the occasion of his induction into the Ring of Honor, sponsored by St. Phillips School and Community Center in Dallas. Bob Hayes is an American of extreme accomplishment. During the course of his remarkable life, he has helped knock down color barriers all around the world.

Mr. Hayes was an All-American track star at Florida A&M University, an Olympic gold medalist, and an indispensable part of the Dallas Cowboys football team. Just as importantly, he has mentored thousands of track athletes through the Bob Hayes Invitational Track Meet, which has been in existence since 1964.

Bob Hayes is the only person to ever win both an Olympic gold medal and a Super Bowl ring. He was billed as "The World's Fastest Human" as he sprinted to world records in the 100 and 200 yard races. He still holds the Cowboys record for career touchdown receptions.

I would also like to salute the St. Phillip's School and Community Center. Among other things, the school and center promote cultural awareness and self-esteem. They serve more than 700 young people in the Dallas-Fort Worth area.

Mr. Speaker, the St. Phillip's School and Mr. Bob Hayes represent the focus on excellence that sets America apart from the rest of the world. I join the residents of the Thirtieth Congressional District in saluting an American who has shown us all how to excel.

TRIBUTE TO MOUNT NEBO ELEMENTARY

HON. SHELLEY MOORE CAPITO

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mrs. CAPITO. Mr. Speaker, I rise today in honor of Mount Nebo Elementary in recognition of their achievement as an "exemplary" school.

Mount Nebo Elementary has been selected as one of the top 50 schools of West Virginia. "Exemplary" status is based on Stanford Achievement Test results, attendance, drop out rates, and writing exam scores.

I commend the leadership and faculty on their dedication to the children that walk through their doors each day. They have set an incredible example for the other 817 schools in West Virginia.

I equally commend the students and parents of Mount Nebo Elementary for their commitment to a quality education and a bright future.

Efforts to bring superior education to all of West Virginia and America are among our top priorities. Mr. Speaker, I urge my colleagues to join me in honoring Mount Nebo Elementary.

JAMES PEAK WILDERNESS AND PROTECTION AREA ACT

SPEECH OF

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. UDALL of Colorado. Mr. Speaker, the House passed this bill earlier this week. While it was discussed at some length on the floor, and is further explained in the report of the Resources Committee, for the benefit of all with an interest in it here is an outline of the main provisions of the bill.

In this outline, I am including the latest acreage numbers by the Forest Service, based on more precise estimates they have made while developing the official map of the lands affected by the bill. I am including these because, of course, where the acreage estimates in the bill text are different, it is the map that will control and will show exactly what the bill would do.

SECTION-BY-SECTION ANALYSIS

SHORT TITLE

Section 1: provides a short title, namely James Peak Wilderness and Protection Area Act.

WILDERNESS

Section 2 amends two previous wilderness Acts; the effect is to (1) designate about 17,000 acres in Boulder, Clear Creek, and Gilpin Counties, Colorado, as the "James Peak Wilderness"; and (2) enlarge the Indian Peaks Wilderness by addition of three tracts that in total amount to about 3,350 acres.

PROTECTION AREA

Section 3 designates about 19,000 acres of national forest land as the "James Peak Protection Area". Except as provided in this section, the protection area is to be managed in accordance with the relevant management prescriptions identified in the 1997 revision of the forest plan for the Arapaho/Roosevelt National Forest. The principal exceptions specified in the section include—

(1) WITHDRAWAL.—The entire protection area is withdrawn, subject to valid existing rights, from all forms of appropriation or disposal under the public land laws as well as from location, entry, and patent under the mining laws and from operation of the mineral leasing, mineral materials, and geothermal leasing laws;

(2) TIMBER HARVEST.—The entire protection area is closed to timber harvesting except to the extent needed for insect or disease control projects, hazardous fuel reduction or other measures for control of fire, or protection of the public health and safety;

(3) RETENTION.—The United States must retain all its right, title, and interest in lands within the boundaries of the protection area, including both those held as of the date of enactment and those acquired thereafter.

(4) SPECIAL INTEREST MANAGEMENT.—The "special interest area" management prescriptions identified in the forest plan as applicable to certain lands are also made applicable to additional contiguous lands, as indicated on a referenced map of the protection area. Together, these lands add up to about 7,000 acres.

ROADS, TRAILS, AND VEHICLES

Section 3 also includes provisions specifically related to use of lands within the protection area by motorized and mechanized vehicles, including—

(1) INVENTORY.—Subsection 3(d)(1)(C) provides for a review and inventory of existing roads and trails in a portion of the protection area where use was officially allowed by the Forest Service on September 10, 2001. Lands subject to the "special interest area" management prescriptions are excluded from this process. The intention is that in conducting this review and inventory the Forest Service involve the public so that all interested groups and individuals are consulted and included in this process. The review and inventory are to be completed within two years after enactment of the bill, and during that period the Forest Service is authorized to connect existing roads and trails in the area subject to the review and inventory to other existing roads and trails in that area, so long as there is no net gain in the mileage of either roads or trails open to public use in that area. The purpose of this authorization is to enable the Forest Service to provide a

more functional and ecologically sound but not more extensive network of transportation routes in this part of the protection area.

(2) CLOSURE.—Subsection 3(d)(1)(C) also authorizes closure or removal of existing roads or trails anywhere in the protection area that the Forest Service determines to be undesirable, except as specified in subsection 3(d)(2) or subsection 3(e)(3). The intention is that roads and trails closed under this authority will be removed and revegetated in a way that assures their full rehabilitation and restricts them from further use.

(3) PROHIBITION ON NEW ROADS AND TRAILS.—Subsection 3(d)(1)(D) prohibits establishment of new roads or trails in the protection area, subject to certain specified exceptions, including an allowance for nonpermanent roads and trails that will be retained only for the period needed for temporary management purposes.

WATER

Subsection 3(d)(e) deals with the relationship between the protection area and water rights.

It specifies that the bill (1) does not constitute an express or implied reservation of any water or water rights with respect to lands in the protection area; (2) will not affect any existing water rights in Colorado; (3) will not limit, alter, modify, or amend any interstate compacts or equitable apportionment decrees that apportion water among and between Colorado and other states; and (4) does not constitute a precedent with respect to any future protection area designation.

The subsection also requires the Secretary of Agriculture to follow Colorado law in order to obtain any new water rights with respect to the protection area, and explicitly states (in paragraph (3)) that the bill will have no effect on existing water facilities or infrastructure, or associated water-related property, interests, and uses, in the portion of the protection area not subject to the "special interest area" management prescriptions.

With regard to the provisions related to water facilities or infrastructure, it should be noted that this part of the National Forest has been a municipal watershed for the City and County of Denver and other communities for more than eight decades, without serious adverse effects on the resources and values of these lands. Section 3(e)(3) is included to make clear that nothing in this bill will interfere with the continuation of that use. Toward that end, it specifies that the bill will not interfere with operation and maintenance of water facilities and infrastructure, including, but not limited to, the Moffat Tunnel, the Fraser River Water Collection system or the Englewood water collection system. Nothing in the bill will give the Forest Service any additional rights of oversight, regulation or acquisition in regard to any water facilities located in the protection area. As a result, access to such facilities, as well as any necessary work in connection with them—including construction or repair of roads or other uses of rights-of-way—will continue to be subject only to any conditions or restrictions that would have been applicable or could become applicable in the absence of this legislation.

INHOLDINGS

Section 4 addresses non-federal lands located within the protection area. It provides for acquisition of any such lands by the United States by purchase or exchange with the consent of the owner, a report to Congress concerning the status of negotiations toward that end, and for management of any such lands as part of the protection area upon their acquisition by the United States.

FALL RIVER TRAILHEAD

Section 5 directs the Forest Service to locate a new trailhead and appropriate attendant facilities in the Fall River basin area southeast of the James Peak Wilderness Area. The Forest Service is to consult with Clear Creek County, local communities and the interested public on the location and establishment of this trailhead. The purpose of this trailhead is to provide access to this region of the James Peak Wilderness Area while also alleviating impacts to the communities of Alice Township and St. Mary's Glacier from wilderness use and recreation.

LOOP TRAIL STUDY

Section 6 directs the Forest Service to undertake a study to determine whether or not it would be both feasible and desirable to establish within the protection area a loop trail for non-motorized recreational use that would connect the existing "Rogers Pass" trail and the existing "Rollins Pass" road. This study is to be done in consultation with interest parties, which the Committee intends will result in a thorough public-involvement process. It is important to note that neither this section nor the provisions for review and inventory in section 3(d)(1)(C) presume that mechanized recreation will be permitted on the existing Rogers Pass trail. Instead, ultimate decisions regarding such use and management will be made by the Forest Service consistent with the 1997 Forest Plan and the provisions of the bill.

OTHER PROVISIONS

Subsection 7(a) specifies that the bill's designation of wilderness will not result in the creation of buffer zones outside the boundaries of the wilderness areas.

Subsection 7(b) provides for technical assistance with respect to repair of the Rollins Pass road, if requested by one or more of the affected counties. The intention is that if the Rollins Pass road is reopened the cut-offs, bypasses and detours that have been created by motorized and mechanized vehicles will be closed so that the impacts caused by these detours are halted and the affected lands can recover and be restored to their natural character.

WILDERNESS POTENTIAL

Subsection 8(a) makes clear that nothing in the bill will preclude or restrict the authority of the Secretary of Agriculture to evaluate the suitability of lands in the protection area for future wilderness designation or to make recommendations to Congress for such designation at any time. Subsection 8(b) specifies that such evaluation of the part of the protection area subject to "special interest area" management prescriptions shall be done in connection with the first revision of the relevant forest plan after the date of enactment of the bill.

HONORING CONGRESSMAN DICK ARMEY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. CRANE. Mr. Speaker, I rise to pay tribute to my friend and colleague DICK ARMEY, the distinguished Majority Leader. DICK and I have been kindred souls in our quest for greater fiscal restraint, lower taxes and removing the government imposed barriers that restrain the growth of our economy. He has been a leader in promoting growth through supply-side economics and advocated a fairer, flatter, and simpler tax code. These are positions that I hope those who follow him to Congress in the years to come will continue to fight for.

Both of us are educators by trade and brought the valuable experiences learned in the classroom to the Halls of Congress. I am certain that DICK was a great educator. I'm sure his quick wit and command of the subjects he taught were thoroughly appreciated by his students. I know that his command of the issues and his ability to lead are appreciated by his colleagues. I also know that I will miss fighting the good fight for a better America with my friend DICK ARMEY.

IN RECOGNITION OF MR. HAROLD L. "SPIKE" YOH, RECIPIENT OF THE JOHN J. JONES AWARD FOR OUTSTANDING CONTRIBUTIONS TO OUR NATIONAL DEFENSE

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. WELDON of Pennsylvania. Mr. Speaker, today I would like to recognize the recent winner of the National Defense Industrial Association's John J. Jones Award for Outstanding Contributions to our National Defense, Mr. Harold L. "Spike" Yoh.

Under the leadership of Spike Yoh, Day & Zimmermann, Inc. has made and continues to make significant and exceptional contributions to our national security. Among these, Day & Zimmermann established new safety and production standards for the munitions industry, and provided vital support for our efforts during the Gulf War.

Spike Yoh's contribution to the United States extends to our economy and community, as well. Under his guidance, Day & Zimmermann grew 1000 percent and now employs over 24,000 personnel, performing $1.5 billion in professional services for clients in 45 states and 15 countries. Though most prominent for its engineering and plant operation services, Day & Zimmermann also oversees 25 subsidiaries providing construction management, technical personnel, security, clerical, marine transportation, maintenance, defense systems, and information services.

Through all this, Spike has maintained a standard of excellence that places Day & Zimmermann once again in a position to support our troops as we wage war on terrorism. In addition, his legacy of generosity and community service is an example to all of what our citizenship demands. During this dangerous and uncertain time, when our future depends on our continued vigilance and ability to serve, Spike Yoh stands as a leader, giving us confidence that we can skillfully weather the challenges ahead.

IN HONOR OF PROF. TIBERIUS HUMITA

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. BONIOR. Mr. Speaker, today I rise to give special recognition to a very dear friend of mine, a living icon of idealistic political activism, Professor Tiberius Humita. Born in Romania, Tiberius has always been on the cutting edge of social activism. From his days as a youth in Bucharest, to his time as a political refugee in Germany during WWII, to his support of progressive candidates back in Michigan, Tiberius has always stood out as a leader and an example of what it takes to institute positive change. In March of 1997, Tiberius wrote a brief article about his life. It was published in the American Romanian News, and tells the fascinating story of this man's courage and selflessness. There is no better way to describe this man's contribution to the world. I encourage all of you to read the story of Prof. Tiberius Humita. He is from a generation that had to fight for their freedom, and risk their lives for a greater cause. May his tale put in perspective just what it is we are doing here in the halls of the greatest Democracy the world has ever known.

PROHIBIT FEDERAL FUNDING FOR ANY ORGANIZATION ENGAGING IN ANYTHING HAVING TO DO WITH HUMAN CLONING

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. PAUL. Mr. Speaker, I rise to introduce legislation prohibiting federal funding for any organization that engages in human cloning or human cloning techniques. Moral and legal questions surrounding human cloning are among the most contentious and divisive facing America today. However, I hope we can all agree that no American should be forced to subsidize this activity.

Some believe the current prohibition on the use of federal funds for cloning and cloning research is sufficient protection for those taxpayers who object to cloning. However, this argument is flawed for two reasons. First, the current ban is not permanent and thus could be changed at will by a future Congress or administration. Second, because money is fungible, current law does not necessarily prevent federal funds from subsidizing cloning. After all, whenever a company that engages in cloning research receives federal dollars for any project, the company obviously then has more dollars available to use for cloning. Therefore, any federal funding for companies that engage in human cloning forces taxpayers to subsidize those activities. Thus, the only way to ensure that no American is forced to pay for cloning research is to eliminate all federal funding of such companies or organizations.

Thomas Jefferson said "To compel a man to furnish contributions for the promulgation of ideas he disbelieves is both sinful and tyrannical." I hope my colleagues will embrace the spirit of Jefferson and join me in ending the sinful and tyrannical practice of forcing taxpayers to subsidize a practice so many find abhorrent. I urge my colleagues to support this bill and forbid federal funds from going to any company which engages in human cloning.

PAYING TRIBUTE TO LINDA MALINSKY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize an outstanding individual from Mancos Valley, Colorado, Linda Malinsky. Throughout the years, Linda has been a model citizen of the community by selflessly donating her time and efforts to needy organizations and seniors throughout the area. I would like now to highlight several of her efforts and commend Linda on her accomplishments.

Linda is known as a person with a kind heart and gentle soul who dedicates most of her time to the Valley Inn Nursing Home. At the home, she serves as the Social Services Director, providing her energies to ensure the continuation of a high quality of life for seniors in the home and in the area. When she is not at the home, she stays fully occupied by providing her amazing voice to her local church and other groups. Her voice is well known in the area and many of her listeners relish her sound as relaxing and soothing to the mind and spirit. In her desire to further help the elderly and provide healthcare to those in need, Linda organizes the annual Alzheimer's Walk in Boyle Park. She volunteers all her time and efforts to the charity, which annually raises thousands of dollars to fight the debilitating disease. –

Mr. Speaker, Linda Malinsky is a model citizen of the community and her hard work and efforts have not been overlooked. She has recently been named as the Citizen of the Year by the Mancos Valley Chamber of Commerce honoring Linda for her dedication to seniors in the area. I would like to congratulate Linda on her efforts and her recent award, wish her happy holidays, and good luck in her future endeavors.

THE INTRODUCTION OF THE RETIREMENT ENHANCEMENT ACT OF 2001

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. ANDREWS. Mr. Speaker, I rise today to introduce the Retirement Enhancement Act of 2001. The Retirement, Enhancement Act of 2001 consists of two bills, one amending the Employee Retirement Income Security Act (ERISA) and the other amending the Internal Revenue Code (IRC).

These bills are the result of my work as the Ranking Member of the Subcommittee on Employer-Employee Relations, which last Congress and earlier this year held a number of bipartisan hearings to consider improvements to ERISA. The Subcommittee heard from a wide variety of witnesses representing pension participants, employers, and financial advisors. They presented us with a variety of proposals to improve the retirement security of American workers. The Retirement Enhancement Act seeks to take the best of these contributions, and couple them with other pension provisions that I have either advocated or supported in the past,

Joining with me as cosponsors of the Retirement Enhancement Act of 2001 are numerous members of the Committee on Education and the Workforce, including Representatives MILLER, KILDEE, OWENS, PAYNE, MINK, SCOTT, WOOLSEY, RIVERS, HINOJOSA, TIERNEY, KIND, SANCHEZ, FORD, KUCINICH, HOLT, SOLIS and MCCOLLUM. They share my belief that enactment of these bills will improve workers' access to and adequacy of needed retirement benefits.

Since the enactment of ERISA, the number of Americans who participate in a pension plan has nearly doubled from 38.4 million in 1975. While this growth is considerable, it still leaves about half of the workforce without access to a pension plan through their employer. Both the General Accounting Office and Congressional Research Service have completed studies analyzing pension coverage in the United States. The studies found that approximately 53 per cent of workers, roughly 68 million people, lacked a pension plan in 1998. About 39 per cent of those without coverage worked for an employer that did not sponsor a plan, while 14 per cent lacked coverage because their company's plan did not include them.

These bills seek to eliminate the remaining weaknesses in ERISA and lay the groundwork to help those not covered by an employer pension. These bills seek to improve pension coverage and adequacy, Under these bills, employers that sponsor plans would be required to offer pension coverage to all employees who meet current minimum eligibility requirements such as completion of one year of employment. These bills also improve coverage for part-time workers who represent one of the largest groups without pension coverage. Women represent 70 percent of the part-time workforce.

With the ever-changing, workforce, it is also important that we decrease the vesting period for workers in defined contribution plans. For workers who will have many employers during their working, lives, we need to ensure that they will earn pension benefits that will benefit them in retirement. The bill reduces pension vesting from 5 to 3 years for defined contribution plans.

The Retirement Enhancement Act seeks to expand pension availability to those workers without it. One of the innovative ways in which it would do so is to create a model small employer group pension plan into which small employers could buy in with minimal administrative responsibilities. The Departments of Labor and Treasury would work with associations or financial institutions to establish and advertise these model plans so that employers and employees would know that easy and accessible pension options exist.

The Retirement Enhancement Act includes important pension protections for women. These bills establish a 75 per cent joint and survivor annuity option that would provide surviving spouses greater benefits in retirement. It provides enhanced protection to divorced spouses' pension rights and improves spousal information rights. These bills would also allow for time taken off from work under the Family and Medical Leave Act to count toward pension participation and vesting requirements.

The Act improves ERISA's safeguards for the investment of pension plan monies. It creates an expedited prohibited transaction exemption approval process under which plans would be able to more easily and quickly provide participants with new investment products. It does so, however, without weakening participant protections. It permits employers to provide qualified investment advice, including self-interested advice provided advisors meet minimum qualifications, adequate notice is provided, employees have an independent option and also effective remedies are available to employees for breach of the advisors fiduciary duties. This will be extremely helpful to those workers in defined contribution pension plans who bear the primary responsibility for their pension plan investment decisions.

In recent months tens of thousands of participants in defined contribution plans have suffered great loss when their company stock price dramatically declined, most notably in the case of Enron. Too many participants have had their retirement savings effectively wiped out. The Retirement Enhancement Act would give pension participants enhanced rights to diversify their employer pension contributions. The bill would require all employers to notify employees of their right to diversify employer contributions and would require employers to diversify employer contributions.

The Retirement Enhancement Act of 2001 improves access to pension information and strengthens enforcement mechanisms. It would require that plan participants regularly receive statements apprising them of the status of their earned pension benefits. Pension plans would also have to provide more detailed financial information about their earnings and investments. These bills would improve the current pension auditing system by requiring accountants to conduct full scope audits and report irregularities to the Department of Labor.

The bill includes important incentives to increase meaningful access to pension plans for low and moderate wage earners. It makes refundable the new tax credit for individuals who make pension contributions either to an IRA or 401 (k) plan and it also includes a tax credit to small businesses that would subsidize 50 per cent of their pension contributions for the first 3 years of a plan.

The bills create an alternate dispute resolution system to resolve benefit disputes. The Department of Labor, along with dispute resolution organizations, would develop an early neutral evaluation program. This would allow for participants to receive benefits in a timely manner instead of after years of litigation, The bills also strengthen ERISA's remedies to ensure that participants have meaningful access to court, and that the courts can adequately remedy violations of the law.

Finally, the Retirement Enhancement Act of 2001 requires the timely distribution of defined contribution cash-out amounts, which would have to be made within 60 days of an employee's termination. It permits employees to work longer without being required to start pension receipt by delaying the minimum distribution of benefits from age 70½ to 75. Furthermore, for workers who are involuntarily terminated, it permits them to borrow against their pension earnings in order to pay for health or job training expenses.

Mr. Speaker, it is now time for the Congress to build on what was started with the enactment of ERISA in 1974, and take additional steps to ensure retirement security for our workforce. Advances in medical technology, environmental protection, nutrition, and improved living standards give us reason to believe that Americans are going to live longer lives. Whether the quality of these lives, after retirement, is good or not, will depend upon the existence, nature, and security of each person's pension plan. Because employers are rapidly shifting to the use of employee-directed pension accounts, more and more workers will be making decisions that are critical to their future financial health. I believe that the Retirement Enhancement Act of 2001 will help make those decisions easier, and make the benefits of those decisions more secure. I look forward to working with my colleagues and the pension community to continue to improve these bills and advance their consideration.

TRIBUTE TO JANET AND MAXWELL HILLARY SALTER

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. WAXMAN. Mr. Speaker, we rise today to pay tribute to two dear friends, Janet and Maxwell Hillary Salter. Janet and Max are being honored on January 17, 2002 by the University of Judaism (UJ) in Los Angeles for their tremendous commitment to Jewish, business and civic activities. We have known Janet and Max for more than three decades and can not imagine two more deserving recipients for this prestigious honor.

The evening will be particularly meaningful because the Sigi Zierling Institute at the UJ will be unveiled due to the generosity of Janet and Max. The institute will provide a national center to explore the moral and religious impact of the Holocaust for future generations. And, it will solidify and honor the memory of Sigi Zierling, who was a beloved philanthropist, entrepreneur, scientist and Holocaust survivor. Sigi is survived by a loving family who have also been instrumental in furthering the mission of the UJ.

Janet and Max have been leaders in philanthropy for as long as we can remember. They are patron members of the UJ and for more than ten years they hosted parties for Jewish singles affiliated with the UJ.

They are also patron members of the Los Angeles County Museum of Art, Museum of Contemporary Art and Platinum Members for the Center Theater Group. They are avid supporters of the Beverly Hills Education Foundation, the Maple Center, the Venice Family Clinic and Happy Trails. Their tireless dedication to the arts and education has made them integral members of Los Angeles, civic community.

Janet is a multi-talented published cartoonist who also coproduced, co-wrote and directed two major musicals for the City of Beverly Hills. She was awarded the first Golda Meir Award in 1978 by the State of Israel Bonds. She has served as a board member and chair of the Beverly Hills Fine Art Commission for nine years. She currently serves as president of the Beverly Hills Theatre Guild and is on the board of the Greystone Foundation.

Max served two years as mayor of Beverly Hills during his eight year tenure on the City Council. He is the chairman of Beno's, a downtown Los Angeles apparel company, chairman of the Fashion District Business Improvement Board and member of the board of directors of Diagnostic Products. He is also on the advisory board of the Jewish Community Foundation and past president of Temple Beth Am. Like Janet, Max's influence is felt wherever he dedicates his talents.

Janet and Max have lived in Beverly Hills for over 40 years. They have three wonderful children, all graduates of either Berkeley or UCLA, and twelve grandchildren, six of whom were at Berkeley at the same time.

We are delighted to honor our dear friends as they receive a much-deserved honor from the University of Judaism and ask our colleagues to join us in wishing them all the best for the future.

BIPARTISAN TRADE PROMOTION AUTHORITY ACT OF 2001

SPEECH OF

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 2001

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise in opposition to H.R. 3005, the Trade Promotion Authority Act. I believe in free trade that is also fair trade, and this bill does not ensure that our future trade agreements will fit that description.

I strongly feel that we have to learn from the experience of the North American Free Trade Agreement (NAFTA), which has been a failure. Since NAFTA our trade deficit with Mexico has increased, the environment along the US/Mexico border has gravely suffered, consumer safety has been put at risk due to the importation of goods that are poorly inspected, and manufacturing jobs in states like Rhode Island have been put at risk as employers leave for Mexico and other countries.

I also am concerned about the role that international organizations such as the World Trade Organization have on our national sovereignty. Our hard-fought federal, state, and local regulations that protect our consumers and environment will be put at risk by H.R. 3005. The bill would allow our environmental agreements that safeguard biodiversity, control the use of particular pollutants, and preserve our most endangered species, to be challenged as unacceptable barriers to trade.

Another major problem with the bill is its failure to learn from NAFTA's mistakes when it comes to corporate investment. Foreign corporations are using NAFTA's Chapter 11 on investment to challenge core governmental functions. Rhode Islanders need to be particularly concerned about this. We need to learn from the experience of the State of California which has been sued by the Canadian company, Methanex, because of California's ban on MTBE, a gasoline additive. This example is particularly pertinent to Rhode Island, because the Pascoag water district of Burrillville, Rhode Island has a contaminated water supply from MTBE. If we pass The Trade Promotion Authority Act, we need to be aware that we open the door to place Rhode Island laws and regulations at the mercy of foreign firms.

For all of these reasons, I urge my colleagues to vote against H.R. 3005 and in support of the Levin-Rangel substitute.

CDC RETIREE AND CONSTITUENT GARY CONRAD

HON. JOHNNY ISAKSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. ISAKSON. Mr. Speaker, it is my distinct pleasure to recognize the distinguished career of Mr. Gary Conrad, who is a member of my constituency in Georgia's Sixth District and has provided countless hours of assistance to the Congress as an employee of the Centers for Disease Control and Prevention in Atlanta, Georgia where he has served as the Chief of the Congressional and Legislative Branch in the Financial Management Office.

Mr. Conrad is retiring from the Centers for Disease Control and Prevention after 34 years of service to the agency. His service record with CDC spans his entire career and it is a career that demonstrates loyalty, dedication, quality, and selfless acts to the people of Georgia, the United States and in fact the world. Mr. Conrad has worked tirelessly to provide Congress information about the agency, its mission, and its programs. His work has contributed significantly to our understanding of the agency's mission and the nation's public health needs.

Mr. Conrad has had several notable assignments and he can truly be recognized as an individual in the forefront of the public health service. During his career with CDC, Mr. Conrad worked directly with the World Health Organization, Smallpox Eradication Programme in Bangladesh where he investigated potential smallpox cases and implemented disease containment procedures in areas with confirmed cases. His efforts contributed to the worldwide eradication of the disease.

For nearly eleven years, Mr. Conrad served as the Director for Sexually Transmitted Disease Control Programs in Atlanta, Nashville, Salt Lake City, and San Juan. In addition he has served CDC as the Deputy Director for the Public Health Service—Region IV, Division of Preventive Health Services.

When the CDC began to recognize the cases of the HIV virus early in the epidemic it was Mr. Conrad the agency called upon to serve as the Desk Officer for the Department of Health and Human Services newly designated National AIDS Program Office. During his career, Gary has also represented CDC as an advisor to the Socialist Republic of Vietnam, the International Organization on Migration, and the U.S. State Department on refugee-based health screening. He also served CDC in Miami on an emergency Cuban refugee screening project during the Mariel Cuban Boatlift.

Mr. Conrad's career is truly noteworthy and represents the excellence that exists within the citizens of our community and the nation. The Centers for Disease Control and Prevention will surely miss the perennial contributions to public health of Mr. Conrad as he retires and it is my pleasure to recognize his efforts today in the CONGRESSIONAL RECORD.

TRIBUTE TO JANE ROBERTS

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. HOEFFEL. Mr. Speaker, I rise today to honor Jane Roberts who will retire in December as Commissioner of Springfield Township in Montgomery County, Pennsylvania. She has served her community for many years with distinction.

Jane is a dedicated public servant. Upon arriving in Montgomery County, she became active with the Schuylkill Valley Center for Environmental Education and became interested in politics through the League of Women Voters where she served as President.

Jane, a Democrat, was elected a Commissioner of Springfield Township in 1994. She served as Vice President of the Board of Commissioners in 1996 and 1997. For the past seven years, she has been active in promoting recycling and other environmental causes as the Chairwoman of the Cultural and Environmental Resources Committee. In addition, she has served as the Commissioner Liaison to the Board of Directors of the Free Library of Springfield Township.

Jane and her husband Roy are the proud parents of two sons and one granddaughter.

I am pleased to honor Jane Roberts on her retirement from the Board of Commissioners. She has made significant contributions to her community that will leave a lasting mark. Her dedication to her community truly is commendable. I join Springfield Township in congratulating Jane on her many years of exemplary service.

PAYING TRIBUTE TO RICHARD "DICK" WOODFIN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to recognize Richard "Dick" Woodfin and thank him for his contributions to the state of Colorado. Dick, who last year celebrated his 100th birthday, has been an active leader in state political and agricultural communities for most of his lifetime. I would now like to recognize some of his past and present accomplishments and extend my gratitude to his service and dedication to our state and nation.

Dick came to Colorado as a child when his parents settled in Cheyenne Wells in 1916. He graduated from Colorado State University in 1928 and became an agriculture teacher and thus began a long career in the agricultural community. His work with the Colorado Farm Bureau began in 1930 as an extension agent. He worked and remained active in the cities of Crowley, Canon City, Grand Junction and Burlington. In 1948, his involvement took a step forward when he was instrumental in the creation of the Mesa County Farm Bureau. His official service to the Colorado Farm Bureau ended in 1962, but he remained persistent in fighting for the interests of the citizens of Colorado upon being elected to the state legislature in 1969.

Mr. Speaker, Dick Woodfin contributed so much to the struggles of the Colorado Farm Bureau and to the triumph of the people of Colorado. His achievements have recently been recognized with the presentation of the Colorado Farm Bureau 2001 Service to Agriculture Award. For his lengthy service to the State of Colorado and the United States of America, I would like to personally recognize him for his efforts. Dick, you are truly worthy of the praise of this body of Congress.

HONORING THE GIRL SCOUTS OF HENDERSONVILLE, TENNESSEE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GORDON. Mr. Speaker, I rise today to honor the young ladies of Girl Scout Troop #2765 in Hendersonville, Tennessee. Like so many Americans, they were taken aback by the tragic events of September 11, 2001, and proved, once again, that heroes come in all sizes.

In the wake of the attacks on the World Trade Center and the Pentagon, people all over America shared their food, shelter and prayers with those directly affected by the tragic events of September 11. The Girl Scouts from Troop #2765, saddened as so many of us were at the realization that hundreds of young children lost a parent in the attacks, took it upon themselves to launch "Operation Cuddles."

With the help of several local organizations in Tennessee, these fourth-graders were able to collect over 500 stuffed animals and deliver them in person to children in need at a ceremony at the State House in New Jersey.

The young ladies' kindness and commitment in the aftermath of such a tragedy exemplifies the spirit and tenacity of America. The compassion shown to our fellow man during this atrocity has revealed many heroes among us, not the least of which are the ladies of Troop #2765.

I wish to thank these brave young women for their tremendous contribution to the recovery efforts, and for helping us all gain some perspective in a time of national tragedy.

TRIBUTE TO BARBARA ALEXANDER, ADVOCATE FOR EDUCATIONALLY DISADVANTAGE CHILDREN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GEORGE MILLER of California. Mr. Speaker, I would like to take this opportunity to acknowledge the passing of Barbara Alexander, a very special woman whose life was dedicated to aiding children. Barbara is best known as a loving, energetic, feisty, and diligent advocate for advancing educational opportunities for children, especially children from economically disadvantaged families. Her courageous efforts continued until her untimely death at age 64 on November 27th of this year.

Born in Beaumont, Texas, Barbara moved to Richmond, California, in my congressional district, with her family when she was 7 years old. She met her future husband, Billy Alexander, while in church one Sunday. Barbara was married to Billy for 44 years and was the proud mother of three daughters, five sons, seven grandchildren and two great-grandchildren.

Barbara's activism on behalf of public school children began in 1963, when her eldest daughter, Gaye, entered kindergarten at Coronado Elementary School in Richmond. She volunteered countless hours at the school and joined the Parent Teacher Association and the school advisory council. In the 1970s, Barbara and Billy successfully won a court decision against the Richmond Unified School District and the State of California for their handling of federal funds committed for special education students under Title I. Soon afterward, Barbara's involvement in education and her fight for the rights of disadvantaged children intensified. She served as a member of the National Coalition for Title I Parents, and the California Association for Compensatory Education. Barbara continued her lifelong passion for poor children by pioneering programs to assist low-income children such as Dreams for Children, which raised money to take low-income children shopping for Christmas, a Day of Sharing at Nystrom Elementary School, weekend tutorial programs, and a summer school program called Summer of Hope.

In recent years, the Alexanders founded the West Contra Costa Back-To-School Festival, an annual event that brings together businesses and community organizations to provide free school supplies, health screenings and community services to students attending schools in Contra Costa County. Last September, about 2,000 students and their parents benefitted from the event. Billy fondly calls Barbara a modern-day "Robin Hood" because she passionately helped poor children and their families even when her own family was experiencing financial difficulties. I want to thank Billy personally for the sacrifice he and his family made throughout the years. Barbara Alexander was a model for us all. Indeed, her passion and advocacy will continue to inspire us to explore ways to improve educational opportunities for all children.

Mr. Speaker, today the House is going to pass historic legislation to reform the Elementary and Secondary Education Act, a law to benefit disadvantaged public school students first enacted in 1965. I would like to think that Barbara Alexander would be proud of the work we have done in this bill to ensure that federal aid to schools in fact is targeted, better than ever before, on those children most in need of help. I would like to think that she would be proud of our efforts to ensure that all children are taught by qualified teachers, that they have quality after-school programs and that they will benefit from the bright lines we will soon draw with regard to our expectations for schools. Our bill is rooted in the belief that all children, no matter what their backgrounds, can learn equally well as their schools have the proper resources and a qualified teaching staff. I believe these are the goals that Barbara Alexander spent many years of her life fighting for, and I will think of her today, and the children she fought for, as we pass this historic bill.

HELP AMERICA VOTE ACT OF 2001

SPEECH OF

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 12, 2001

Mr. CROWLEY. Mr. Speaker, I rise today in support of H.R. 3295, The Help America Vote Act. I would like to thank the gentleman from Ohio, Mr. NEY and the gentleman from Maryland, Mr. HOYER for their diligent work in getting this legislation to the floor quickly enough for it to make a difference in the upcoming 2002 elections.

The Presidential election of 2000 highlighted the numerous problems within our federal election system. Voting machines broke down, thousands of votes were discarded due to damaged ballots over or under votes and hanging, dimpled and pregnant chads. The situation was especially grave in our minority communities, especially African-American neighborhoods. The United States election process broke down, as did the voter's confidence in it. We all came to this House just under a year ago, promising to immediately act to fix the many problems we discovered. Today we must take the opportunity to restore public confidence in the integrity of the electoral process.

With the passage of this important legislation, we will finally demand minimum Federal standards for voter registration. H.R. 3295 would also mandate minimum standards on the equipment used to cast ballots, and the procedure used to determine what is and is not a vote on every variety of voting machine used in this country. This will eliminate confusing and contradictory local laws that made a mockery of the 2000 election's Florida recount. This will establish standards that every State must meet for every Federal election.

Passage of this bill will also authorize $2.65 billion in funds to help meet these new high standards by replacing outdated voting equipment, and educate voters about the election process. Of this money, $400 million is to help States replace outdated and unreliable punch card voting systems, the antiquated system which led to the Florida turmoil, and another $2.25 billion is to help States improve their equipment, provide greater access to disabilities, better train poll workers, and educate voters about their rights.

Although I support this bill as a good start towards desperately needed reform, I recognize that it does not solve all of our election difficulties. I am very disappointed that the Rules Committee did not make in order the amendment offered by my good friends Mr. MENENDEZ of New Jersey, Ms. DELAURO of Connecticut, and Ms. JOHNSON of Texas. Their amendment would have solved many of the deficiencies contained in the bill, and make it more compatible with the bills currently being considered in the Senate.

Their amendment would mandate that the voting authorities begin to inform voters of a mistake in their ballot of voting for either too few or too many candidates. Nearly 200,000 ballots were thrown out of the Florida Presidential ballot because of over or under counting, and the technology to prevent this from occurring again is available. We should be using it.

The amendment would also require accessibility to alternative language voting for people with a limited grasp of English. This is a vital issue to me because the people in my congressional district, the Seventh District of New York, are native speakers of over 70 different languages. These hard working American citizens are just as entitled to vote as everyone else and should not be intimidated by the electoral process—something every citizen should hold dear.

Beyond that, this amendment ensures that the standards of the motor-voter law remain in order, to ensure that States cannot purge people from their rolls if they fail to vote in two consecutive Federal elections. It requires provisional ballots to be provided to voters missing from precinct registers, and notice be provided as to whether their residency was established and their vote counted following Election Day. The amendment ensures that national standards are maintained for error rates for voting machines, in addition to the other standards already established.

Although the Rules Committee did not make this amendment in order, I believe it is vitally important that these provisions be added to any bill that becomes law. Nonetheless, I continue to support H.R. 3295, which is a very good step in the right direction and support its passage today. But I hope that the Senate passes a bill containing all of these important provisions, and we are able to adopt it all in conference.

This bipartisan legislation has the endorsement of the National Commission on Federal Election Reform and its distinguished chairmen, former Presidents Carter and Ford. The National Conference of State Legislators and the National Association of Secretaries of State, both of which will have to deal with its mandates, have also endorsed it. They all recognize that this bill is the best way to help rectify the problems of the 2000 election, and ensure that debacle never occurs again.

I urge a "yes" vote on H.R. 3295. Thank you Mr. Speaker and I yield back the balance of my time.

TRIBUTE TO WORLD WAR II FLYING ACE, RICHARD WEST OF CHILLICOTHE, MO

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GRAVES. Mr. Speaker, I rise today to pay tribute to World War II flying ace Richard West of Chillicothe, MO. A member of 35th Squadron, 8th Fighter Group, 5th Air Force stationed in the South Pacific, Richard shot down 14 Japanese fighters during 1943 and 1944. He was one kill away from being a triple ace.

Amazingly, in his 173 combat missions flying P–40 Warhawks and P–38 Lightnings, Richard saw air-to-air combat only eight times. However, one of those times he shot down four planes, another time he shot down two planes.

Along with other American aces in the South Pacific, West's character became legendary as the "Samson of the Pacific". In the book, "Fighter Aces," it is said that he refused to cut his hair until he downed his first Japanese plane. Richard also authored his own book, "Three Songs and Other Poems," a book depicting the drama of air-to-air combat.

Richard West is a highly decorated war veteran who helped shape the course of our Nation. He is a member of the "greatest generation" and deserves our respect and thanks. I am proud to announce that on Saturday, January 12, the Chillicothe Municipal Airport Terminal Building will be named in his honor, a memorial long overdue. I thank Richard West for his service to our country.

INTRODUCING THE HUD HOUSING AND SECURITY FLEXIBILITY ACT

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GREEN of Texas. Mr. Speaker, I would like to call to the attention of the House an innovative program created by the Houston office of the Department of Housing and Urban Development (HUD) in conjunction with local law enforcement agencies in the Houston area. This program, utilizing grant money from the Operation Safe Home program, hires off-duty law enforcement officers to provide security and patrol housing complexes and apartments that are owned by or receive funds from HUD. This program has been a great success, and has made residents feet safer and more secure in their homes.

Unfortunately, this program turned out to be too innovative. Although this initiative has been an unqualified success, it turns out that HUD did not have the authority to make these types of security decisions. I believe that we should allow our local communities and those who know them best the flexibility to pursue the solutions that will decrease violence, drug use, and other crimes that plague much of the public housing in our nation today. I do not believe that Americans who need assistance with housing costs should be forced to live in fear.

That is why I am introducing the HUD Housing Security and Flexibility Act. This legislation would allow HUD to hire local law enforcement agencies for these purposes. It authorizes offices that receive or administer funds under either of the aforementioned programs to enter into contracts with police departments and other agencies. These contracts would be limited to 3 years in length, and would be solely for security, patrols, or other protective services at HUD-owned or -assisted housing,

Mr. Speaker, I feel that this legislation will go a long way toward eliminating crime in our public housing, and making Americans feel safer in their homes. I hope that the Congress will take up this important legislation during the 107th Congress.

SOCIAL SECURITY GUARANTEE PLUS ACT OF 2001

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. SHAW. Mr. Speaker, today, I am introducing the Social Security Guarantee Plus Act of 2001 to save Social Security. I believe strongly that we can and will work in a bipartisan manner to save Social Security, provided we choose to legislate for the next generation, not the next election.

Two-thirds of a century ago, Social Security's framers designed the program to meet certain promises for the American people: the promise of a safety net of financial security, the promise that all workers would be treated fairly, the promise that Social Security would be owned by workers, for workers, and a program that workers and their families could count on should they retire, suffer disability, or die. However our nation's current demographics and economics have changed, and Social Security's ability to continue meeting these promises is threatened. The Social Security Guarantee Plus Act I introduce today will enable Social Security to continue keeping its promises.

First, through this plan, the Social Security safety net is fully preserved. Promised benefits, including cost of living increases, are guaranteed for those already receiving retirement, survivors, and disability benefits, those about to receive those benefits, and future generations.

Second, the plan treats all workers fairly. Workers have paid into the system, it's their money, and we must protect and enhance their investment. It's not fair to workers to raise their payroll taxes or lower their benefits. Nor is it fair for the government to tell workers to work longer. I do not want to create another "notch." That's why my plan does not raise taxes, does not lower benefits, and does not change the retirement age.

Third, Social Security dollars belong to the workers that sent them here, therefore this plan gives workers a real ownership stake in the program by allowing workers to choose to receive a tax cut to invest directly in safe, individually-selected, market investments. A new nation of savers, not the government, will control their retirement security. Should an individual die before becoming eligible, the balance of their money will be passed along to their heirs.

Fourth, under my plan, Social Security can be counted on for the next 75 years, and beyond. Real assets guarantee current and new expanded benefits, not Government IOUs, establishing a sound and sustainable financial footing. There will be no more need to increase taxes or lower benefits every few years to keep the program working.

Beyond keeping these promises, we must do more to further improve Social Security for the women of our nation. Because of their longer life expectancies and lower earnings, women are more likely to suffer poverty in old age and therefore heavily depend on Social Security's vital safety net. In addition, because benefits are based on earnings, women are penalized when they choose to stay home to raise their children. The Guarantee Plus Plan increases protection for women, not only by securing the future of the current Social Security and guaranteeing full benefits, including cost-of-living adjustments, but also by enhancing benefits for widows, divorced spouses, and working mothers. These benefits become available immediately in my bill.

Congressman WALTER JONES (NC–03) said "we, as members of Congress, have a duty to our seniors to ensure their retirement security will not be jeopardized." I couldn't agree more. Therefore, the bill includes a provision, similar to that introduced by my friend WALTER JONES, where each beneficiary will receive a legally enforceable certificate guaranteeing his or her benefits.

Here's how the Social Security Guarantee Plus Plan works. The plan guarantees full, promised, current law benefits for all workers, whether you are 6 or 65. Just as companies must back your pension plan with real assets, the Guarantee Plus Plan saves Social Security by setting aside real assets, not IOUs, to prefund benefits. These assets are saved in each worker's own account, thereby providing workers the opportunity to create real wealth for themselves and their families.

Workers who choose to participate will receive a refundable credit of 2–3% of their earnings to establish their own Social Security Guarantee Account. Workers, not the government, would select where to invest their Guarantee Account funds. The assets in these accounts would grow tax-free. No withdrawals would be permitted until a worker starts receiving benefits to ensure that the money is preserved for retirement.

At retirement or when the worker becomes disabled, a portion of the Guarantee Account is paid directly to the worker and the rest is used to help pay full, guaranteed Social Security benefits. But that's not all.

My plan also includes much needed improvements in benefits for widows, divorced women, working women caring for young children, and women with work not covered under Social Security. My plan also eliminates the retirement earnings penalty for all workers age 62 and older.

The Guarantee Plus Plan does all this and pays for itself over the seventy five-year actuarial period, and that's confirmed by the Social Security Administration's Office of the Actuary. Even under the most conservative estimates, the Guarantee Plus Plan allows the new Social Security system to generate surplus cash in the later part of the century, actually adding black ink to the government's bottom line.

Other plans may cost less because they cut benefits or raise taxes. If your goal is to keep current benefits, boost women's benefits, and return Social Security to financial independence, The Guarantee Plus Plan is the lowest-cost proposal to date. My plan uses general revenues to fund the accounts. Even assuming borrowing for a transitional period, my plan pays back every borrowed dollar plus interest within the 75-year evaluation period. Not only do we pay off the mortgage on Social Security, we leave workers with substantial account balances and the federal government with excess cash.

President Bush has shown true leadership by setting out principles for reform. The Guarantee Plus Plan meets or exceeds all of these principles.

Principle #1: Modernization must not change Social Security benefits for retirees or near retirees. My plan exceeds this principle, because it preserves and guarantees benefits for all workers and retirees. In fact, my plan improves benefits for everybody.

Principle #2: The entire Social Security surplus must be dedicated to Social Security only. For the first time available Social Security surpluses will be used to benefit Social Security directly.

Principle #3: Social Security payroll taxes must not be increased. My plan does not ever raise payroll taxes. In fact, my plan creates long-term savings that could potentially allow a payroll tax decrease.

Principle #4: The government must not invest Social Security funds in the stock market. My plan allows workers, not the government, to invest account contributions in safe, sound investment choices.

Principle #5: Modernization must preserve Social Security's disability and survivors components. My plan does not alter Social Security disability and survivor benefits in any way, except to increase guaranteed benefits for survivors and to increase income security for individuals with disabilities, who keep 5% of their account in addition to full, guaranteed benefits.

Principle #6: Modernization must include individually controlled, voluntary personal retirement accounts, which will augment the Social Security safety net. My plan provides workers all opportunity to voluntarily participate in personal accounts that they own and control without individual investment risk. These accounts ensure Social Security will be able to pay current law benefits for all workers for 75 years and beyond.

The President also convened a bipartisan Commission to issue recommendations for strengthening and modernizing Social Security. Later this month, we will see the Commission's final report, and our nation will embark on further debate regarding the future of this great program.

Just yesterday, the House overwhelmingly passed a resolution that summarized what actions we, as Members of Congress, should take in saving Social Security. This resolution clearly states that we should join with the President in saving Social Security as soon as possible. It also states that any plan to save Social Security should recognize the obstacles women face in securing financial stability at retirement, the critical role Social Security plays in preventing poverty and providing financial security for minorities. Finally, it states that any plan to save Social Security should guarantee current law promised benefits, including cost-of-living adjustments, for current and future retirees, and should not increase taxes. My plan accomplishes all these objectives.

As the choices necessary to secure the future of Social Security become more clear in the coming weeks and months, I want America to know my choices for how to strengthen and improve Social Security for the next 75 years and beyond. I choose:

No to privatizing; yes to securing Social Security as we know it.

No to lowering benefits or increasing taxes; yes to benefit guarantees.

No to more government IOUs; yes to real savings through voluntary personal savings accounts.

No to government investment; yes to worker choice and worker-controlled investing in safe, market investments.

No to program bankruptcy and burdening our children with debt into years unknown; yes to a solvent, debt-free Social Security program.

Stepping up to the challenge and finding a solution is the "American" way; ignoring it is not. Those who truly want to keep Social Security's promises must do more than just stand on the sidelines—they must offer their own workable proposal to fix Social Security's finances. Those who only criticize the difficult and candid choices of people giving purposeful thought towards saving Social Security have no place in this serious debate.

We must work together to build on the Success of the past to make a strengthened Social Security system an asset to all and not a liability to our children and grandchildren.

IN TRIBUTE TO LORENZO BOOKER

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GALLEGLY. Mr. Speaker, I rise in tribute to a young man whose name I predict we will hear for many years to come: Lorenzo Booker, a high school running back from my district who has been named the 2001 Gatorade National High School Football Player of the Year.

Mr. Booker was chosen for this national honor from more than 1 million male high school football players by the Gatorade Company and Coach and Athletic Director magazine. He joins a prestigious list of previous winners, including Emmitt Smith of the Dallas Cowboys and Peyton Manning of the Indianapolis Colts.

During Mr. Booker's three seasons at St. Bonaventure High School in Ventura, California, he broke four California state records and helped his team achieve an impressive 42–0 record and three CIF–Southern Section Division XI championships. His records are: 8,501 rushing yards, 882 points, 137 touchdowns, and 131 touchdown runs. He averaged 11.23 yards per carry.

In his final high school game, he ran for 232 yards and scored five touchdowns. His speed, strength and elusiveness have led to comparisons with the likes of Barry Sanders, O.J. Simpson, Marshall Faulk and Gale Sayers.

Mr. Booker and fellow teammate James Bonelli have been named to the U.S. Army All-American Bowl on January 5, 2002, at Alamo Stadium in San Antonio, Texas. On the day before the game, the Ken Hall Player of the Year trophy will be awarded. Mr. Booker is a finalist. He also is a finalist for the USA Today Offensive Player of the Year and the High School Heisman.

Obviously a leader on the field, Mr. Booker also has been described as a leader off the field, and as a gentleman who is proud and confident but who treats everyone as his equal.

Not surprisingly, Mr. Booker is considered by many to be the top college recruit in the country. Ironically, Mr. Booker is in no rush: He says he'll make a decision when he wakes up on National Signing Day, February 5.

Wherever he goes, college football fans will quickly learn what California high school fans already know: Lorenzo Booker is a winner.

Mr. Speaker, I know my colleagues will join me in congratulating Lorenzo Booker for a very successful and impressive high school football career and in wishing him the best as he dodges and weaves into the next chapter.

TRIBUTE TO MICHAEL CLIFFT

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to pay tribute to an outstanding citizen of Indiana's First Congressional District, Michael Clifft. On November 30, 2001, Michael, along with his family and friends, celebrated his retirement from the International Brotherhood of Boilermakers Local Union 374 after more than 35 years of dedicated service.

We in Northwest Indiana applaud Mr. Clifft's achievements thus far. At the young age of 23, he was initiated into the International Brotherhood of Boilermakers, an event that marked his entry into a productive career in this field. A native Oklahoman, he joined our community in 1968 when he was transferred to Local 374 in Hammond, Indiana. His sense of dedication and professionalism that was formed in the Heartland came to fruition in Northwest Indiana with his many positive contributions in our community. We often seek in traditions a reflection of American ideals: reliability, loyalty, and an unwavering commitment to a strong work ethic. The Clifft family yields to us all an example of uncompromising dedication to this ethic—his father before him and his daughter after him are both distinguished Boilermakers. Mr. Clifft has provided the constituents of the First Congressional District with a positive standard after which they can model themselves.

As a testament to his dedication to the International Brotherhood of Boilermakers, Mr. Clifft was appointed to the position of Assistant Business Manager of Local 374 in 1995. For the six years he served in this position, he represented Local 374 with the same integrity that he has devoted to his career, his family, and his friends.

With his induction into the International Brotherhood of Boilermakers, Mr. Clifft became a member of a family of professionals that spans the globe. His efforts to serve his international brothers and sisters to the best of his abilities are the reasons we honor him today. Yet these obligations do not curtail his involvement with those who have supported him in these endeavors. The Clifft family should also receive some of the praise offered today. His wife, his five children, and his ten grandchildren have selflessly shared this man with our community and they are also deserving of our gratitude.

On this special day, I offer my heartfelt congratulations to Michael Clifft. His large circle of family and friends can be proud of the contributions this prominent individual has made. His work in the labor movement provided union workers in Northwest Indiana opportunities that might have remained undiscovered. Mr. Clifft's contributions kept the labor force strong and his loyalty and sincerity embody all that is admirable in America's workforce. I sincerely wish Michael Clifft a long, happy, and productive retirement.

TRIBUTE TO MR. MARTIN MURPHY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. TRAFICANT. Mr. Speaker, I would like to pay tribute to Mr. Martin Murphy. Mr. Murphy resides in Youngstown, Ohio and is a long-time U.S. History and Civics teacher at Chaney High School.

For years, Mr. Murphy has worked to promote the traditions and institutions of the United States to the children of Youngstown. He has provided students with the opportunity to meet veterans and hear their stories. He has taught the students the importance of celebrating our liberties by holding ceremonies around the flagpole and at cemeteries for those that gave their lives to ensure our freedom. He has taken students to African American History and Voice of America competitions, which test their democratic values and beliefs.

Recently, Mr. Murphy was nominated as Teacher of the Year for the Veterans of Foreign Wars.

I would like to thank Mr. Martin Murphy for dedicating many invaluable years to our young people. It takes a special person to teach them the significance of the freedoms that Americans are so fortunate to have.

HONORING PROFESSOR GARY JOHNSON

HON. MICHAEL M. HONDA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. HONDA. Mr. Speaker, I rise today to honor an old and dear friend of mine, Dr. Gary Johnson. Dr. Johnson was instrumental in helping me become who I am today. As my advisor in the San José State University Counselor Education program, he helped me develop the sense of mediation and personal interactions which are so important in the work I do as a Member of Congress. This Friday evening, December 14, 2001, Dr. Johnson will be honored at a celebration of his impending retirement from the faculty of my alma mater. The College of Education and the Department of Counselor Education at San José State University will gather together to pay tribute to Dr. Johnson for his 32 years of dedicated service to the Counselor Education program and to the betterment of our community and public schools.

Dr. Gary Johnson has been a leader in the design and implementation of the graduate program in the Department of Counselor Education at the College of Education at San José State University since 1969. He has served as a faculty member, program director, and division chairperson. In these capacities, he has motivated and inspired students from diverse backgrounds to maximize their individual potential for the good of our collective communities.

Since 1957, the innovative Graduate Department of Counselor Education has trained and graduated over 2,000 diverse professionals. It has maintained a recruitment and training emphasis focusing on cross-cultural issues, community partnerships, career lifespan development, non-traditional counseling services, and historically under-represented student populations since 1970. Starting in 1978, the department has supported a bilingual emphasis in its students, a bilingual capability in its faculty, and a cross-cultural emphasis in its curriculum delivery.

Many students have chosen Counselor Education as the field in which to re-enter their university studies, receiving their Masters Degrees and going on to pursue successful careers in private industry, education, and community organizations. Many Counselor Education graduates have pursued leadership roles as school administrators and educational reformers. The professional work of these individuals is a testimony to the invaluable work of Dr. Johnson's long and distinguished career. Along with so many others, I take this opportunity to commend Dr. Gary Johnson for his outstanding contributions to the Graduate Department of Counselor Education at San Joseé State University, and his outstanding contributions to my life and my professional development and career.

INTRODUCTION OF H.R. 3484, THE PROMPT UTILIZATION OF WIRELESS SPECTRUM ACT OF 2001

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. SENSENBRENNER. Mr. Speaker, I am pleased to be an original cosponsor of H.R. 3484, the Prompt Utilization of Wireless Spectrum Act of 2001. The bill's title aptly describes the critical need for this legislation to turn wireless spectrum, which has been tied up in litigation for years, into a useful, performing asset for the American people.

For some five years, these personal communication services spectrum licenses have been the subject of a contentious dispute between the original licensee, an entity known as NextWave, and the Federal Communications Commission, regarding their rightful ownership.

In 1993, the Communications Act of 1934 was amended to permit the FCC to sell licenses and construction permits through a competitive bidding process and allow the successful bidders to pay for their licenses in installments. Pursuant to this authorization, auctions of certain licenses were held in 1996. NextWave successfully bid approximately $4.7 billion for a substantial block of these licenses.

Subsequently, however, the market value of these licenses became depressed in response to various events, which in turn, adversely impacted the ability of some licensees to obtain funding for their purchases and operations. After making an initial payment of approximately $500 million, NextWave failed to obtain financing for the balance it owed to the government and filed for bankruptcy relief under Chapter 11 of the Bankruptcy Code in 1998. It thereafter made no other payments to the FCC for the licenses. Eventually, 20 other licensees also filed for bankruptcy relief under Chapter 11.

Extensive litigation over NextWave's licenses dragged on for several years. The FCC ultimately canceled the licenses and reauctioned them in January of this year, with winning bids of nearly $16 billion. Nevertheless, the United States Court of Appeals for the District of Columbia subsequently found the FCC's cancellation of the licenses violated the Bankruptcy Code and thereby rendering their reauction null and void.

In an effort to resolve the various issues presented by the disputed ownership of these licenses, the FCC, NextWave and certain other interested parties have entered into a comprehensive settlement agreement late last month. The agreement provides, in essence, for the transfer of the licenses by NextWave to the FCC, which in turn will convey them to the successful reauction bidders. In exchange for agreeing to transfer the licenses, NextWave will receive a cash payment from the United States government (in addition to which the government will make a cash payment directly to the IRS on behalf of NextWave). As the result of these transactions and certain related payments, the United States will receive approximately $10 billion as net proceeds from the settlement.

In response to certain concerns expressed with regard to the settlement agreement, the Subcommittee on Commercial and Administrative Law and the Subcommittee on the Courts, the Internet, and Intellectual Property of the Committee on the Judiciary held a Joint hearing last week on this matter. Over the course of that hearing, various issues presented by the settlement agreement and proposed legislation were closely scrutinized, particularly those provisions requiring expedited judicial review and limiting the venue of certain appeals.

Largely as a result of that hearing and extensive consultations with the interested parties, I am now confident that the settlement agreement is in the best interest of the public and the national fisc, under the circumstances.

H.R. 3484, the Prompt Utilization of Wireless Spectrum Act of 2001 ensures that the settlement agreement will be implemented with the ultimate goal of making these telecommunications licenses available to those who will best utilize them for the American people.

Given the time constraints implicit in the pending settlement agreement and the need to tree up these licenses as soon as possible, it is my hope that Congress will promptly consider and pass H.R. 3484.

A WIDENING WINDOW OF OPPORTUNITY FOR WASHINGTON AND HAVANA TO CONSTRUCTIVELY ENGAGE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. RANGEL. Mr. Speaker. With the bipartisan momentum for the abrogation of the U.S. trade embargo against Cuba gaining steam, along with the recent courteous diplomatic exchange between the State Department and Havana and the subsequent trade initiative that was struck between U.S. agricultural groups and Cuba's Foreign Trade Ministry, such development should be of great interest to those in this country who have long been concerned with the course of U.S.-Cuba relations. These two long time foes seem to be exercising a newfound flexibility that could evolve into normalized relations between Washington and Havana.

Michael Marx McCarthy, Research Associate at the Washington-based Council on Hemispheric Affairs (COHA), has recently authored an article of considerable importance entitled, A Widening Window of Opportunity for Washington and Havana to Constructively Engage, some of which appeared in a recent issue of the organization's estimable biweekly publication, the Washington Report on the Hemisphere. McCarthy's article examines the polite exchange that transpired after Hurricane Michelle rained hundreds of millions of dollars of destruction on Cuba, and closely analyzes how the White House's expediting of Havana's cash purchase of U.S. foodstuffs could establish a diplomatic framework and a new mood which could lead to the restoration of regular political and economic ties. There is some possibility that, if we are lucky, this development could engender further constructive discussion and congressional action on the status of the archaic U.S. trade embargo that Washington slapped on Havana in 1962.

Additionally, considering the UN General Assembly's 10th consecutive overwhelming vote in favor of ending the U.S. trade embargo, and the mounting pressure from agricultural and business groups in this country to open the Cuban market to U.S. farm and industry products, now may be the time for some of my colleagues to harmonize with the rest of the world's public opinion and join with me in revising a failed policy that already has cost us dearly in reputation and in economic opportunities.

Furthermore, as the Castro government is reaching its natural end, the U.S. should want to build upon the recent discussions to bring about a watershed in these two neighbors' ties. To allow this positive momentum to relapse would be a grievous error. The Cuban government and people are aware that a majority of U.S. legislators and citizens desire friendly relations. To ensure that a peaceful transition of power follows the Castro government's end, U.S. officials should not relent on efforts to engage Cuba now. In fact, U.S. officials need to consider widening their humanitarian initiative by addressing basic bilateral issues, such as drug interdiction, laws of the sea, refugee and air space questions, as well as a broad range of economic, terrorism, trade, human rights observance and democratization concerns. Action on these issues will provide the foundation necessary for a natural evolution in the development of constructive relations. As such, COHA researcher McCarthy's article is of great relevance since the effort to constructively engage Cuba is likely to grow in importance in the coming months.

A WIDENING WINDOW OF OPPORTUNITY FOR WASHINGTON AND HAVANA TO CONSTRUCTIVELY ENGAGE .

Possibly marking a watershed moment in U.S.-Cuban relations, Washington broke its four decade-long history of obdurately naysaying any move in favor of a constructive relationship with Havana—even if that means denying assistance to Cuban civilians caught up in heart-wrenching natural calamities—when a U.S. administration, for the first time, decided to facilitate Havana's multimillion dollar purchase of lumber, corn, wheat, rice, soy and medical products to help Cuba restock its reserves of essentials seriously depleted by hurricane Michelle. The hurricane was the worst storm to hit the island in a half a century, causing millions of dollars in damage to Cuba's sugar and citrus crops, as well as infrastructure losses and adverse effects to its tourist industry.

The delivery of such goods, initially called for by Castro to take place aboard Cuban vessels, will instead be carried out by U.S. or third-country vessels, marking a major concession on Havana's part. This unfolding scenario might provide the basis for how a newfound flexibility can build significant momentum in favor of a constructive engagement.

Because the unprecedented agreement falls within the existing parameters of the U.S. embargo, the arrangement presented a delicate political issue for Havana to rationalize. Last year, the Cuban president swore to never purchase American goods under the White House's terms, after legislation to ostensibly liberalize the embargo was hijacked by ultra conservative members of congress intent on eliminating any U.S. financing of exports to the island. Despite its heated disagreement with the embargo, Havana's decision to live with the formula for the present purchase indicates the gravity of the economic situation and Castro's ability to learn new tricks by accepting Washington's goodwill gesture at face value. What remains to be seen, however, is whether this episode will morph into a more substantive and broadened diplomatic discussion on such bilateral issues as navigation, air space, refugees and drug interdiction, or if it is merely a one-shot arrangement which will go nowhere.

THE GOOD SAMARITAN

The White House, acting out of a "humanitarian need context," played an active role in clearing a major hurdle to the deal by expediting the Commerce Department's issuance of the licenses necessary for American companies to sell and deliver to Havana. This was done after Havana had, with respect, turned down an earlier offer of assistance which would have to go through intermediaries and not involve any Cuban government agency. On the surface, the significance of the initiative is a more modest version of Nixon's opening to China in 1973, but presents a widening window of opportunity that could initiate a deepening and broadening of a dialogue between the two long-time foes. Conceivably, the process could spur preliminary discussions that could end up phasing out the outmoded 40 year-old U.S. economic embargo against the island, something that a majority of Americans appear to want.

In fact, in this latest round of hurricane diplomacy, Cuba's foreign minister expressed optimism regarding recent developments, calling for the U.S. to terminate its stepped-up restrictions on travel to the island and pronouncing Havana ready for normalized relations with Washington. As of now, according to the State Department, the diplomatic exchange associated with the sale (which was in cash, with the purchaser being the Cuban Foreign Trade Ministry) is over and it is up to U.S. companies and Havana to seal the deal. Cuban authorities already are in contact with 15 agro-industrial companies and 15 firms that produce medical supplies or pharmaceuticals. The first actual deal between U.S. food companies and Cuba was completed on November 22 in Havana and was emotionally hailed as an extraordinary historical moment by an official from Riceland Foods. The rice will be picked up by Cuban vessels flying third country flags from the port of New Orleans in December and January. Cuba, for the record, stated that the purchase is a one-time arrangement that does not alter its fundamental opposition to the terms of the U.S. trade embargo.

POLITE EXCHANGE SETS TONE FOR AGREEMENT

The genesis of the truly important agreement can be attributed to the natural calamity that ravaged 45,000 homes on the island nation, attracted international attention to

Cuba's pressing need for humanitarian assistance and helped produce an unusually civil diplomatic exchange between Washington and Havana. The State Department, in a dramatic shift from its past policy of total intransigence on the issue of Cuba qualifying for U.S. disaster relief, initiated the discussions by publicly offering hurricane relief aid to Cuba. Shortly thereafter, Havana responded to the U.S. tender in a manner devoid of its usual bitter bite, thanking Washington for its kind gesture, but requesting that the Cuban government be allowed to have direct access for purchasing U.S. medical supplies and food and arranging for its delivery.

POLITICAL FALLOUT

The surprisingly new, almost amicable, tone in their discussions suggests that the beginning of a détente might be possible down the road. Such a development could prove to be politically beneficial for both Washington and Havana. Bona fide dialogue, beginning at a relatively low diplomatic level, which would focus on chipping away at the four decade-old and anachronistic trade embargo, rather than seeking its abrogation in one major step, would follow a realistic scenario. The fact is that aside from the more ultra right-wing members of the Miami Cuban-American community, and a handful of highly conservative legislators, support for the embargo rapidly has been withering away. Many in the U.S. business, religious, academic and agricultural sectors, as well as some of the most prominent cold war policy makers from the Reagan era, oppose the outdated embargo. In fact, advocates of the embargo have been overtaken by the recent hurricane food aid purchase and are now on the fringe of the U.S. political process.

Miami's Cuban exile leadership, now politically facing a dead end, would do well to assess the changing dynamics of U.S.-Cuban relations. In reality, the agreement on the purchase of essentials gives a marginal boost for the Castro government just when it was going through hard times due to the worldwide economic slowdown. The Cuban economy, already weakened by the recent regionwide reduction in tourism from EU and Canada, particularly resulting from the repercussions of September 11, faced the prospect of a major financial crisis considering the magnitude of Michelle's destruction. The American supplies should help in short-term relief efforts. More importantly, however, the arrangement could set an important precedent for future trade, as Havana would prefer to reduce shipping costs on imported goods, which in some cases have had to travel from as far as Vietnam, by instead purchasing from a neighbor only 90 miles away. It is estimated that Cuba now spends between $700 million and $1 billion on purchasing foodstuffs from U.S. competitors in Asia, Argentina and France, among others. Much of that amount, U.S. suppliers passionately believe, could be in their hands if regular sales between the two nations were permitted.

Castro derided the embargo as an act of economic imperialism, unjustly denying Cubans vital food and medical imports. While Washington's present move could prove to be a powerful political tonic for Castro and almost inevitably will lift his prestige, the delivery of U.S. goods (possibly even on U.S. vessels) to Cuban docks will attract positive international press coverage for the White House. The Bush administration will at least be an equal beneficiary of worldwide praise since it has been U.S. policy towards Cuba, and not the Castro regime, which has been discredited and isolated.

For Washington, the political motivation for its change of policy on hurricane relief is difficult to precisely track. Previously, the Bush administration sent Havana an inflammatory signal by nominating Otto Reich—an anti-Castro Cold War extremist who was tenaciously supported by the far right leadership of the Miami Cuban-American community—to the State Department's top Latin American policymaking post. The food and medicine deal, however, sends a constructive message to Cuba. Although the move has not been explained beyond its obvious humanitarian purpose, it is without question that the recent sale is in the interest of Cuban democratization and could signify that Secretary of State Powell desires to generate a constructive dialogue with Havana.

Until the State Department made its surprising move on hurricane relief, the decades-long schism between the two nations had been, if anything, worsening. Formulating a new, positive diplomatic posture could prove useful to the two nations as the Castro era approaches its natural end. To ensure that a peaceful transition of power will be the paramount goal of U.S. policy makers, Washington must not go back on its constructive posture. Even the most basic diplomatic ties will prove helpful in avoiding a bellicose struggle over the succession of leadership on the island that would inevitably affect the U.S. mainland. In fact, the two nations would be wise to widen the agenda of issues to be discussed to include the establishment of cooperative initiatives on drug interdiction, laws of the sea, refugee and air space jurisdiction as well as a broad range of economic, terrorism, trade, human rights observance and democratization concerns.

MOVE CONSONANT WITH RECENT TREND TO LIBERALIZE AND DISPENSE WITH EMBARGO

The humanitarian food and medicine relief agreement comes at an interesting time in the ongoing congressional debate on Cuba. For the past two years the Florida delegation on the Hill has lost much of its influence on issues pertaining to Cuba. The House voted to repeal the travel ban and measures to abrogate the entire embargo failed by relatively small margins. Several weeks ago, however, the Senate decided not to act on the controversial Cuba travel ban repeal, a move which was perceived to have pleased a White House loath to appear soft on Cuba.

Of greatest importance in the present trend towards more normalized relations, however, is the rising profile of the anti-embargo campaign by various U.S. farm interest groups as well as a broad range of multinationals and the legislators representing them, who are insisting that trade links with Cuba be extended in order to facilitate American exports to the island. On November 15, the Senate Agricultural Committee passed its funding measure, which permits federal financing of agricultural exports to Cuba, a bill that would establish a direct ongoing economic link between Washington and Havana. In the absence of such permissive legislation, there was no such financing involved in the Hurricane Michelle sale to Cuba. A delegation from the USA Rice Federation, which represents a majority of the nation's rice farmers, recently returned from a Havana International Trade Fair, marking the first official visit of a U.S. trade group to such an event in nearly four decades. Upon their return from Havana, USA Rice officials announced their support of the State Department's hurricane relief effort and the Agricultural Committee's vote on federal financing, as well as their serious interest in gaining access for U.S. rice farmers to Cuba's billion dollar produce purchasing market.

THE LESSON OF HURRICANE LILI

In the past, Washington has been unyielding when it came to providing any form of disaster relief to Cuba if it was assaulted by a natural calamity. In 1996, when Hurricane Lili leveled thousands of structures on the island, the only U.S. relief effort came from one Miami-based Catholic Charities group. Historically, Miami exile polemics shaped the debate over Cuba, automatically ruling the country out from receiving any U.S. assistance. This obstacle still plagues efforts at constructively engaging Cuba today.

In 1996, militant anti-Castro forces argued once again that assistance sent to the island would never reach those most in need and would end up in the hands of Castro officials, where the goods would be used to strengthen a despised dictatorship. Some Cuban-Americans fear that sending aid would signify an ideological decision, not a humanitarian gesture. In the absence of such assistance, aid sent family-to-family as a permitted remittance would have to do the job, but it would not be sufficient in terms of total volume. That is why skeptics on this issue should reconsider and view Washington's recent step as an astute decision that shuns the sterile responses inexorably made by all White Houses dating back to the Kennedy era.

Furthermore, the State Department's monitoring of the 1996 church donation to Caritas, the Cuban equivalent of Catholic Charities, concluded that such aid had in fact reached its intended destination. Ironically, this little-recalled episode might have established a platform of trust between the State Department and Havana and encouraged U.S. officials to immediately intercede after Michelle rained its destruction.

TOWARDS RESTORED TIES

Despite the deep-rooted prevailing mistrust between the two capitals, Washington would be wise to follow Havana's lead in expressing its interest in expanding its present minimal ties. Washington should view the successful 1996 shipment of aid, the Senate Agricultural Committee's recent key vote, USA Rice's scouting of trade opportunities on the island, the Bush administration's intervention on behalf of the cash purchase, Havana's decision to let the goods be delivered by U.S. or third-country vessels, and the positive tone of the recent diplomatic exchanges between the two nations as the foundation for initiating talks that could produce the critical mass necessary for the development of positive relations in the coming months.

IN MEMORY OF PETTY OFFICER FIRST CLASS VINCENT E. PARKER, UNITED STATES NAVY

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. PICKERING. Mr. Speaker, today I rise before the House of Representatives to honor the life of an outstanding American, Vincent E. Parker. United States Navy Petty Officer First Class Vincent E. Parker is originally from Preston, Mississippi. Tragically, Petty Officer Parker was lost on Sunday morning, November 18, 2001, along with one of his shipmates, Petty Officer Third Class Benjamin Johnson while serving his country in the Persian Gulf.

Vincent Parker, noted for his devotion to God and country, grew up in rural eastern Mississippi. He attended Macon Elementary School and graduated from Nanih Waiya High School in Louisville. He was a devout member of the Assembly of God Church in Columbus, Mississippi, and he grew up in a loving, well-respected family with five siblings.

Like his brother John, he enlisted in the Navy upon graduation from high school. He successfully climbed the ladder as an enlisted man and was rated as an Engineman First Class Petty Officer. He was serving onboard the USS *Peterson*. This deployment was to be his last, completing a successful career in the Navy. His mission on November 18th was to enforce the United Nations sanctions imposed upon Iraq following the Gulf War. He boarded *Samra*, a ship believed to be smuggling oil for Saddam Hussein.

Mr. Speaker, I want to pay tribute to Petty Officer Vincent Parker for his 19 years of service to the United States of America and the United States Navy. He is also to be commended for his life-long devotion as a son, husband, brother, father and citizen. Petty Officer Parker is survived by his parents, Mr. and Mrs. Glenn D. Parker Jr. He is survived by his wife, Charlotte, and their two children, Vincent Jr. (age fourteen) and Rachel (age twelve). He leaves behind his sister Ruth Marie, and his four brothers, Glenn, Andy, Steven, and John.

Vincent was known onboard the *Peterson* not only for his Naval leadership, but also for the example he set as a citizen and man of God. He was simply known as "Butch" to his friends. He enjoyed the simple pleasures in life such as family and deer hunting. He will most be remembered for his devotion to God, country, and family.

Mr. Speaker, I ask our colleagues to join me in remembering an American hero, Petty Officer First Class Vincent E. Parker. Our sincere prayers and thoughts are with the Parker family at this difficult time. May God bless the Parker family, and may God continue to bless the United States of America with heroes like Vincent Parker.

INTRODUCTION OF SPECTRUM LICENSE POLICY ACT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. CONYERS. Mr. Speaker, I am happy to be an original cosponsor of the Spectrum License Policy Act of 2001, and I am hopeful we, can pass this bill into law this year before we adjourn.

After months of negotiation in this matter, I am glad we have a deal that represents a win for everyone. It benefits the government by providing ten billion dollars in revenues to our Treasury. It benefits the original license holder by preserving the benefit of the bargain it had originally negotiated. It benefits our bankruptcy code, by preserving the doctrine of the stay and the power of the courts to enforce it, even against the government. And it benefits consumers by permitting the spectrum to come on the market as soon as possible, fostering much needed competition.

In a very real sense we have reached this point because of the interest and involvement of the Judiciary Committee. When the Federal Communications Commission was seeking to unilaterally take away NextWave's spectrum assets, in violation of the automatic stay, this Committee weighed in to preserve the integrity of the bankruptcy code. The FCC was unable to ram their legislation through and the parties, to their credit, continued negotiating.

I am hopeful that this bill will serve as a precedent for achieving settlements for other similarly impacted parties. For example, I would note that Urban Communicators PCS LP, a minority owned enterprise, has also filed for bankruptcy and been engaged in a dispute with the FCC over spectrum rights. I would urge the FCC and the Congress to take up their case on an expedited schedule as well.

PAYING TRIBUTE TO J. PAUL BROWN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize J.Paul Brown for his contributions to the community of Ignacio, Colorado. J. Paul's civic involvement in the community spans over twenty years and involves the areas of agriculture, education, planning, and economic growth. I am proud to recognize him for his hard work and dedication in the following achievements.

J. Paul graduated from New Mexico State University with honors in 1975. In that same year, J. Paul became a rancher and entered the cattle and sheep market, a business he still runs today. In 1978, he began his civic service and was elected to the La Plata County Farm Bureau, serving later as President of the organization. He served on the State Board of Directors for the Colorado Farm Bureau, President of the Colorado Wool Growers, and was honored as the Colorado Wool Grower Of The Year in 1996.

J. Paul continued his service to the community and state as a member of the La Plata Planning Commission, Sergeant of Arms for Colorado Counties, Inc., and as Chairman of the Region 9 Economic Development District. As a father and firm believer in education, J. Paul was elected to the Ignacio School Board of Directors. His performance led him to the honor of being one of only five members in the state to be nominated for the State School Board.

Mr. Speaker, I am honored to recognize J. Paul Brown and his dedication to the community of Ignacio, Colorado. J. Paul comes from a long line of dedicated community activists, following in the footsteps of his parents, Casey and Jean, who have recently passed a milestone of their own by celebrating their 50th wedding anniversary this year. His own dedication to the community is amazing when one considers he has raised a family of four along with his wonderful Debbie, during his service to the people of Ignacio and the State of Colorado. Please continue your service to the community J. Paul and good luck in your future endeavors.

DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE PROGRAMS ENHANCEMENT ACT OF 2001

SPEECH OF

HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. MORAN of Kansas. Mr. Speaker, I want to thank Chairman Chris Smith for his leadership this year. Our new Chairman of the Veterans Affairs Committee has served our Veterans well.

I am proud of the bill now before the House, H.R. 3447. It is a compromise that was achieved over several months by the House and Senate Veterans Affairs Committees. It contains measures from the health care bill that I introduced earlier this year, H.R. 2792, as well as proposals from a number of Senate bills. This bill will provide veterans greater confidence in their health care system, along with higher accountability for the VA.

Important Provisions of this bill:

Enables VA nurses to pursue advanced degrees while continuing to care for veterans. This aids recruitment and retention of nurses within the VA health care system, and promotes higher quality of care for veterans.

Mandates Saturday premium pay to certain VA patient care staff, such as licensed vocational nurses, pharmacists, and respiratory, physical, and occupational therapists. This provision will ensure that the VA remains competitive with other providers.

Requires the VA to develop a nationwide policy on health care staffing to promote safe and high quality care for veterans.

Establishes a 12-member National Commission on VA Nursing that would enhance the recruitment and retention of VA nurses and strengthen the nursing profession in the VA and nationwide.

Authorizes service dogs to be provided to severely disabled veterans suffering from spinal cord injuries, other mobility diseases, hearing loss or other types of disabilities that having a trained service dog would assist.

Modifies VA's system of determining "ability to pay" for VA health care services by introducing an index used by the Department of Housing and Urban Development to determine family income thresholds. This would reduce hospital co-payments by 80 percent compared to current law, for near-poor veterans who require acute hospital inpatient care.

Strengthens the mandate for the VA to maintain capacity in specialized medical programs for veterans by requiring each network of VA facilities to maintain a proportional share of national capacity in specialized health care programs, guaranteeing that these programs will be there if disabled veterans need them.

I am pleased to report that the bill establishes a program of chiropractic services in each network of VA facilities. It authorizes the VA to employ chiropractors as federal employees as well as to contract for these services.

Also, it creates a VA advisory committee on chiropractic health care.

Thank you Chairman Rockefeller, Senator Specter and Senator Daschle, as well as Mr. Filner and Mr. Evans, who worked with me to achieve this compromise for an effective new program of VA chiropractic health care.

Requires VA Secretary to assess special telephone services made available to veterans, such as "help lines" and "hotlines," with a report to Congress.

Provides authority for Secretary to study, then if found feasible, obtain a personal emergency-notification and response system for service—disabled veterans.

Authorizes critically necessary construction project at the Miami, Florida VA Medical Center.

In summary, Mr. Speaker, this bill will improve veterans' health care programs as well as assist the VA's health care personnel to provide quality care to our nation's veterans, especially those most seriously disabled and least able to help themselves.

Veterans of our armed forces deserve a dependable and innovative system of health care and benefits. This bill increases our ability to meet the needs of veterans, who have sacrificed to meet ours.

I am proud to be an original cosponsor of the Department of Veterans Affairs Health Care Enhancement Act of 2001, and I want to thank the other Members and staff who have worked hard to finish this bill in the first session of this Congress. I particularly want to recognize my friend, Mr. FILNER of California, and Susan Edgerton and John Bradley, our Staff Directors of the Health Subcommittee, as well as Bill Cahill and Kim Lipsky, professional staff members of the Senate Committee on Veterans Affairs. These and other staff have worked closely with us to achieve this legislation on behalf of America's veterans.

REMOVAL OF MRS. BIGGERT'S NAME AS CO-SPONSOR OF H.R. 3295

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. NEY. Mr. Speaker, the House printing deadline prohibited me from removing the gentlewoman from Illinois, Mrs. Biggert, from the list of co-sponsors of H.R. 3295. Mrs. Biggert's name was added as a cosponsor of H.R. 3295 in error. Had I not been precluded from doing so, I would have taken to the floor to correct this situation and ask unanimous consent that her name be removed from the co-sponsor list.

TRIBUTE TO HOOPS SAGRADO (SACRED HOOPS)

HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. FORD. Mr. Speaker, once in a while on this floor, we have the privilege to leave politics behind and recognize the outstanding achievements of Americans.

So today I would like to pay tribute to a group of young Americans—very close to my heart—that have become ambassadors of the playground.

In 1999, my friend Bryan Weaver founded a non-profit group named Hoops Sagrado. Hoops Sagrado is a cultural exchange program that is using the game of basketball to help bring a better life to two groups with seemingly little in common, young adults from the urban center that is Washington, DC, and young Mayans from the rural western highlands of Guatemala.

Despite the difference in cultures, the group share a common passion: They both love playing basketball. Hoops Sagrado is named after a Native American belief that all races are connected through the sacred hoops of life, and must live in balance with one another to survive.

These young men and women are doing their part to fulfill what Dr. Martin Luther King said was "Life's most persistent and urgent question is, what are you doing for others?"

For the last two years I have had the great privilege of serving as an honorary chair of the Hoops Sagrado project, and was thus especially pleased to see that last week the Washington Post devoted a Metro Section series to Hoops Sagrado's mission in Guatemala. The series highlighted the hope that Hoops Sagrado brings to these young people from Guatemala and America, a disproportionate portion of whom are raised by single mothers, and touched by the scourge of violence.

With great pride in the achievements of Hoops Sagrado, I urge all Americans to follow their example in touching young people, and review the Washington Post series published during the week of November 25, 2001 and describing how they overcame hardship to build bridges of friendship.

Finally, I would like to thank them and their sponsors Ben Cohen, Phil and Jan Fenty of Fleetfeet, and The National Basketball Association for the important and honest work they did as ambassadors on behalf of this country.

[From the Washington Post, Nov. 25, 2001]

Ambassadors of the Playground

By Sylvia Moreno

Two vans stuffed with tall, gangly teenagers, oversize suitcases and boxes of basketballs wend sluggishly westward from the Guatemala City airport on a muggy summer night, the riders seeing this new world through the prism of the one they just left.

"This looks like Georgetown," says 17-year-old Max Costa as the van he rides in passes a few blocks of small shops and boutiques.

Moments later, whoops and hollers greet the sight of a Wendy's, one of several fast-food restaurants on the outskirts of the capital.

"This looks like the Adams Morgan part of town," Max announces excitedly, as they pass strip malls punctuated with neon signs and billboards advertising a Burger King and a Domino's Pizza. "That's straight, joe!"

They get to the ancient and picturesque city of Antigua close to midnight, and as they stroll the historical streets, their minds are fixed on things such as finding a burger or a hip-hop disco. They encounter neither.

They are more than 3,000 miles from home—in body, perhaps, not in spirit. This trip is supposed to show them that there's so much beyond the 'hood, but they're still looking for home.

The ancient colonial arch in Antigua is compared to McDonald's. They it look at stunning examples of centuries-old Spanish architecture and Antonio "Biggle" Dupree, 18, asks:

"Is that a church? That's big, dog!" His friends call him Biggle because he looks like one of their idols, the late rapper Notorious B.I.G.—except Biggle has a baby face and a soft voice.

He walks through a small plaza lined by grand 16th-century ruins—convents and churches toppled in 1773 by an earthquake that forever changed the face of this former Central American capital. But looking at the massive stone walls with small, high-set windows, Biggie says, "Imagine what it would be like to be in one of these Guatemala jails."

A GRAND VISION

That night was the first in a three-week journey to the lush highlands of western Guatemala, a country of spectacular beauty and stark oppression, poverty and hunger. Group members came to play hoops, but they had been told they would do much, much more.

These African American teenagers—nine from the District, two from Montgomery County—were to see some of the country's most cherished sites, take Spanish classes, conduct daily basketball clinics for Mayan children and repair basketball courts for a poor, mountainside school.

They had come as representatives of Hoops Sagrado (Sacred Hoops), a fledgling non-profit group whose leader hoped that such an experience would instill leadership skills and a sense of community service in disadvantaged youths through playing and coaching basketball. For the players, it was a free trip, a chance to get out of Washington, to see things, to enjoy themselves. Their leader had a grander mission in mind.

Bryan Weaver founded Hoops Sagrado in 1996 after his first visit to Guatemala, when he was struck by the role that hardscrabble basketball courts played as social centers of indigenous Mayan villages. He returned in 1999, bringing one of the African American kids whom he coached in youth leagues in Adams Morgan and Columbia Heights. Last year, he brought three. He was convinced that African American and Mayan kids could learn valuable lessons from each other. They are unalike racially, culturally and linguistically, but they face the same problems of bigotry, street violence and relegation to the margins of their societies.

Bryan expected members of his group to grow in self-confidence from coaching kids and to realize that they were not alone with their problems—that others might have even harder lives. And the Mayan youngsters, he figured, would benefit from the court moves his players could teach and be inspired to strive for more in their lives than a sixth-grade education and recycling the meager lives of their parents, grandparents and great-grand parents. To help the Mayan kids, Bryan also started a scholarship program to help keep girls in school past sixth grade, when free public education ends in most indigenous villages, unlike in the cities, which get enough resources to pay for public education through 12th grade.

He figured that this—the third summer of the program—would be pivotal.

He had joined forces with directors of the Shiloh Development Community, a teenage mentoring project in Columbia Heights, and with the addition of the Shiloh group was bringing the largest number of players yet to Guatemala: 11. He had included two girls, hoping that they would serve as role models for the Mayan girls who also would turn out for the basketball clinics.

There were preparatory meetings, with Bryan telling the players about Guatemala's indigenous Mayan community and urging them to heed the Rev. Martin Luther King Jr.'s challenge: "The most urgent and pressing question in life is what are you doing for others."

He was focused on lofty ideals and aspirations. But the players including one young man who, despite two previous trips with him to Guatemala, was still fighting the lure of the street—presented the kind of mundane and vexing problems that young people sometimes exhibit: Stubbornness. Laziness. Lack of common sense. Failure to think through the consequences of their actions. Anger. Indifference to other people and their problems.

The oldest and the veteran of these trips was Sean Thomas, 23, who in his mid-teens was sent to a drug boot camp and was slowly realizing that he needed to break out of Adams Morgan to straighten out his life. He was flashy and street smart but erratic—Just like one of his favorite ballplayers, former Sacramento Kings point guard Jason Williams. Sean wore his Williams Jersey in Antigua and tried out the little Spanish he remembered from his two previous summers in Guatemala: Vamos, chicas. "Let's go, girls."

The first female Hoops Sagrado volunteer, 16-year-old Carrie Sartin—a tall, thin Sheryl Swoopes wannabe, walked the cobblestone roads of Antigua that first night, carrying "T&. Whiskers," a black and white stuffed cat she had brought along. "They have rocks as streets," she said later.

The guys also included Clayton Mitchell, a brash 18-year-old, who walked through Antigua's empty and peaceful central plaza at midnight, pausing for a moment to advise the others: "Enjoy the night. You can't do this in D.C."

Dwayne Crossgill, 18, knew that. An all-around athlete, Dwayne ran, track and played football and basketball. He longed for opportunities to get out of the District. He thought that there was more to life than the view from his second-story apartment in Columbia Heights, where he lives with his mother. There, drug dealers stand on stoops and push their wares. Dwayne had beard the occasional gunshot. He had attended more than one friend's funeral.

"Living in D.C., I realize there's lot of bad in the world, a lot of crimes," he said before he left for Guatemala. "It's good to see the there's other ways of life."

Bryan eventually found out—the hard way—that teenagers who don't know each other don't magically get along and that even the most well-meaning adult counselors can clash. He later realized that his charges were not as prepared as they should have been about the culture and mores of Guatemala, about how to talk, act and dress in a vastly different culture. And he also discovered how hard it can be to persuade a teenager that behavior or dress that is acceptable in Washington could easily be offensive or provocative in a Mayan village.

But those lessons came later.

TRYING TO CONNECT

Bryan had brought with him the autobiography "I, Rigoberta Menchu," and a few days after the group got to Guatemala, he asked Sean to read to the group a paragraph from Chapter 1, in hopes of setting the right tone for the trip. Menchu is a Mayan who grew up not far from where the Hoops Sagrado team was headed.

During Guatemala's 37-year civil war, as she tells the story, members of her family were raped and killed, like hundreds of thousands of Mayan Indians. Menchu, living in exile in Mexico, won a Nobel Peace Prize in 1992 for her work in promoting social justice and human rights for Guatemala's indigenous people. The work has been criticized for exaggeration and misstatements, although it has also been widely praised as an accurate portrait of what it was like in Guatemala in those years.

Menchu was Sean's age, 23, when she told the story of her life, a narrative that turned into the book. So Bryan hoped the words would resonate with him, as well as the others as they embarked upon their journey into the Mayan world:

"I'd like to stress it's not only my life. It's also the testimony of my people. It's hard for me to remember everything that's happened to me in my life since there have been many very bad times but, yes, moments of joy as well," Sean read haltingly.

"The important thing is that what has happened to me has happened to many other people, too: My story is the story of all poor Guatemalans. My personal experience is the reality of a whole people."

SO DIFFERENT, SO SIMILAR

But that first night, Menchu's world was far removed from these young people, armed with their headphones and gangsta rap and hip-hop CDs. Their T-shirts bore the slogans: "Thug Life" and "Scarface," "Kids and Guns Don't Mix" and "Sexy." And on their feet they wore the equivalent of what could pay for several school scholarships for Mayan children: silver Nike Solo Flights and black patent-toe Air Jordans; leather Reeboks and New Balance cross-trainers.

What they did share with many Mayan children wasn't so obvious: broken homes, families wracked by alcohol or substance abuse, apathy and discrimination.

Daily, the Hoops Sagrado team would travel a road up a mountain to get to the village of Xecam and the basketball clinics. It was a strain, up a steep and gutted road, marked by hairpin curves and treacherous cliffs.

But the real effort, it turned out, would come from within. The road from Washington to Guatemala and back was marked by tears, turmoil, anger, doubt and misunderstanding.

Dwayne's favorite T-shirt was imprinted with the words of a Swahili slogan that bore the prophecy for this group. "Life has meaning only in the struggles," it read. "Victory or defeat is in the hands of the gods. So let us celebrate the struggles."

There were plenty of struggles ahead.

INTERGOVERNMENTAL LAW ENFORCEMENT INFORMATION SHARING ACT OF 2001 H.R. 3483

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. HORN. Mr. Speaker, today, I am introducing the Intergovernmental Law Enforcement Information Sharing Act of 2001. This bipartisan bill is designed to increase the flow of critical information among Federal, State and local law enforcement agencies.

Interagency cooperation has always been an important factor in protecting the safety and security of this Nation. But the unimaginable events of September 11 and the ensuing Anthrax attacks have drawn unparalleled attention to the need for a timely interchange of meaningful information.

I am pleased to have bipartisan support of this legislation from my colleagues: Mr. BURTON of Indiana, chairman of Government Reform Committee, Mr. SHAYS from Connecticut, who is chairman of the Subcommittee on National Security, Veterans Affairs, and International Relations; Ms. SCHAKOWSKY from Illinois, Ranking Member of the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, which I chair; and Mrs. MALONEY from New York, Ranking Member on the Subcommittee on Domestic Monetary Policy, Technology, and Economic Growth and former Ranking Member of my subcommittee.

On October 5th of this year, the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations held a hearing on bio-terrorism. During that hearing, Baltimore Police Commissioner Edward T. Norris testified that the FBI did not provide his agency with adequate descriptions or photographs of those suspected of participating in the September 11th attacks until weeks after the tragic events.

Following the hearing, FBI Director Robert S. Mueller pledged to increase the role of non-Federal law enforcement agencies in the Government's efforts to combat terrorism, and to share more information with State and local agencies. On November 13th, our subcommittee held joint hearing with Mr. SHAY's subcommittee to discuss the Federal Government's efforts to enhance information sharing with State and local governments.

Local officials, including Commissioner Norris, testified that progress had been made in intelligence sharing with Federal agencies. However, their inability to obtain classified information remained a significant impediment to their ability to prepare for potential terrorist threats within their jurisdictions. The bill I am introducing today addresses that problem.

H.R. 3483 would require the Attorney General to carry out security clearance investigations of senior government and law enforcement officials of any political subdivision of a State or territory with a population of 30,000. In addition, the bill requires the Attorney General to conduct security clearance investigations of senior law enforcement officials whose agency participates in a Federal counter-terrorism task force or working group.

Upon successful completion of these investigations, the Attorney General is to grant the appropriate security clearances. The cost of such investigations is to be paid by the requesting State or local agency, not the Federal Government.

This legislation also calls for the Attorney General to conduct a study to examine methods of enhancing the sharing of sensitive Federal law enforcement information with State, territorial and local officials. The study would include a review of appropriate safeguards to protect confidential sources and methods, mechanisms for determining the credibility of information relating to potential threats, and restrictions on access to Federal databases.

Governors, mayors and chief law enforcement officers are responsible for protecting their constituents. These State and local officials are the first responders to emergencies. They need access to critical information on potential threats within their jurisdictions. The "Intergovernmental Law Enforcement Sharing Act of 2001" will enhance their ability to get that information.

I urge my colleagues to support this bill.

H.R. 3483

A bill, to amend title 31, United States Code, to provide for intergovernmental cooperation to enhance the sharing of law enforcement information.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Intergovernmental Law Enforcement Information Sharing Act of 2001".

SEC. 2. CONGRESSIONAL FINDINGS.

Congress finds the following:

(1) Governors and mayors are responsible for the protection of their constituents, and State and local agencies are typically the first responders to emergencies. Therefore, State and local officials and agencies must be able to receive information regarding potential threats within their jurisdictions.

(2) Most State and local law enforcement authorities currently have mechanisms in place to receive and protect classified information provided by Federal officials. These mechanisms must be supplemented to include elected officials and additional senior law enforcement officials in every State.

(3) Expanding the issuance of security clearances, consistent with all applicable Federal standards and investigative requirements, is an important means of improving information sharing among Federal, State, and local officials.

(4) There is a need for a comprehensive review of procedures within Federal law enforcement agencies in order to identify and remedy unnecessary barriers to information sharing among Federal, State, and local law enforcement agencies.

SEC. 3. SECURITY CLEARANCES AND ENHANCED INFORMATION SHARING.

Chapter 65 of title 31, United States Code, is amended by adding at the end the following new section:

"§ 6509. Intergovernmental cooperation to enhance the sharing of law enforcement information

"(a) The Attorney General shall expeditiously carry out security clearance investigations for the persons identified in subsection (b), and shall grant appropriate security clearances to all such persons who qualify for clearances under the standards set forth in applicable laws and Executive orders.

"(b) The persons referred to in subsection (a) are:

"(1) Every Governor of a State or territory who applies for a security clearance.

"(2) Every chief elected official of a political subdivision of a State or territory with a population exceeding 30,000 who applies for a security clearance.

"(3) At least one senior law enforcement official for each State or territory, as designated by the Governor of such State or territory.

"(4) At least one senior law enforcement official for each political subdivision described in paragraph (2), as designated, by the chief elected official of such subdivision.

"(5) Law enforcement officers from State, territorial, and local agencies that participate in Federal counter-terrorism working groups, joint or regional terrorism task forces, and other activities involving the combined efforts of Federal and non-Federal law enforcement agencies.

"(6) The chiefs, commissioners, sheriffs, or comparable officials who head each State, territorial, and local agency that participates in a working group, task force, or similar activity described in paragraph (5).

"(c)(1) The Attorney General may charge State, territorial, and local governments, in whole or in part, for the costs of carrying out security clearance investigations and granting security clearances under this section. Such charges may not exceed the amounts charged for carrying out such investigations and granting such clearances for Federal employees.

"(2) The Attorney General may waive any charges that would otherwise apply under paragraph (1) to a State, territorial, or local government if such government agrees to promptly provide Federal officials, without charge, access to the criminal databases of such government for the purpose of conducting personnel security background investigations for military, civilian, and contract employees.

"(d) To the maximum extent practicable, the Attorney General shall ensure that information systems, including databases, are configured to allow efficient and effective sharing of information among appropriate Federal, State, territorial, and local officials and agencies.".

SEC. 4. STUDY BY THE ATTORNEY GENERAL.

(a) STUDY REQUIRED.—The Attorney General shall conduct a study of methods to enhance the sharing of sensitive Federal law enforcement information with State, territorial, and local law enforcement officials. The study shall review—

(1) appropriate safeguards to protect confidential sources and methods;

(2) mechanisms for determining the credibility of information relating to potential threats;

(3) restrictions on access to Federal databases by State, territorial, and local elected officials and law enforcement personnel; and

(4) any other matter that the Attorney General considers appropriate.

(b) PARTICIPATION.—The Attorney General shall ensure that officials from State, territorial, and local law enforcement agencies participate in the study.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act the Attorney General shall submit a report containing the findings and recommendations of the study to the Committee on Government Reform and the Committee on the Judiciary of the House of Representatives and the Committee on Governmental Affairs and the Committee on the Judiciary of the Senate.

SEC. 5. DISCLAIMER.

Nothing in this Act shall be construed to limit the authority of the head of a Federal agency to classify information or to continue the classification of information previously classified by an agency.

PERSONAL EXPLANATION

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. SCHAKOWSKY. Mr. Speaker, during rollcall vote No. 494 on December 12, 2001 I was unavoidably detained. Had I been present, I would have voted "yea."

MIDDLE EASTERN TERRORIST INCIDENTS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. GILMAN. Mr. Speaker, on September 11th, the U.S. suffered the most destructive terrorist attack on its soil by Middle Eastern terrorists with the suicide bombing of the World Trade Center in New York City and the Pentagon in Washington, D.C., which killed over three thousand Americans and wounded many more. This was the highest casualty toll ever recorded for a single terrorist incident anywhere. Yet the U.S. is by no means the only country to feel the wrath of Middle Eastern terrorists in recent months.

The cancer of terrorism that has plagued the Middle East for decades has now transformed into new and more deadly forms that pose grave challenges to the United States and our allies. Middle Eastern terrorists are now striking outside their home region, boldly attacking high-profile targets, and killing in a more indiscriminant manner.

Nonetheless, the Middle East is a hotbed of state-sponsored terrorism. Five of the seven states that have been branded by the U.S. government as sponsors of international terrorism—Iran, Iraq, Libya, Sudan, and Syria—are part of the troubled Middle East region. The Middle East is not only infested with more terrorist groups than any other region, but the Middle East remains the world's foremost exporter of terrorism, with most of the spillover afflicting Western Europe and the United States. These state sponsors of terrorism are concerned with furthering their national goals only through the use of their terrorist networks. It remains imperative, therefore that the United States and our allies track down and destroy these terrorist groups and their global reach whereever they may be.

Accordingly, in wanting to bring to the attention of my colleagues a list of the significant Middle Eastern terrorist incidents from 1961–2001 based on the findings of the State Department's Office of the Historian, I request that this terrorism list be printed at this point in the RECORD.

SIGNIFICANT MIDDLE EASTERN TERRORIST INCIDENTS: 1961–2001

1961–1982

Munich Olympic Massacre, September 5, 1972: Eight Palestinian "Black September" terrorists seized 11 Israeli athletes in the Olympic Village in Munich, West Germany. In a bungled rescue attempt by West German authorities, nine of the hostages and five terrorists were killed.

Ambassador to Sudan Assassinated, March 2, 1973: U.S. Ambassador to Sudan Cleo A. Noel and other diplomats were assassinated at the Saudi Arabian Embassy in Khartoum by members of the Black September organization.

Entebbe Hostage Crisis, June 27, 1976: Members of the Baader-Meinhof Group and the Popular Front for the Liberation of Palestine (PFLP) seized an Air France airliner and its 258 passengers. They forced the plane to land in Uganda, where on July 3, Israeli commandos successfully rescued the passengers.

Iran Hostage Crisis, November 4, 1979: After President Carter agreed to admit the Shah of Iran into the U.S., Iranian radicals seized the U.S. embassy in Tehran and took 66 American diplomats hostage. Thirteen hostages were soon released, but the remaining 53 were held until their release on January 20, 1981.

Grand Mosque Seizure, November 20, 1979: 200 Islamic terrorists seized the Grand Mosque in Mecca, Saudi Arabia, taking hundreds of pilgrims hostage. Saudi and French security forces retook the shrine after an intense battle in which some 250 people were killed and 600 wounded.

Assassination of Egyptian President, October 6, 1981: Soldiers who were secretly members of the Takfir Wal-Hajira sect attacked and killed Egyptian President Anwar Sadat during a troop review.

Assassination of Lebanese Prime Minister, September 14, 1982: Premier Bashir Gemayel was assassinated by a car bomb parked outside his party's Beirut headquarters.

1983

Bombing of U.S. Embassy in Beirut, April 18, 1983: Sixty-three people including the CIA's Middle East director, were killed, and 120 were injured in a 400-pound suicide truck-bomb attack on the U.S. Embassy in Beirut, Lebanon. The Islamic Jihad claimed responsibility.

Bombing of Marine Barracks, Beirut, October 23, 1983: Simultaneous suicide truck-bomb attacks were made on American and French compounds in Beirut, Lebanon. A 12,000-pound bomb destroyed the U.S. compound, killing 242 Americans, while 58 French troops were killed when a 400-pound device destroyed a French base. Islamic Jihad claimed responsibility.

1984

Kidnapping of Embassy Official, March 16, 1984: The Islamic Jihad kidnapped and later murdered Political Officer William Buckley in Beirut, Lebanon. Other U.S. citizens not connected to the U.S. Government were seized over a succeeding 2-year period.

Hizballah Restaurant Bombing, April 12, 1984: Eighteen U.S. servicemen were killed, and 83 people were injured in a bomb attack on a restaurant near a U.S. Air Force Base in Torrejon, Spain. Responsibility was claimed by Hizballah.

1985

TWA Hijacking, June 14, 1985: A Trans-World Airlines flight was hijacked en route to Rome from Athens by two Lebanese Hizballah terrorists and forced to fly to Beirut. The eight crew members and 145 passengers were held for 17 days, during which one American hostage, a U.S. Navy sailor, was murdered. After being flown twice to Algiers, the aircraft was returned to Beirut after Israel released 435 Lebanese and Palestinian prisoners.

Soviet Diplomats Kidnapped, September 30, 1985: In Beirut, Lebanon, Sunni terrorists kidnapped four Soviet diplomats. One was killed, but three were later released.

Achille Lauro Hijacking, October 7, 1985: Four Palestinian Liberation Front terrorist seized the Italian cruise liner in the eastern Mediterranean Sea, taking more than 700 hostages. One U.S. passenger was murdered before the Egyptian Government offered the terrorists safe haven in return for the hostages' freedom.

Egyptian Airliner Hijacking, November 23, 1985: An EgyptAir airplane bound from Athens to Malta and carrying several U.S. citizens was hijacked by the Abu Nidal Group.

1986

Aircraft Bombing in Greece, March 30, 1986: A Palestinian splinter group detonated a bomb as TWA Flight 840 approached Athens Airport, killing four U.S. citizens.

Berlin Discoteque Bombing, April 5, 1986: Two U.S. soldiers were killed, and 79 American servicemen were injured in a Libyan bomb attack on a nightclub in West Berlin, West Germany. In retaliation, U.S. military jets bombed targets in and around Tripoli and Benghazi.

1988

Kidnapping of William Higgins, February 17, 1988: U.S. Marine Corps Lt. Col. W. Higgins was kidnapped and murdered by the Iranian-backed Hizballah group while serving with the United Nations Truce Supervisory Organization (UNTSO) in southern Lebanon.

Naples USO Attack, April 14, 1988: The Organization of Jihad Brigades exploded a car bomb outside a USO Club in Naples, Italy, killing one U.S. sailor.

Pan Am 103 Bombing, December 21, 1988: Pan American Airlines Flight 103 was blown up over Lockerbie, Scotland, by a bomb believed to have been placed on the aircraft in Frankfurt, West Germany, by Libyan terrorists. All 259 people on board were killed.

1991

Attempted Iraqi Attacks on U.S. Posts, January 18–19, 1991: Iraqi agents planted bombs at the U.S. Ambassador to Indonesia's home residence and at the USIS library in Manila.

1992

Bombing of the Israeli Embassy in Argentina, March 17, 1992: Hizballah claimed responsibility for a blast that leveled the Israeli Embassy in Buenos Aires, Argentina, causing the deaths of 29 and wounding 242.

1993

World Trade Center Bombing, February 26, 1993: The World Trade Center in New York City was badly damaged when a car bomb planted by Islamic terrorists explodes in an underground garage. The bomb left six people dead and 1,000 injured. The men carrying out the attack were followers of Umar Abd al-Rahman, an Egyptian cleric who preached in the New York City area.

Attempted Assassination of President Bush by Iraqi Agents, April 14, 1993: The Iraqi intelligence service attempted to assassinate former U.S. President George Bush during a visit to Kuwait. In retaliation, the U.S. launched a cruise missile attack 2 months later on the Iraqi capital Baghdad.

1994

Hebron Massacre, February 25, 1994: Jewish right-wing extremist and U.S. citizen Baruch Goldstein machine-gunned Moslem worshippers at a mosque in West Bank town of Hebron, killing 29 and wounding about 150.

Air France Hijacking, December 24, 1994: Members of the Armed Islamic Group seized an Air France Flight to Algeria. The four terrorists were killed during a rescue effort.

1995

Jerusalem Bus Attack, August 21, 1995: Hamas claimed responsibility for the detonation of a bomb that killed six and injured over 100 persons, including several U.S. citizens.

Saudi Military Installation Attack, November 13, 1995: The Islamic Movement of Change planted a bomb in a Riyadh military compound that killed one U.S. citizen, several foreign national employees of the U.S. Government, and more than 40 others.

Egyptian Embassy Attack, November 19, 1995: A suicide bomber drove a vehicle into the Egyptian Embassy compound in Islamabad, Pakistan, killing at least 16 and injuring 60 persons. Three militant Islamic groups claimed responsibility.

1996

Hamas Bus Attack, February 26, 1996: In Jerusalem, a suicide bomber blew up a bus, killing 26 persons, including three U.S. citizens, and injuring some 80 persons, including three other US citizens.

Dizengoff Center Bombing, March 4, 1996: Hamas and the Palestine Islamic Jihad (PIJ) both claimed responsibility for a bombing outside of Tel Aviv's largest shopping mall that killed 20 persons and injured 75 others, including two U.S. citizens.

West Bank Attack, May 13, 1996: Arab gunmen opened fire on a bus and a group of Yeshiva students near the Bet El settlement, killing a dual U.S.-Israeli citizen and wounding three Israelis. No one claimed responsibility for the attack, but Hamas was suspected.

Zekharya Attack, June 9, 1996: Unidentified gunmen opened fire on a car near Zekharya, killing a dual U.S./Israeli citizen and an Israeli. The Popular Front for the Liberation of Palestine (PFLP) is suspected.

Khobar Towers Bombing, June 25, 1996: A fuel truck carrying a bomb exploded outside the U.S. military's Khobar Towers housing facility in Dhahran, killing 19 U.S. military personnel and wounding 515 persons, including 240 U.S. personnel. Several groups claimed responsibility for the attack.

Bombing of Archbishop of Oran, August 1, 1996: A bomb exploded at the home of the French Archbishop of Oran, killing him and his chauffeur. The attack occurred after the Archbishop's meeting with the French Foreign Minister. The Algerian Armed Islamic Group (GIA) is suspected.

PUK Kidnapping, September 13, 1996: In Iraq, Patriotic Union of Kurdistan (PUK) militants kidnapped four French workers for Pharmaciens Sans Frontieres, a Canadian United Nations High Commissioner for Refugees (UNHCR) official, and two Iraqis.

1997

Egyptian Letter Bombs, January 2–13, 1997: A series of letter bombs with Alexandria, Egypt, postmarks were discovered at Al-Hayat newspaper bureaus in Washington, New York City, London, and Riyadh, Saudi Arabia. Three similar devices, also postmarked in Egypt, were found at a prison facility in Leavenworth, Kansas. Bomb disposal experts defused all the devices, but one donated at the Al-Hayat office in London, injuring two security guards and causing minor damage.

Empire State Building Sniper Attack, February 23, 1997: A Palestinian gunman opened fire on tourists at an observation deck atop the Empire State Building in New York City, killing a Danish national and wounding visitors from the United States, Argentina, Switzerland, and France before turning the gun on himself. A handwritten note carried by the gunman claimed this was a punishment attack against the "enemies of Palestine."

Israeli Shopping Mall Bombing, September 4, 1997: Three suicide bombers of Hamas detonated bombs in the Ben Yehuda shopping mall in Jerusalem, killing eight persons, including the bombers, and wounding nearly 200 others. A dual U.S./Israeli citizen was among the dead, and seven U.S. citizens were wounded.

Yemeni Kidnapping, October 30, 1997: Al-Sha'if tribesman kidnapped a U.S. businessman near Sanaa. The tribesman sought the release of two fellow tribesmen who were arrested on smuggling charges and several public works projects they claim the government promised them. They released the hostage on November 27.

Tourist killings in Egypt, November 17, 1997: Al-Gama'at al-Islamiyya (IG) gunmen shot and killed 58 tourists and four Egyptians and wounded 26 others at the Hatshepsut Temple in the Valley of the Kings near Luxor. Thirty-four Swiss, eight Japanese, five Germans, four Britons, one French, one Colombian, a dual Bulgarian/British citizen, and four unidentified persons were among the dead. Twelve Swiss, two Japanese, two Germans, one French, and nine Egyptians were among the wounded.

1998

U.S. Embassy Bombings in East Africa, August 7, 1998: A bomb exploded at the rear entrance of the U.S. embassy in Nariobi, Kenya, killing 12 U.S. citizens, 32 Foreign Service Nationals (FSNs), and 247 Kenyan citizens. About 5,000 Kenyans, six U.S. citizens, and 13 FSNs were injured. The U.S. embassy building sustained extensive structural damage. Almost simultaneously, a bomb detonated outside the U.S. embassy in Dar es Salaam, Tanzania, killing seven FSNs and three Tanzanian citizens, and injuring one U.S. citizen and 76 Tanzanians. The explosion caused major structural damage to the U.S. embassy facility. The U.S. Government held Usama Bin Ladin responsible.

2000

Attack on U.S.S. *Cole*, October 12, 2000: In Aden, Yemen, a small dingy carrying explosives rammed the destroyer U.S.S. *Cole*, killing 17 sailors and injuring 39 others. Supporters of Usama Bin Ladin were suspected.

2001

Bus Stop Bombing, April 22, 2001: A member of Hamas detonated a bomb he was carrying near a bus stop in Kfar Siva, Israel, killing one person and injuring 60.

Tel-Aviv Nightclub Bombing, June 1, 2001: Hamas claimed responsibility for the bombing of a popular Israeli nightclub that caused over 140 causalities.

Hamas Restaurant Bombing, August 9, 2001: A Hamas-planted bomb detonated in a Jeruselum pizza restaurant, killing 15 people and wounding more than 90.

Terrorist Attacks on U.S. Homeland, September 11, 2001: Two hijacked airliners crashed into the twin towers of the World Trade Center. Soon thereafter, the Pentagon was struck by a third hijacked plane. A fourth hijacked plane, suspected to be bound for a high-profile target in Washington, crashed into a field in southern Pennsylvania. More than 5,000 U.S. citizens and other nationals were killed as a result of these acts. President Bush and Cabinet officials indicated that Usama Bin Laden was the prime suspect and that they considered the United States in a state of war with international terrorism. In the aftermath of the attacks, the United States formed the Global Coalition Against Terrorism.

Downtown Jerusalem Bombing, December 2, 2001: Two suicide bombers blew themselves up in downtown Jerusalem killing ten people and wounding more than 130. Hamas claimed responsibility for the attack.

Haifa Bus Attack, December 3, 2001: A Hamas suicide bomber blew himself up on a public bus in the northern Israeli city of Haifa, killing at least 15 people and wounding dozens of others.

West Bank Bus Attack, December 12, 2001: Palestinian gunman killed eight people and wounded 30 in a grenade and shooting ambush on an Israel bus in the West Bank just minutes before 2 suicide bombers struck in the Gaza Strip.

A TRIBUTE TO BETTY ANN ONG

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to the late Betty Ann Ong, the sister of my constituent and friend Cathie Ann Ong-Herrera. Betty was a woman of remarkable courage who was one of the many to die in the act of war perpetrated on our country on September 11, 2001.

Betty Ann Ong was born in San Francisco on February 5, 1956 to Harry Ong, Sr. and Yee Gam Oy Ong. Betty was the youngest of four siblings, Harry Ong, Jr., Cathie Ann Ong-Herrera, and Gloria Ann Ong-Woo. Betty grew up in San Francisco's Chinatown where she attended Jean Parker Elementary School, Francisco Middle School, Washington High School, and the City College of San Francisco. She excelled in volleyball and bowling. Later in life, Betty also loved to travel, collect antiques and carousels, and had an extensive collection of stuffed animals and dolls.

Betty began her career in the airline industry as a baggage handler and a ticket reservations agent with PSA and Delta Airlines. In 1998, Betty joined American Airlines as a flight attendant and later became a flight attendant purser. Betty loved her job and the people she worked with, and she was voted Flight Attendant of the Year five time by her peers.

Betty's colleagues always described her as a very loving, caring, and always friendly person, both to her co-workers and to the passengers she served. Betty received numerous written compliments from her passengers.

On that tragic date of September 11, Betty was serving as a flight attendant on American Airlines Flight 11 from Boston to Los Angeles. As terrorist hijackers took over the plane, Betty and her colleagues calmly reported to the ground grew vital information about what was taking place. She identified some of the hijackers' seat locations, which helped investigators later identify the individuals responsible, and asked the ground crew to pray for the passengers aboard. Under over-whelming circumstances, Betty's primary concern was the safety of her passengers.

Up until the moment her life was tragically taken, Betty Ann Ong was a true professional who performed beyond her call of duty. Betty Ann Ong acted heroically under trying circumstances, and her heroism should be a sterling example of service to us all. Mr. Speaker, I ask my colleagues to join me today in paying tribute to Betty Ann Ong, celebrating her heroic legacy, and wishing her family peace for their loss.

HONORING FRESNO BEE REPORTER, JOHN ELLIS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Fresno Bee reporter, John Ellis. Mr. Ellis was recently presented the Unsung Heroes Award given by the Youth Law Center.

The following is the story printed in today's Fresno Bee celebrating John's award:

> Fresno Bee political reporter John Ellis received a national award Wednesday night that honors individuals for their work regarding child welfare and juvenile justice systems.
>
> The Youth Law Center's annual Unsung Heroes Awards were presented to seven people. Ellis was the only journalist among the honorees, who included bureaucrats, attorneys, a teacher and a Seattle Police Department deputy assistant chief. Six of the honorees are from California.
>
> His Jan. 14 story, "Fresno County may house foster children illegally," told how Fresno County had been housing some of its most difficult foster children in two area motels, a practice that some legal advocates say violates state law.
>
> The California Department of Social Services, which found out about the situation through inquires by The Bee, notified Salvador Montana, then director of Fresno County's Department of Children and Family Services, that housing the children in motels was not allowed.
>
> The county quit the practice after the state stepped in; the children were moved to foster-care group homes.
>
> The sponsoring Youth Law Center is a national nonprofit organization that focuses on the problems and needs of children who are placed out of home in foster care or juvenile justice systems.

Mr. Speaker, I congratulate John Ellis both for his dedication to journalism and child welfare. I urge my colleagues to join me in wishing John the very best.

PERSONAL EXPLANATION

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Ms. SCHAKOWSKY. Mr. Speaker, during rollcall vote No. 495 on December 12, 2001 I was unavoidably detained. Had I been present, I would have voted "yea".

DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE PROGRAMS ENHANCEMENT ACT OF 2001

SPEECH OF

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3447, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001. I urge my colleagues to join me in supporting this important measure and I commend the distinguished chairman of the Veterans Committee, the gentleman from New Jersey, Mr. SMITH.

This legislation provides a number of significant enhancements to veterans health care programs, with the purpose of both expanding those services offered to veterans, and improving the manner in which those services are delivered.

Specifically, the bill makes a number of changes in the policies governing VA nursing staff. It enhances eligibility and benefits for the employee incentive scholarship and education debt reduction programs by enabling VA nurses to pursue advanced degrees while continuing to care for veterans, in order to improve recruitment and retention of nurses within the VA health care system. Furthermore, the bill establishes a 12-member National Commission on VA Nursing that would assess legislative and organizational policy changes to enhance the recruitment and retention of nurses by the department and the future of the nursing profession within the department, and recommends legislative and organizational policy changes to enhance the recruitment and retention of nursing personnel in the department.

Another issue addressed by the legislation concerns the maintenance of proper staffing ratios and the provision of overtime pay. The bill mandates that the VA provide Saturday premium pay to title 5/title 38 hybrid employees. Such hybrid-authority employees include licensed vocational nurses, pharmacists, certified or registered respiratory therapists, physical therapists, and occupational therapists. Moreover, it requires the VA to develop a nationwide policy on staffing standards to ensure that veterans are provided with safe, high quality care, taking into consideration the numbers and skill mix required of staff in specific health care settings. It also requires a report on the use of mandatory overtime by licensed nursing staff and nursing assistants in each VA health care facility, and to include in this report a description of the amount of mandatory overtime used by facilities.

H.R. 3447 offers several improvements in service for those veterans who require specialized medical care. It authorizes service dogs to be provided by VA to a veteran suffering from spinal cord injuries or dysfunction, other diseases causing physical immobility, hearing loss or other types of disabilities susceptible to improvement or enhanced functioning in activities of daily living through employment of a service dog. Additionally, it strengthens the mandate for VA to maintain capacity in specialized medical programs for veterans by requiring VA and each of its veterans integrated service networks to maintain the national capacity in certain specialized health care programs for veterans (those with serious mental illness, including substance use disorders, and spinal cord, brain injured and blinded veterans; veterans who need prosthetics and sensory aids); and extends capacity reporting requirement for 3 years.

Mr. Speaker, the legislation makes some important adjustments to regulations governing payment for services from non-service connected veterans. This is done through modifying the VA's system of determining non-service-connected veterans' "ability to pay" for VA health care services by introducing the "low income housing limits" employed by the Department of Housing and Urban Development (HUD), used by HUD to determine family income thresholds for housing assistance. This index is adjusted for all standard metropolitan statistical areas (SMSAS), and is updated periodically by HUD to reflect economic changes within the SMSAS. The bill would retain the current-law means test national income threshold, but would reduce co-payments by 80 percent for near-poor veterans who require acute VA hospital inpatient care. This is important for those veterans with low incomes who reside in high-cost-of-living areas, like New York.

Finally, Mr. Speaker, the legislation extends the authority of the VA to collect proceeds from veterans health insurance policies for services provided as non-service connected care.

This bill represents the latest step in the longstanding ongoing commitment of Congress to oversee and improve the system that provides health care to our Nation's veterans. For this reason, I urge my colleagues to join in supporting this vital measure.

INTRODUCTION OF THE "PROMPT UTILIZATION OF WIRELESS SPECTRUM ACT OF 2001"

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. TAUZIN. Mr. Speaker, I rise today to introduce the "Prompt Utilization of Wireless Spectrum Act of 2001." For longer than I would like to acknowledge, the FCC and Nextwave have battled back and forth about the status of Nextwave's C block licenses. Nextwave obtained these licenses the way every carrier obtains a spectrum license from the FCC: by being the highest bidder at auction.

When Nextwave filed for bankruptcy, the FCC sought to cancel Nextwave's licenses. I asked, begged, and pleaded with Chairman Powell's predecessor, Bill Kennard, not to cancel the licenses, and, more importantly, not to reauction them.

Despite having filed for chapter 11 bankruptcy protection, Nextwave retained a property right in those licenses, a right that could not be rescinded by the FCC or any other agency. Auction 35 went ahead anyway, raising a record amount. But the D.C. circuit confirmed what I had been arguing for some time: that Nextwave's property right to those licenses could not be violated.

Auction 35 has thus placed us in a quandary. Wireless carriers who were auction 35 winners are counting on that spectrum to roll out or enhance valuable services to consumers. And we have a giant hole in the budget that needs to be plugged.

Nextwave's C block licenses have laid fallow for too long and need to be put to good use. The settlement agreement authorized by the prompt utilization of Wireless Spectrum Act of 2001 may not be the prettiest or easiest way to ensure that these licenses are put to good use. But this legislation, and the corresponding settlement, appear to be the best way to put them to good use.

I applaud the parties for spending countless hours reaching this settlement. And I hope that both Houses of Congress can enact this legislation this year so that consumers can reap the benefits of putting this spectrum to its best use.

I thank Mr. SENSENBRENNER, Mr. THOMAS, and Mr. CONYERS for co-sponsoring this legislation. And I look forward to its prompt consideration.

HONORING EDNA BUTRIMOWITZ IPSON ON HER 90TH BIRTHDAY

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. CANTOR. Mr. Speaker, I rise today to honor a remarkable woman. Edna Butrimowitz Ipson was born in a small town outside Kovno, Lithuania in 1911. The youngest of six children, she is a survivor—a survivor of hunger, of hardship, of sacrifice. Mrs. Ipson survived the Holocaust.

When her husband could no longer practice law and opened a motorcycle business in their home, Mrs. Ipson turned her talents to the family business. She may not have been able to ride a motorcycle, but she certainly could sell them. Often times, she had been known to say, "When my busband comes home, you'll see. If this motorcycle isn't everything I said it was, you don't have to buy it."

She and her son, Jay, were in line with the rest of her family to be taken to the Riga Latvia concentration camp when they were pulled out of line by a guard who had known her husband. While the rest of her family did not survive the concentration camps, she was sent to the airport where she worked endless days as a slave laborer, loading and unloading coal cars.

In 1943, the Ipsons escaped from the ghetto to a small farm in Trakai where a Polish Catholic farmer risked his life to save her and her family. For nine months, they lived in a hole in the ground, escaping detection.

Yet even after liberation, their lives were not easy. While her husband sought ways of escaping, Mrs. Ipson took sole responsibility for providing for their family. She risked her life, traveling through Russian Military lines to illegal procure food from the black market. If caught, she would have been jailed and severely punished. However, she persevered and kept their family alive.

Her family finally escaped using Mrs. Ipson's maiden name, Butrimowitz, and forged Polish papers through Poland to the American-Zone in Berlin. Finally, after being sponsored by Mrs. Ipson's uncle Abraham Brown, they immigrated to America.

Once in America, her phenomenal will and fortitude continued to serve her family. Mrs. Ipson became the first female service station attendant. She would wash the windshield and check the oil of the service station customers—a very unusual sight in those days. Yet, she was one of the best salespeople in the area. While servicing the vehicles, she would bring out Like New car wax, shine a spot and convince the driver he needed the wax to make his car look "like new." Her service station sold more car wax than any other in the area.

Mr. Speaker, Mrs. Ipson has led an amazing life of joy, sorrow and unending sacrifice. In fact, she often sacrificed celebrating her own birthday, protesting that Hanukah and her December Wedding anniversary were more important then her birthday. This year, her son, Jay, is honoring her life and celebrating her 90th birthday. Although I cannot be there in person, Mr. Speaker, I hope you will join me in honoring this remarkable woman and in wishing her the happiest of birthdays.

HOUSE OF REPRESENTATIVES—*Monday, December 17, 2001*

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. McKEON).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 17, 2001.

I hereby appoint the Honorable HOWARD P. "BUCK" McKEON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

O Lord of the universe, during Ramadan both Christians and Jews have prayed with our Islamic brothers and sisters during their holy fast. Together we hunger and thirst for justice.

May the emptiness that comes from fasting create within us a greater dependence upon You, Almighty God and Divine Provider for us all. May our prayers bring us strength during our struggles; wisdom in our negotiations; and comfort in our seeking peace.

In our father Abraham, You call all of us, Jew, Christian, and Muslim, to be children of one faith and one God. Deepen in our hearts our holy traditions, O Lord, that we may find new levels of understanding and build multiple dialogues of peace.

By Your holy covenant and commandments make us Your people of promise for the world, both now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monohan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2657. An act to amend title 11, District of Columbia Code, to redesignate the Family Division of the Superior Court of the District of Columbia as the Family Court of the Superior Court, to recruit and retain trained and experienced judges to serve in the Family Court, to promote consistency and efficiency in the assignment of judges to the Family Court and in the consideration of actions and proceedings in the Family Court, and for other purposes.

The message also announced that the Senate as passed bills and concurrent resolutions of the following titles in which the concurrence of the House is requested:

S. 1762. An act to amend the Higher Education Act of 1965 to establish fixed interest rates for student and parent borrowers, to extend current law with respect to special allowances for lenders, and for other purposes.

S. 1793. An act to provide the Secretary of Education with specific waiver authority to respond to conditions in the national emergency declared by the President on September 14, 2001.

S. Con. Res. 86. Concurrent resolution expressing the sense of Congress that women from all ethnic groups in Afghanistan should participate in the economic and political reconstruction of Afghanistan.

S. Con. Res. 93. Concurrent resolution recognizing and honoring the National Guard on the occasion of the 365th anniversary of its historic beginning with the founding of the militia of the Massachusetts Bay Colony.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 14, 2001.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on December 14, 2001 at 12:07 p.m.

That the Senate agreed to conference report S. 1438.

That the Senate passed without amendment H.R. 483.

That the Senate agreed to House amendment to Senate Amendments H.R. 1291.

That the Senate passed without amendment H.R. 2873.

That the Senate agreed to conference report H.R. 2883.

That the Senate passed without amendment H. Con. Res. 288.

With best wishes, I am
Sincerely,

JEFF TRANDAHL,
Clerk of the House.

APPOINTMENT AS MEMBERS TO MEDAL OF VALOR REVIEW BOARD

The SPEAKER pro tempore. Without objection, and pursuant to section 3(b) of the Public Safety Officer Medal of Valor Act of 2001 (42 U.S.C. 15202), the Chair announces the Speaker's appointment of the following members on the part of the House to the Medal of Valor Review Board for a term of 4 years:

Mr. Tim Bivens, Dixon, Illinois and

Mr. William J. Nolan, Chicago, Illinois.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore. The Chair laid before the House a further communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 14, 2001.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on December 14, 2001 at 4:00 p.m.

That the Senate passed without amendment H.J. Res. 78.

With best wishes, I am
Sincerely,

JEFF TRANDAHL,
Clerk of the House.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolution on Friday, December 14, 2001.

House Joint Resolution 78, making further continuing appropriations for the fiscal year 2002, and for other purposes.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Accordingly (at 2 o'clock and 5 minutes p.m.), the House stood in recess subject to the call of the Chair.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and amended reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the second and third quarters of 2001, by Committees of the House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the first and third quarters of 2001, pursuant to Public Law 95–384, are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Travel to France, June 15–19, 2001; Delegation expenses.	6/15	6/19	France				3,815.10		13,183.39		16,998.49
Committee total							3,815.10		13,183.39		16,998.49

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BOB STUMP, Chairman, Nov. 15, 2001.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Sherwood Boehlert	6/15	6/19	France						53,296.39		53,296.39
Committee total									53,296.39		53,296.39

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

SHERWOOD L. BOEHLERT, Chairman, Oct. 15, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LARRY COMBEST, Chairman, Oct. 11, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. David L. Hobson	7/5	7/6	Turkey		155.00						155.00
	7/7	7/9	Italy		275.00						275.00
Commercial airfare							4,795.91				4,795.91
Valerie Baldwin	7/5	7/6	Turkey		155.00						155.00
	7/7	7/9	Italy		275.00						275.00
Commercial airfare							4,820.91				4,820.91
Hon. Jim Kolbe	8/18	8/19	Thailand		232.00						232.00
	8/20	8/21	Cambodia		225.00						225.00
	8/21	8/23	Vietnam		398.00						398.00
Commercial airfare							3,077.01				3,077.01
Alice E.H. Grant	8/16	8/19	Thailand		696.00						696.00
	8/20	8/21	Cambodia		225.00						225.00
	8/21	8/23	Vietnam		398.00						398.00
Commercial airfare							4,696.10				4,696.10
Therese McAuliffe	8/12	8/13	Belgium		265.00						265.00
	8/13	8/15	Kenya		504.00						504.00
	8/15	8/19	Tanzania		1,038.00						1,038.00
Commercial airfare							8,041.00				8,041.00
John Blazey	8/12	8/13	Belgium		265.00						265.00
	8/13	8/15	Kenya		504.00						504.00
	8/15	8/19	Tanzania		1,038.00						1,038.00
Commercial airfare							8,041.00				8,041.00
Brian Potts	8/12	8/13	Belgium		265.00						265.00
	8/13	8/15	Kenya		504.00						504.00
	8/15	8/19	Tanzania		1,038.00						1,038.00
Commercial airfare							8,041.00				8,041.00
Mike Ringler	8/4	8/6	Guinea		432.00						432.00
	8/6	8/9	Sierra Leone		972.00						972.00
	8/9	8/11	Cote D'Ivoire		187.00						187.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Miscellaneous									56.00		56.00
Commercial airfare							7,073.83				7,073.83
Hon. Charles Taylor	8/5	8/8	Holland		729.00						729.00
	8/8	8/12	Austria		964.00						964.00
	8/12	8/14	Russia		394.00						394.00
Commercial airfare							6,224.74				6,224.74
Miscellaneous							24.47				24.47
Elizabeth C. Dawson	8/7	8/12	Austria		960.00						960.00
Commercial airfare							5,382.12				5,382.12
Hon. James P. Moran	8/17	8/18	Argentina		890.50		(3)				890.50
	8/19	8/18	Chile		592.00		(3)				592.00
	8/22	8/23	Brazil		598.31		(3)				598.31
Hon. Lucille Roybal-Allard	8/17	8/18	Argentina		890.50		(3)				890.50
	8/19	8/21	Chile		592.00		(3)				592.00
	8/22	8/23	Brazil		598.31		(3)				598.31
John G. Shank	8/29	9/1	Yugoslavia		700.00						700.00
Commercial airfare							5,172.98				5,172.98
Mark M. Murray	8/27	8/28	Bosnia-Herzegovina		180.00						180.00
	8/28	9/1	Yugoslavia		920.00						920.00
Commercial airfare							2,942.27				2,942.27
Michelle Mrdeza	8/24	8/25	France		468.00						468.00
	8/26	8/27	Romania		440.00						440.00
	8/28	8/29	Italy		634.00						634.00
Miscellaneous									76.00		76.00
Commercial airfare							5,667.00				5,667.00
John Blazey	8/24	8/25	France		468.00						468.00
	8/26	8/27	Romania		440.00						440.00
	8/28	8/29	Italy		634.00						634.00
Commercial airfare							5,529.70				5,529.70
Scott Lilly	8/24	8/26	France		468.00						468.00
	8/26	8/28	Romania		440.00						440.00
	8/28	8/29	Italy		634.00						634.00
Commercial airfare							5,529.70				5,529.70
Rob Nabors	8/24	8/26	France		468.00						468.00
	8/26	8/28	Romania		440.00						440.00
	8/28	8/29	Italy		634.00						634.00
Commercial airfare							5,529.70				5,529.70
Hon. Marcy Kaptur	8/20	8/26	Ukraine		1,011.00		(3)				1,011.00
James W. Dyer	8/29	8/29	USA		113.00						113.00
	8/30	9/1	Poland		498.00						498.00
	9/1	9/3	Austria		317.25						317.25
	9/3	9/4	Slovenia		165.00						165.00
	9/4	9/5	Austria		141.00						141.00
Miscellaneous									426.25		426.25
Commercial airfare							5,180.37				5,180.37
Committee total					27,467.87		95,769.81		558.25		123,795.93
Committee on Appropriations Surveys and Investigations Staff											
L.C. Farrington	9/15	9/22	Korea		1,531.50		5,193.62		121.95		6,847.07
J.N. Phillips	9/16	9/22	Korea		1,259.00		5,193.62		538.48		6,991.10
L.M. Welsh	9/16	9/22	Korea		1,259.00		5,193.62		46.83		6,499.45
Committee total					4,049.50		15,580.86		707.26		20,337.62
Committee on Appropriations											
Robert V. Davis	8/30	9/1	Poland		498.00		5,180.37		110.00		5,788.37
	9/1	9/3	Austria		317.25						317.25
	9/3	9/4	Slovenia		165.00						165.00
	9/4	9/5	Austria		141.00						141.00
Edward E. Lombard	8/5	8/8	Amsterdam		429.00		5,145.74		101.02		5,675.76
	8/8	8/12	Austria		599.25						599.25
R.W. Vandergrift, Jr	8/30	9/1	Poland		498.00		5,180.37		426.25		6,104.62
	9/1	9/3	Austria		317.25						317.25
	9/3	9/4	Slovenia		165.00						165.00
	9/4	9/5	Austria		141.00						141.00
Committee total					3,270.75		15,506.48		637.27		19,414.50

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

C.W. BILL YOUNG, Chairman, Nov. 2, 2001

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVOCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Robert A. Underwood	7/6	7/7	Okinawa		283.00						283.00
Commercial airfare							719.36				719.36
Hon. Saxby Chambliss	7/14	7/15	Bosnia								
	7/15	7/16	Germany		100.00						100.00
Hon. John Hostettler	8/5	8/8	Korea		711.00						711.00
	8/8	8/10	Japan		282.00						282.00
Commercial airfare							4,863.49				4,863.49
Hon. Jim Maloney	8/5	8/8	Russia		882.00						882.00
Commercial airfare							4,325.60				4,325.60
Thomas E. Hawley	5/28	5/30	Italy		326.00						328.00
	5/30	6/2	Germany		451.00						451.00
Commercial airfare							6,209.49				6,209.49
Dudley L. Tademy	5/28	5/30	Italy		328.00						328.00
	5/30	6/2	Germany		451.00						451.00
Commercial airfare							6,209.49				6,209.49
Hon. Robert A. Underwood	5/27	5/30	Philippines		732.00				160.95		892.95

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVOCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Commercial airfare							1,161.36				1,161.36
Hon. James H. Maloney	5/29	5/31	Russia		688.00						688.00
Commercial airfare							4,325.00				4,325.00
Hon. Ander Crenshaw	8/17	8/19	Argentina		434.00						434.00
	8/19	8/21	Chile		592.00						592.00
	8/21	8/22	Argentina		391.00						391.00
	8/22	8/23	Brazil		235.00						235.00
Hon. Gene Taylor	8/29	8/30	Cosa Rica		245.00						245.00
	8/30	8/31	Guatemala		190.00						190.00
George O. Withers	8/29	8/30	Cosa Rica		245.00						245.00
	8/30	8/31	Guatemala		190.00						190.00
Committee total					7,758.00		27,814.39		160.95		35,733.34

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BOB STUMP, Chairman, Oct. 31, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BUDGET, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Mac Collins	7/14	7/15	Bosnia				(3)				
	7/15	7/16	Germany				(3)				
Committee total											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

JIM NUSSLE, Chairman, Oct. 30, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND THE WORKFORCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Johnny Isakson (to participate in CODEL Chambliss).	9/14	9/15	Bosnia		250.00		(3)				250.00
	9/15	9/16	Stuttgart, Germany		100.00		(3)				100.00
Hon. George Miller	8/27	8/31	Puebla/Mexico		805.50		1,469.42				2,274.92
John Lawrence	8/27	8/31	Puebla/Mexico		805.50		1,527.92				2,333.42
Hon. Pete Hoekstra (to participate in Schaffer CODEL).	8/23	8/26	Kiev, Ukraine		912.74		2,432.37				3,345.11
Committee total					2,873.74		5,429.71				8,303.45

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation and government vehicles.

JOHN BOEHNER, Chairman, Oct. 31, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Cliff Stearns	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Hon. George Radanovich	8/17	8/18	Argentina		890.50						890.50
	8/21	8/22	Argentina		890.50						890.50
	8/19	8/21	Chile		592.00						592.00
	8/2	8/22	Brazil		235.00						235.00
Hon. Nathan Deal	7/13	7/16	Bosnia		100.00						100.00
Hon. Anna Eshoo	8/6	8/7	Belgium		296.00				50.00		346.00
	8/7	8/9	France		213.00				50.00		263.00
	8/9	8/12	Italy		296.00				50.00		346.00
Hon. Richard Boucher	8/4	8/9	Norway								
	8/9	8/11	Denmark								
Hon. Michael Bilirakis	8/17	8/19	New Zealand		378.00						378.00
	8/19	8/22	Australia		696.00						696.00
	8/22	8/24	Taiwan		546.00						546.00
Hon. Peter Deutsch	8/14	8/22	Belarus								
	9/7	9/10	Belarus		432.00				5,355.88		5,787.88
Alan Slobodin, staff	8/7	8/10	Canada		795.00		564.35				1,359.35
Ray Shepherd, staff	8/7	8/10	Canada		795.00		564.35				1,359.35
Chris Knauer, staff	8/7	8/10	Canada		795.00		564.35				1,359.35
David Nelson, staff	8/7	8/10	Canada		795.00		564.35				1,359.35
Hon. Billy Tauzin	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. John Dingell	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. Richard Burr	8/4	8/7	Portugal		588.00						771.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. Joe Barton	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. Cliff Stearns	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. Nathan Deal	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. Karen McCarthy	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Hon. Dan Burton[3]	8/14	8/15	Germany								
Scott Palmer, staff	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Mimi Simoneaux, staff	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Byron Patterson, staff	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Bridgett Taylor, staff	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
Amit Sachdev, staff	8/4	8/7	Portugal		588.00						588.00
	8/7	8/10	Spain		858.00						858.00
	8/10	8/12	Czech Republic		606.00						606.00
	8/12	8/15	Germany		771.00						771.00
CODEL expenses	8/4	8/7	Portugal						10,848.15		10,848.15
	8/7	8/10	Spain						4,940.73		4,940.73
	8/10	8/12	Czech Republic						5,075.50		5,075.50
	8/12	8/15	Germany						8,951.75		8,951.75
Committee total					42,392.50		2,257.40		29,816.13		79,971.91

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Overlapped with Appropriations Committee Codel.

BILLY TAUZIN, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Bernard Sanders	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Hon. Paul Gillmor	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		554.90		(3)				554.90
Hon. Melvin Watt	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		554.90		(3)				554.90
Hon. John LaFalce	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		3,851.46				4,547.46
Committee total					6,419.40		3,851.46				10,270.86

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

MICHAEL G. OXLEY, Chairman, Oct. 30, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Mark Souder	8/27	8/30	Venezuela		759.00		345.00		1,064.00		
	8/30	9/1	Peru		555.00		2,367.86		168.00		

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Chris Donesa	8/27	8/30	Venezuela		759.00		345.00		1,064.00		
	8/30	9/1	Peru		555.00		1,487.26		168.00		
Tony Haywood	8/27	8/30	Venezuela		759.00		345.00		1,064.00		
	8/30	9/1	Peru		555.00		104.00		168.00		
Elijah Cummings	8/27	8/30	Venezuela		759.00		345.00		1,064.00		
	8/30	9/1	Peru		555.00		104.00		168.00		
Gil Macklin	8/27	8/30	Venezuela		1,518.00		328.00				
Dan Burton	8/6	8/7	Belgium		249.00						
	8/7	9/14	Germany		580.00						
Todd Russell Platts	9/27	9/29	Russia		688.00						
	9/29	9/30	Italy		346.00						
	9/29	10/1	Turkey		234.00						
Elizabeth Clay	7/7	7/15	Russia		2,499.00		5,039.03		710.00		
Committee total					11,370.00		10,810.15		5,683.00		27,818.15

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN BURTON, Chairman, Oct. 30, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Blaine Aaron	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
David Abramowitz	8/4	8/7	Azerbaijan		828.00						828.00
	8/7	8/9	Georgia		436.00						436.00
	8/9	8/11	Armenia		306.00						306.00
Commercial airfare	8/3	8/11					6,560.54				6,560.54
David Adams	8/19	8/23	India		1,040.00						1,040.00
	8/23	8/24	Bangladesh		197.00						197.00
	8/24	8/25	Thailand		182.00						182.00
	8/25	8/27	Nepal		372.00						372.00
	8/27	8/29	Pakistan		424.00		19.27				443.27
	8/29	9/1	Italy		592.00						592.00
Commercial airfare	8/18	9/1					8,124.22				8,124.22
Douglas Anderson	6/30	7/5	Indonesia		1,005.00				[4] 106.07		1,111.07
	7/5	7/7	East Timor		364.00						364.00
	7/7	7/7	Australia		145.00						145.00
Commercial airfare	6/29	7/8					8,893.40				8,893.40
Hon. Cass Ballenger	8/16	8/18	Nicaragua		152.00						152.00
Commercial airfare	8/16	8/18					1,212.60				1,212.60
	8/27	8/30	Venezuela		582.86		(3)				582.86
	8/30	9/1	Peru		223.60		(3)				223.60
	9/1	9/3	Honduras		359.54		(3)				359.54
Paul Berkowitz	8/9	8/16	Taiwan		1,561.00						1,561.00
	8/16	8/23	India		1,559.00						1,559.00
	8/23	8/24	Bangladesh		197.00						197.00
	8/24	8/25	Thailand		182.00						182.00
	8/25	8/27	Nepal		372.00						372.00
	8/27	8/29	Pakistan		424.00		19.27				443.27
	8/29	9/1	Italy		592.00						592.00
Commercial airfare	8/8	9/1					7,060.49				7,060.49
Ted Brennan	7/9	7/11	Barbados		484.00						484.00
Commercial airfare	7/9	7/11					1,757.10				1,757.10
	8/27	8/30	Venezuela		467.00		(3)				467.00
	8/30	9/1	Peru		217.30		(3)				217.30
	9/1	9/3	Honduras		369.70		(3)				369.70
Malik Chaka	8/6	8/9	Democratic Republic of the Congo		762.00						762.00
	8/9	8/12	Kenya		606.00		228.00				834.00
	8/12	8/15	Rwanda		606.00						606.00
	8/15	8/16	Democratic Republic of the Congo		110.00						110.00
	8/16	8/19	Uganda		771.00						771.00
Commercial airfare	8/5	8/20					7,311.44				7,311.44
Hon. John Cooksey	8/28	8/30	Sudan								
	8/30	8/31	Kenya		202.00						202.00
	9/1	9/2	Tanzania								
Commercial airfare	8/27	9/3					7,864.06				7,864.06
Ted Dagne	8/6	8/9	Democratic Republic of the Congo		762.00						762.00
	8/9	8/12	Kenya		606.00		228.00				834.00
	8/12	8/15	Rwanda		606.00						606.00
	8/15	8/16	Democratic Republic of the Congo		110.00						110.00
	8/16	8/18	Uganda		514.00		216.00				730.00
Commercial airfare	8/5	8/20					7,350.44				7,350.44
Hon. William Delahunt	7/22	7/24	Honduras		304.00						304.00
Commercial airfare	7/22	7/24					2,073.60				2,073.60
	8/23	8/28	Ireland		1,260.00						1,260.00
Commercial airfare	8/22	8/28					4,952.80				4,952.80
Hon. Eliot Engel	8/27	8/27	Cyprus		164.00						164.00
	8/27	8/30	Greece		591.00						591.00
	8/30	8/31	Israel		371.00						371.00
	8/31	9/1	Czech Republic		294.00						294.00
	9/1	9/2	Hungary		262.00						262.00
Commercial airfare	8/25	9/2					5,396.06				5,396.06
Hon. Eni Faleomavaega	8/24	8/27	Fiji		462.00						462.00
	8/27	8/27	Australia		145.00						145.00
	8/28	8/31	East Timor		522.00						522.00
	8/31	9/1	Australia		121.00						121.00
Commercial airfare	8/23	9/3					7,454.64				7,454.64
James Farr	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	8/22	8/24	Taiwan		546.00		(3)				546.00
David Fite	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		390.00		(3)				390.00
Adolfo Franco	7/2	7/8	Israel		2,272.00						2,272.00
Commercial airfare	7/1	7/8					5,998.00				5,998.00
	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
	8/31	9/9	South Africa		1,372.00						1,372.00
Commercial airfare	8/30	9/9					7,672.84				7,672.84
Sharee Freeman	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Kirsti Garlock	7/8	7/11	Barbados		663.31		179.00				842.31
Commercial airfare	7/8	7/11					1,749.60				1,749.60
Matthew Gobush	8/6	8/11	Switzerland		1,435.00						1,435.00
Commercial airfare	8/5	8/11					4,219.36				4,219.36
	9/1	9/5	South Africa		888.00						888.00
Commercial airfare	8/31	9/6					7,444.84				7,444.84
Brian Grzelkowski	8/27	8/28	Ireland		252.00						252.00
	8/28	8/30	United Kingdom		523.54						523.54
Commercial airfare	8/29	8/30	Ireland				561.19				561.19
Brian Gunderson	8/9	8/14	Vietnam		682.00						682.00
Commercial airfare	8/8	8/15					5,131.10				5,131.10
Dennis Halpin	8/19	8/25	Taiwan		1,638.00						1,638.00
Commercial airfare	8/18	8/25					4,059.77				4,059.77
Hon. Joseph Hoeffel	8/31	9/4	China		1,104.00						1,104.00
Commercial airfare	8/31	9/4	Taiwan				1,075.72				1,075.72
Hon. Henry Hyde	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Hon. Darrell Issa	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Bob Jones	7/1	7/3	New Zealand		299.00						299.00
	7/3	7/9	Australia		1,035.00						1,035.00
Commercial airfare	6/29	7/9					7,569.88				7,569.88
	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Ann W. Kelly	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
David Killion	8/4	8/11	Switzerland		2,009.00						2,009.00
Commercial airfare	8/3	8/11					4,219.36				4,219.36
	8/30	9/5	South Africa		888.00		(3)				888.00
Commercial airfare	8/29	9/6					8,623.84				8,623.84.00
Kay King	7/1	7/3	New Zealand		299.00						299.00
	7/3	7/9	Australia		1,035.00						1,035.00
Commercial airfare	6/29	7/9			7,569.88		(3)				7,569.88
Robert King	7/1	7/3	New Zealand		299.00						299.00
	7/3	7/9	Australia		1,035.00						1,035.00
Commercial airfare	6/29	7/9					7,569.88				7,569.88
Shiela Klein	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Hon. Thomas Lantos	8/6	8/14	Switzerland		1,435.00						1,435.00
Commercial airfare	8/5	8/14					4,219.36				4,219.36
	8/31	9/4	South Africa		652.00						652.00
Commercial airfare	8/30	9/5					7,818.34				7,818.34
Hon. Barbara Lee	8/29	9/2	South Africa		652.00				[4] 628.00		1,280.00
Commercial airfare	8/29	9/3	South Africa				3,107.04				3,107.04
John Mackey	8/23	8/28	Ireland		1,260.00						1,260.00
	8/28	8/30	United Kingdom		528.00						528.00
Commercial airfare	8/22	8/30					6,657.89				6,657.89
Pearl Alice Marsh	8/15	8/18	South Africa		460.00						460.00
	8/18	8/22	Madagascar		664.00						664.00
	8/22	8/23	Kenya		69.00						69.00
	8/23	8/24	Netherlands		225.00						225.00
Commercial airfare	8/13	8/24					8,332.87				8,332.87
Caleb McCarry	8/27	8/31	Nicaragua		645.00						645.00
Commercial airfare	8/27	8/31					1,874.10				1,874.10
Hon. Cynthia McKinney	8/30	9/2	South Africa		645.97				[4] 1,000.00		1,645.97
Commercial airfare	8/29	9/8					6,759.34				6,759.34
Hon. Gregory Meeks	8/27	8/30	Venezuela		984.00		(3)				984.00
	8/30	9/1	Peru		520.00		(3)				520.00
	9/1	9/3	Honduras		450.00		(3)				450.00
Thomas Mooney	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Vincent Morelli	8/27	8/28	Ireland		252.00						252.00
	8/28	8/30	United Kindgom		528.00						528.00
Commercial airfare	8/26	8/30					6,760.51				6,760.51
Hon. Grace Napolitano	8/17	8/19	Argentina		499.50		(3)				499.50
	8/19	8/21	Chile		592.00		(3)				592.00
	8/21	8/22	Argetina		391.00		(3)				391.00
	8/22	8/23	Brazil		235.00		(3)				235.00
Keith O'Neil	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Paul Oostburg Sanz	7/8	7/10	Barbados		577.00		179.00				756.00
Commercial airfare	7/8	7/10					1,781.10				1,781.10
	8/27	8/31	Nicaragua		545.00		(3)				545.00
Commercial airfare	8/27	8/31					2,228.10				2,228.10
Hon. Donald Payne	8/6	8/09	Democratic Republic of the Congo		762.00						762.00
	8/9	8/12	Kenya		606.00		228.00				834.00
	8/12	8/15	Rwanda		606.00						606.00
	8/15	8/16	Democratic Republic of the Congo		110.00						110.00
	8/16	8/19	Uganda		771.00						771.00
Commercial airfare	8/5	8/20					7,360.40				7,350.44

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Patrick Prisco	8/27	8/28	Ireland		252.00						252.00
	8/28	8/30	United Kingdom		528.00						528.00
Commercial airfare	8/26	8/30					6,760.51				6,760.51
Grover Joseph Rees	8/9	8/14	Vietnam		682.00						682.00
	8/14	8/16	Thailand		364.00						364.00
	8/16	8/22	Cambodia		780.00		110.00				890.00
	8/22	8/23	Thailand								
Commercial airfare	8/8	8/23					4,587.00				4,587.00
Doug Seay	7/1	7/3	New Zealand		299.00						299.00
	7/3	7/9	Australia		1,071.00						1,071.00
Commercial airfare	6/29	7/9					7,569.88				7,569.88
	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(2)				546.00
Thomas Sheehy	8/15	8/18	South Africa		460.00						460.00
	8/18	8/22	Madagascar		617.00						617.00
	8/22	8/23	Kenya								
	8/23	8/24	Netherlands		225.00						225.00
Commercial airfare	8/13	8/24					8,332.87				8,332.87
Sam Stratman	8/4	8/7	Azerbaijan		999.00						999.00
	8/7	8/9	Georgia		436.00						436.00
	8/9	8/11	Armenia		316.00						316.00
	8/11	8/12	Azerbaijan		333.00						333.00
	8/12	8/13	Armenia		16.00						16.00
Commercial airfare	8/3	8/13					6,560.54				6,560.54
	8/19	8/25	Taiwan		1,638.00						1,638.54
Commercial airfare	8/18	8/25					4,059.77				4,059.77
Hon. Diane Watson	8/27	9/2	South Africa		483.00						483.00
Commercial airfare	8/26	9/3					6,480.84				6,480.84
Jo Weber	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Judy Wolverton	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Peter Yeo	8/4	8/7	Azerbaijan		999.00						999.00
	8/7	8/9	Georgia		436.00						436.00
Commercial airfare	8/3	8/9									7,043.10
Committee total					92,256.32		259,166.79		1,734.07		353,157.18

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

[4] Indicates delegation costs.

HENRY HYDE, Chairman, Oct. 31, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Dave Whaley	7/21	7/29	England		1,988.00		4,971.88				6,959.88
David Jansen	7/21	7/29	England		1,988.00		4,971.88				6,959.88
Hon. James V. Hansen	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Hon. Dennis Rehberg	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Hon. Ron Kind	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/10	8/14	Iceland		684.50		(3)				684.50
Hon. Jay Inslee	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Hon. Jim Gibbons	8/5	8/7	Norway		506.00		(3)				506.00
	8/12	8/12	Denmark		130.00		(3)				130.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Hon. Rush Holt	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/11	Denmark		365.00		(3)				1,493.48
Commercial airfare							1,128.48				
Hon. Donna Christensen	8/10	8/12	Denmark		600.00		3,214.30				3,814.30
	8/12	8/14	Iceland		684.50		(3)				684.50
Steven Petersen	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				1,564.18
Commercial airfare							879.68				
Jeff Petrich	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Tim Stewart	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				1,650.96
Commercial airfare							966.46				
Nancee Blockinger	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Bill Condit	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Deborah Lanxone	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Dave Whaley	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	8/12	8/14	Iceland		684.50		(3)				684.50
Anne Heissenbuttel	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				1,650.96
Commercial airfare							966.46				
Marnie Funk	8/5	8/9	Norway		812.00		(3)				812.00
	8/10	8/12	Denmark		600.00		(3)				600.00
	8/12	8/14	Iceland		684.50		(3)				684.50
Anthony Babauta	8/16	8/24	Federal States of Micronesia		700.00		2,472.32				3,172.32
Kimo Kaloi	8/16	8/24	Federal States of Micronesia		700.00		2,472.32				3,172.32
Hon. Donna Christensen	8/30	9/5	South Africa		1,070.00		9,273.04				10,343.04
Committee total					37,482.50		31,316.82				68,799.32

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

JAMES V. HANSEN, Chairman, Nov. 15, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Tony Hall	6/30	7/2	Australia		464.00						464.00
	7/2	7/5	East Timor		696.00						696.00
	7/5	7/8	Indonesia		741.00						741.00
	7/8	7/9	Singapore		242.00						242.00
	6/30	7/9					[3] 9,997.15				9,997.15
Vincent Randazzo	8/5	8/9	Italy		1,384.00		1,209.64				2,593.64
Seth Webb	8/5	8/9	Italy		1,384.00		1,209.64				2,593.64
Todd Gillenwater	8/5	8/9	Italy		1,384.00		1,209.64				2,593.64
David Dreier	8/17	8/18	Argentina		890.50		(4)				890.50
	8/21	8/22					(4)				
	8/19	8/21	Chile		592.00		(4)				592.00
	8/22	8/22	Brazil		235.00		(4)				235.00
John Linder	8/17	8/18	Argentina		890.50		(4)				890.50
	8/21	8/22					(4)				
	8/19	8/21	Chile		592.00		(4)				592.00
	8/22	8/22	Brazil		235.00		(4)				235.00
Bradley Smith	8/17	8/18	Argentina		890.50		(4)				890.50
	8/21	8/22					(4)				
	8/19	8/21	Chile		592.00		(4)				592.00
	8/22	8/22	Brazil		235.00		(4)				235.00
Johanna Powers	8/17	8/18	Argentina		890.50		(4)				890.50
	8/21	8/22					(4)				
	8/19	8/21	Chile		592.00		(4)				592.00
	8/22	8/22	Brazil		235.00		(4)				235.00
Matthew Reynolds	8/21	8/22	Argentina		470.50						470.50
	8/22	8/22	Brazil		235.00						235.00
	8/21	8/22					3,207.80				3,207.80
Committee total					13,870.50		16,833.87				30,704.37

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.s. currency is used, enter amount expended.
[3] Estimate due to refunds in tickets from 7/5/01.
[4] Military air transportation.

DAVID DREIER, Chairman, Nov. 1, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

SHERWOOD L. BOEHLERT, Chairman, Oct. 9, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DONALD A. MANZULLO, Chairman, Oct. 9, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOEL HEFLEY, Chairman, Oct. 25, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Bob Clement	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Hon. Eddie Bernice Johnson	8/29	9/4	South Africa	312.41			6,674.34				6,986.75
Committee total				312.41	1,268.00		6,674.34				8,254.75

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON YOUNG, Chairman, Oct. 30, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, JOINT COMMITTEE ON TAXATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman, Oct. 15, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO REPUBLIC OF KOREA, CAMBODIA, AND VIETNAM, EXPENDED BETWEEN JAN. 11 AND JAN. 18, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Richard A. Gephardt	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Ray LaHood	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Marion Berry	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Tim Holden	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Tom Lantos	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Nita Lowey	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Charles Rangel	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. John Tanner	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Hon. Karen Thurman	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Steve Elmendorf	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Brett O'Brien	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Moses Mercado	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Sean Kennedy	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Joan Mitchell	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00
	1/15	1/18	Vietnam		603.00						603.00
Shanti Ochs	1/11	1/13	Republic of Korea		518.00						518.00
	1/13	1/15	Cambodia		652.00						652.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO REPUBLIC OF KOREA, CAMBODIA, AND VIETNAM, EXPENDED BETWEEN JAN. 11 AND JAN. 18, 2001—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/15	1/18	Vietnam		603.00						603.00
Committee total					26,595.00						26,595.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD A. GEPHARDT, Sept. 30, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO FRANCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 4 AND JULY 10, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Christopher Smith, Chairman	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Steny Hoyer	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Benjamin Cardin	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Louise Slaughter	7/5	7/9	France		1,741.97		(3)				1,741.97
Hon. Michael McNulty	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Alcee Hastings	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Peter King	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Ed Bryant	7/5	7/10	France		2,052.46		(3)				2,052.46
Hon. Zack Wamp	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Joseph Pitts	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Joseph Hoeffel	7/5	7/10	France		2,177.46		(3)				2,177.46
Hon. Thomas Tancredo	7/5	7/10	France		2,177.46		(3)				2,177.46
Kathleen May	7/5	7/10	France		2,177.46		(3)				2,177.46
Fred Turner	7/2	7/10	France		3,483.94		5,637.29				9,121.23
Marilyn Owen	7/5	7/10	France		2,177.46		(3)				2,177.46
Patrick Prisco	7/5	7/10	France		2,177.46		(3)				2,177.46
Dorothy Taft	7/5	7/10	France		2,109.00		(3)				2,109.00
Orest Deychakiwsky	7/5	7/10	France		1,827.46		(3)				1,827.46
Marlene Kaufman	7/5	7/10	France		2,177.46		(3)				2,177.46
Chadwick Gore	7/5	7/9	France		2,177.46		(3)				2,177.46
Maureen Walsh	7/5	7/10	France		2,177.46		(3)				2,177.46
Sidney B. Anderson	7/5	7/10	France		2,177.46		(3)				2,177.46
Delegation expenses									16,580.83		16,580.83
Committee total					48,231.65		5,637.29		16,580.83		70,449.77

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

CHRISTOPHER H. SMITH, Chairman, Aug. 15, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO MALI, GHANA, NIGERIA, AND PORTUGAL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 27 AND AUG. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. J.C. Watts, Jr.	8/27	8/27	Mali		152.00		(3)				152.00
Hon. John Lewis	8/27	8/27	Mali		152.00		(3)				152.00
Hon. Pete Hoekstra	8/27	8/27	Mali		152.00		(3)				152.00
Hon. William Jefferson	8/27	8/27	Mali		152.00		(3)				152.00
Hon. Eva Clayton	8/27	8/27	Mali		152.00		(3)				152.00
Hon. Bob Schaffer	8/27	8/27	Mali		152.00		(3)				152.00
Jack Horner	8/27	8/27	Mali		152.00		(3)				152.00
Elroy Sailor	8/27	8/27	Mali		152.00		(3)				152.00
Kevin Schweers	8/27	8/27	Mali		152.00		(3)				152.00
Apryle Lawson	8/27	8/27	Mali		152.00		(3)				152.00
Michael Collins	8/27	8/27	Mali		152.00		(3)				152.00
Hon. J.C. Watts, Jr.	8/27	8/29	Ghana		430.00		(3)				430.00
Hon. John Lewis	8/27	8/29	Ghana		430.00		(3)				430.00
Hon. Pete Hoekstra	8/27	8/29	Ghana		430.00		(3)				430.00
Hon. William Jefferson	8/27	8/29	Ghana		430.00		(3)				430.00
Hon. Eva Clayton	8/27	8/29	Ghana		430.00		(3)				430.00
Hon. Bob Schaffer	8/27	8/29	Ghana		430.00		(3)				430.00
Jack Horner	8/27	8/29	Ghana		430.00		(3)				430.00
Elroy Sailor	8/27	8/29	Ghana		430.00		(3)				430.00
Kevin Schweers	8/27	8/29	Ghana		430.00		(3)				430.00
Apryle Lawson	8/27	8/29	Ghana		430.00		(3)				430.00
Michael Collins	8/27	8/29	Ghana		430.00		(3)				430.00
Hon. J.C. Watts, Jr.	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Hon. John Lewis	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Hon. Pete Hoekstra	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Hon. William Jefferson	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Hon. Eva Clayton	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Hon. Bob Schaffer	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Jack Horner	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Elroy Sailor	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Kevin Schweers	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Apryle Lawson	8/29	8/30	Nigeria	35,590.00	317.00		(3)			35,590.00	317.00
Michael Collins	8/29	8/30	Nigeria	35,590.00	317.00		(3)				317.00
Hon. J.C. Watts, Jr.	8/30	8/31	Portugal		112.00		(3)				112.00
Hon. John Lewis	8/30	8/31	Portugal		112.00		(3)				112.00
Hon. Pete Hoekstra	8/30	8/31	Portugal		112.00		(3)				112.00
Hon. William Jefferson	8/30	8/31	Portugal		112.00		(3)				112.00
Hon. Eva Clayton	8/30	8/31	Portugal		112.00		(3)				112.00
Hon. Bob Schaffer	8/30	8/31	Portugal		112.00		(3)				112.00
Jack Horner	8/30	8/31	Portugal		112.00		(3)				112.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO MALI, GHANA, NIGERIA, AND PORTUGAL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 27 AND AUG. 31, 2001—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Elroy Sailor	8/30	8/31	Portugal		112.00		(3)				112.00
Kevin Schweers	8/30	8/31	Portugal		112.00		(3)				112.00
Apryle Lawson	8/30	8/31	Portugal		112.00		(3)				112.00
Michael Collins	8/30	8/31	Portugal		112.00		(3)				112.00
Committee total					11,121.00						11,121.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

J.C. WATTS, Jr., Sept. 12, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. ROBERT ZACHRITZ, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 28 AND JULY 9, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Robert Zachritz	6/30	7/2	Australia		464.00						464.00
	7/2	7/5	East Timor		696.00						696.00
	7/5	7/8	Indonesia		741.00						741.00
	7/8	7/9	Singapore		242.00						242.00
Commercial airfare							[3] 9,997.15				9,997.15
Committee total					2,143.00		9,997.15				12,140.15

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Estimate due to ticket refunds for flights on July 5, 2000.

ROBERT G. ZACHRITZ.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. SCOTT PALMER, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 4 AND AUG. 15, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Scott Palmer	8/4	8/7	Portugal		588.00	(3)					588.00
	8/7	8/10	Spain		858.00	(3)					858.00
	8/10	8/12	Czech Republic		606.00	(3)					606.00
	8/12	8/15	Germany		771.00	(3)					771.00
Committee total					2,823.00						2,823.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

J. DENNIS HASTERT, Dec. 12, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. JEFF TRANDAHL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 5 AND AUG. 9, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Jeff Trandahl	8/5	8/9	Italy		1,384.00		1,596.35				2,980.35
Committee total					1,384.00		1,596.35				2,980.35

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JEFF TRANDAHL, Sept. 7, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. TIMOTHY J. BERRY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 17 AND AUG. 23, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Timothy J. Berry	8/17	8/18	Argentina		890.50		(3)				890.50
	8/21	8/22	Argentina				(3)				
	8/19	8/21	Chile		592.00		(3)				592.00
	8/22	8/23	Brazil		598.31		(3)				598.31
Committee total					2,080.81						2,080.81

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

TIMOTHY J. BERRY, SEPT. 24, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. DANIEL P. FLYNN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 17 AND AUG. 23, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Daniel P. Flynn	8/17	8/18	Argentina		890.50		(3)				890.50
	8/19	8/21	Chile		592.00		(3)				592.00
	8/21	8/22	Argentina				(3)				
	8/22	8/23	Brazil		598.31		(3)				598.31
Committee total					2,080.81						2,080.81

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

DANIEL FLYNN, Sept. 24, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. BRIAN S. GASTON, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 17 AND AUG. 23, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Brian S. Gaston	8/17	8/19	Argentina		890.50		(3)				890.50
	8/21	8/22	Argentina				(3)				
	8/19	8/21	Chile		592.00		(3)				592.00
	8/22	8/23	Brazil		598.31		(3)				598.31
Committee total					2,080.81						2,080.81

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

BRIAN S. GASTON, Sept. 19, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. MELISSA KOLOZAR, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 17 AND AUG. 23, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Melissa Kolozar	8/17	8/19	Argentina		890.50		(3)				890.50
	8/19	8/21	Chile		592.00		(3)				592.00
	8/21	8/22	Argentina				(3)				
	8/22	8/23	Brazil	598.31	235.00		(3)			598.31	235.00
Committee total					1,717.50						1,717.50

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

MELISSA KOLOZAR, Oct. 1, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. TED VAN DER MEID, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 17 AND AUG. 24, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Van Der Meid, Ted	8/17	8/19	New Zealand		378.00		(3)				378.00
	8/19	8/22	Australia		696.00		(3)				696.00
	8/22	8/24	Taiwan		546.00		(3)				546.00
Committee total					1,620.00						1,620.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

TED VAN DER MEID, Sept. 6, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. SHANE HOUGH, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 27 AND SEPT. 3, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Shane Hough	8/28	8/30	Sudan								
	8/30	8/31	Kenya		202.00						202.00
	9/1	9/2	Tanzania								
Committee total											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

SHANE HOUGH, Sept. 14, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. CEDRIC MOBLEY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 29 AND SEPT. 4, 2001.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Cedric Mobley	8/29	9/4	South Africa	2,935.68			7,957.34			2,935.68	7,957.34
Committee total							7,957.34				7,957.34

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CEDRIC MOBLEY, Oct. 3, 2001.

□ 1037

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HASTINGS of Washington) at 10 o'clock and 37 minutes a.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 2559. An act to amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance.

H.R. 3442. An act to establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C., and for other purposes.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 1271. An act to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small business concerns with certain Federal paperwork requirements, to establish a task force to examine information collection and dissemination, and for other purposes.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY COMMITTEE ON RULES

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–340) on the resolution (H. Res. 317) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 86. Concurrent resolution expressing the sense of Congress that women from all ethnic groups in Afghanistan should participate in the economic and political reconstruction of Afghanistan; to the Committee on International Relations.

ENROLLED JOINT RESOLUTION SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 78. Joint resolution making further continuing appropriations for the fiscal year 2002, and for other purposes.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 40 minutes a.m.), under its previous order, the House adjourned until today, December 18, 2001, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

4854. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Linear alkyl C12–16 Propoxyamine ethoxylate; Exemption from the Requirement of a Tolerance [OPP–301191; FRL–6810–2] (RIN: 2070–AB78) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4855. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Sethoxydim; Pesticide Tolerance Technical Correction [OPP–301179A; FRL–6814–4] (RIN: 2070–AB78) received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4856. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Labeling and Other Regulatory Revisions [OPP–300890A; FRL–6752–1] (RIN: 2070–AD14) received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4857. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Extension of Tolerances for Emergency Exemptions; Multiple Chemicals [OPP–301194; FRL–6814–2] (RIN: 2070–AB78) received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4858. A letter from the Director, Office of Federal Housing Enterprise Oversight, Department of Housing and Urban Development, transmitting the Department's final rule—Flood Insurance (RIN: 2550–AA21) received December 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4859. A letter from the Assistant General Counsel for Regulatory Law, Office of Energy Efficiency and Renewable Energy, Department of Energy, transmitting the Department's final rule—Weatherization Assistance Program for Low-Income Persons (RIN: 1904–AB05) received December 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4860. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards [Docket No. NHTSA 98–4515; Notice 4] (RIN: 2127–AI57) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4861. A letter from the Attorney-Advisor, NHTSA, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Occupant Crash Protection [Docket No. NHTSA 01–11110]; Notice 1] (RIN: 2127–AI10) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4862. A letter from the Attorney-Advisor, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; School Bus Body Joint Strength [Docket No. NHTSA–98–4662] (RIN: 2127–AC19) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4863. A letter from the Attorney Advisor, NHTSA, Department of Transportation, transmitting the Department's final rule—Anthropomorphic Test Devices; 3-Year-Old Child Crash Test Dummy [Docket No. NHTSA–01–11111] (RIN: 2127–AI02) received December 14, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4864. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the Arizona State Implementation Plan, Maricopa County Environmental Services Department [AZ 086–0047; FRL–7105–3] received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4865. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants for Phosphoric Acid Manufacturing Plants and Phosphate Fertilizers Production Plants [FRL-7118-7] (RIN: 2060-AE44) received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4866. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

4867. A letter from the Secretary, Department of the Interior, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4868. A letter from the Administrator, Agency for International Development, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4869. A letter from the Director of Congressional Affairs, Central Intelligence Agency, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

4870. A letter from the Writer-Editor, Management and Planning Division, Department of Justice, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4871. A letter from the Administrator, Environmental Protection Agency, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4872. A letter from the Administrator, General Services Administration, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4873. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Louisiana Regulatory Program [SPATS No. LA-020-FOR] received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4874. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Leasing Regulations (RIN: 1024-AC78) received December 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4875. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Environmental Impact Assessment of Nongovernmental Activities in Antarctica [FRL-7114-3] (RIN: 2020-AA34) received December 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4876. A letter from the Deputy Director, Office of Enforcement Policy, Wage and Hour Division, Department of Labor, transmitting the Department's final rule—Adjustment of Civil Money Penalties for Inflation (RIN: 1215-AB20) received December 7, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4877. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Documentation of Immigrants Under the Immigration and Nationality Act, as Amended—Immediate Relatives—received December 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4878. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Documentation of Nonimmigrants Under the Immigration and Nationality Act, as Amended—Additional International Organization—received December 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4879. A letter from the Deputy General Counsel, National Indian Gaming Commission, transmitting the Commission's final rule—Debt Collection (RIN: 3141-AA25) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4880. A letter from the Regulations Officer, FHA, Department of Transportation, transmitting the Department's final rule—Engineering Services (RIN: 2125-AE73) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4881. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule—Criminal History Records Checks [Docket No. FAA-2001-10999; Amendment Nos. 107-14, 108-19] (RIN: 2120-AH53) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4882. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule—Reduced Vertical Separation Minimum (RVSM) [Docket No. FAA-2000-8490; Amdt. No. 91-271] (RIN: 2120-AH12) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4883. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—SECURITY ZONE: Presidential Visit to Portland, ME [CGD01-01-042] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4884. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—SAFETY ZONE REGULATIONS: M/T WESTCHESTER Oil Spill Response Clean-Up, Lower Mississippi River, Above Head of Passes [COTP New Orleans, LA 00-039] (RIN: 2115-AA97) received December 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4885. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone for U.S. Navy Underwater Detonation Operation in Agat Bay, Guam [COTP GUAM 00-034] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4886. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—SAFETY ZONE REGULATIONS: Indian River, Cocoa, FL [COTP Jacksonville 01-016] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4887. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone for Handling of Explosives at Kilo Wharf [COTP GUAM 00-031] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4888. A letter from the Trial Attorney, Department of Transportation, transmitting the Department's final rule—U.S. Locational Requirement for Dispatching of U.S. Rail Operations [FRA Docket No. FRA-2001-8728, Notice No. 1] (RIN: 2130-AB38) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4889. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Diving Operations in Boston Harbor—Boston, Massachusetts [CGD01-01-003] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4890. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—SAFETY AND SECURITY ZONES: USS DE WERT PORT VISIT, NEWPORT, RI [CGD01-01-039] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4891. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: MSC INSA Diving Operations in Boston Harbor—Boston, Massachusetts [CGD01-01-005] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4892. A letter from the Attorney-Advisor, NHTSA, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards: Air Brake Systems [Docket No. NHTSA 99-5045] (RIN: 2127-AH11) received December 11, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4893. A letter from the Chief, Regulations Branch, Department of Treasury, transmitting the Department's final rule—Import Restrictions Imposed On Archaeological and Ethnological Materials from Bolivia [T.D. 01-86] (RIN: 1515-AC95) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under Clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of December 13, 2001]

Mr. OXLEY: Committee on Financial Services. H.R. 556. A bill to prevent the use of certain bank instruments for unlawful Internet gambling, and for other purposes; with an amendment (Rept. 107-339 Pt. 1). Ordered to be printed.

[Submitted December 17, 2001]

Mr. REYNOLDS: Committee on Rules. House Resolution 317. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported for the Committee on Rules (Rept. 107–340). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

[Omitted from the Record of December 13, 2001]

H.R. 556. Referral to the Committee on Judiciary extended for a period ending not later than December 21, 2001.

[The following action occurred on December 14, 2001]

H.R. 2581. Referral to the Committees on Agriculture, Armed Services, Energy and Commerce, the Judiciary, Rules, Ways and Means and the Permanent Select Committee on Intelligence extended for a period ending not later than February 28, 2002.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BURR of North Carolina:

H.R. 3504. A bill to amend the Public Health Service Act with respect to qualified organ procurement organizations; to the Committee on Energy and Commerce.

By Ms. SOLIS (for herself, Ms. PELOSI, and Mr. HONDA):

H.R. 3505. A bill to provide for transitional employment eligibility for qualified lawful permanent resident alien airport security screeners until their naturalization process is completed, and to expedite that process; to the Committee on Transportation and Infrastructure, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr, TAYLOR of North Carolina:

H.R. 3506. A bill to designate a portion of the Nantahala National Forest in Jackson County, North Carolina, in honor of James and Elspeth McClure Clarke; to the Committee on Agriculture.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, spnosors were added to public bills and resolutions as follows:

H.R. 250: Mr. SIMMONS.

H.R. 1907: Ms. RIVERS.

H.R. 1990: Ms. LOFGREN.

H.R. 2349: Mr. PLATTS, Mr. BAIRD, Mr. HOLDEN, and Mr. KIND.

H.R. 2550: Mr. LARSON of Connecticut.

H.R. 2629: Mr. DELAHUNT.

H.R. 2836: Mr. BRADY of Pennsylvania and Mr. SIMMONS.

H.R. 3054: Mr. DOGGETT and Mrs. MORELLA.

H.R. 3094: Mr. WELDON of Florida.

H.R. 3211: Mr. SHAYS.

H.R. 3274: Mr. SERRANO.

H.R. 3277: Mr. ABERCROMBIE, Mr. LANTOS, and Ms. KILPATRICK.

H.R. 3332: Mr. RODRIGUEZ, Mr. HAYWORTH, Mr. CHAMBLISS, Mr. HOEFFEL, Mr. ALLEN, Mr. WAXMAN, Mr. MANZULLO, Mr. CARSON of Oklahoma, Mr. UPTON, Mr. ROGERS of Michigan, Mrs. NAPOLITANO, Mrs. JOHNSON of Connecticut, Mr. ENGLISH, and Mr. THOMPSON of California.

H.R. 3363: Mr. PAUL.

H.R. 3379: Mr. CUNNINGHAM and Mr. WELDON of Pennsylvania.

H.R. 3397: Mr. THOMPSON of California and Ms. HART.

H.R. 3461: Mr. STRICKLAND.

H. Con. Res. 38: Mr. JACKSON of Illinois and Mr. CROWLEY.

H. Con. Res. 269: Mr. MCGOVERN, Mr. SHAYS, Mr. MASCARA, Mr. BAIRD, and Mr. COSTELLO.

H. Con. Res. 285: Ms. HOOLEY of Oregon, Mr. SMITH of Washington, and Ms. BROWN of Florida.

H. Res. 281: Mr. COOKSEY.

H. Res. 302: Mr. CAMP, Mrs. JO ANN DAVIS of Virginia, Mr. KERNS, and Mr. LANGEVIN.

SENATE—*Monday, December 17, 2001*

The Senate met at 12:30 p.m. and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Here is the good news from Zephaniah 3:17:

"The Lord your God in your midst, The Mighty One, will save; He will rejoice over you with gladness, he will quiet you with His love, He will rejoice over you with singing."

Gracious God, on the Monday when we return to our responsibilities of completing the work of the Senate before the Christmas recess, we ask You to give us an assurance of Your unqualified love, profound peace that quiets our hearts, and ears tuned to hear Your song of affirmation. We need Your gift of vibrant optimism.

Our optimism often is like a tea bag: We never know how strong it is until we get into hot water. In times of frustration or adversity, our optimism is tested. When the wheels of political process grind slowly, often we become pessimistic. It is then that we need to hear Your song of encouragement. So often we live as if we had to carry the burdens of leadership alone. Today we relinquish to You any negative thoughts, critical attitudes, or impatient moods. Infuse us with Your hope. Hope through us today, O God of hope, so that we will be a lift and not a load, a blessing and not a burden. And as the Christmas angels came to shepherds at work, come to us as we work for Your glory and the good of our Nation. "Ring out the bells of the kirk; God is down to Earth to bless those who work!" You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for up to 10 minutes each and with the time to be equally divided and controlled between the two leaders or their designees.

The Senator from Wyoming.

CONFIRMATION OF EUGENE SCALIA AS SOLICITOR OF LABOR

Mr. ENZI. Mr. President, I rise this afternoon to speak about the nomination of Eugene Scalia as the Solicitor of Labor. On previous occasions, I have had the opportunity to speak about Mr. Scalia's outstanding qualifications for this position. Today, unfortunately, I must also speak about the failure of the majority party to bring his nomination to the floor.

On April 30, 2001, President Bush nominated Eugene Scalia as the Solicitor of Labor. That was 231 days ago. On October 17 he was reported out of committee. That was 2 months ago today. A lot of time has elapsed since his nomination. Time has also elapsed since his successful reporting out of committee. This is a longer confirmation period than any Solicitor of Labor in the past 20 years.

Each day that passes without a vote on his nomination is an injustice not only to Mr. Scalia but to the President, the Department of Labor, and all those who are served by the Department as well.

I have with me today a letter to Senator KENNEDY, who is the head of the Health, Education, Labor, and Pensions Committee. The letter adds emphasis to what I have just said, that this is the longest time in 20 years that it has taken for a Solicitor of the Department of Labor to be considered. It also talks about how important this position is and how important it is to have it filled right away.

Probably the most important and most interesting part of this is who signed it. We have Thomas Williamson, who was the Solicitor of Labor under President Clinton; we have Robert Davis, who was the Solicitor of Labor under President George H.W. Bush; we have George Salem, who was the Solicitor of Labor under President Reagan; and William Kilberg, who was the Solicitor of Labor under Presidents Nixon and Ford.

I ask unanimous consent a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 19, 2001.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Health, Education, Labor & Pensions, U.S. Senate, Russell Senate Office Building, Washington, DC.

Hon. JUDD GREGG,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR CHAIRMAN KENNEDY AND SENATOR GREGG: We served as Solicitor of Labor in the administrations of Presidents Nixon, Ford, Reagan, George H.W. Bush, and Clinton. We are writing to urge that the Senate Committee on Health, Education, Labor, and Pensions proceed expeditiously with the nomination of the current Solicitor nominee, Eugene Scalia.

The uniqueness and importance of the solicitor is reflected by the Department's structure, which places him as the third-ranking official, as you are aware. His involvement is crucial to the Department's performance of its important mission—the enforcement of the labor and employment laws administered by the Department, the development of legally compliant policy initiatives, and the issuance of regulations in furtherance of those laws. While it is possible for the Department to function without a confirmed Solicitor for short periods of time, the absence of a Solicitor inevitably causes significant interference with the Department's operation and most important, is detrimental to those who are protected by our Nation's labor laws. Without a Solicitor the Department has more difficulty making important litigation decisions; important enforcement initiatives may be delayed as a consequence, and employment law violations may go unaddressed. The absence of a confirmed Solicitor also makes it harder for the Deparment to make significant regulatory decisions, as the Secretary and other senior staff await legal review by the person the President has nominated for that task. Finally, the institution of the Office of the Solicitor, which is the second largest cabinet-level legal office, itself suffers when the Solicitor cannot personally participate in the Department's deliberations, and functions ordinarily performed by the Solicitor are assumed by other departmental personnel.

Eugene Scalia was nominated to be Solicitor in April. We recognize that some have raised concerns with his nomination. We believe, however, that the best course at this time is to have those concerns addressed in a confirmation hearing, so that the Office of the Solicitor may be filled as soon as practicable. Thank you.

HENRY L. SOLANO,
Solicitor of Labor under President Clinton.

ROBERT P. DAVIS,
Solicitor of Labor under President George H.W. Bush.

WILLIAM J. KILBERG,
Solicitor of Labor under Presidents Nixon, Ford.

THOMAS S. WILLIAMSON,
Solicitor of Labor under President Clinton.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

GEORGE R. SALEM,
Solicitor of Labor under President Reagan.

Mr. ENZI. It is difficult to envision a better qualified person for the Solicitor of Labor than Eugene Scalia. He is a nationally recognized expert in the field of employment and labor law. I sat through the hearings in the Health, Education, Labor, and Pensions Committee. Some very penetrating questions were asked. Some excellent answers were given.

A record was built. We know this is a man who will follow the direction that was given during his hearings and was intended by the nomination of the President of the United States, a person who is excellently qualified.

In fact, there was no question of his qualifications. As Professor Cass Sunstein from the University of Chicago wrote in support of Mr. Scalia's nomination:

> In terms of sheer capacity to do a fine job, he's as good a choice as can be imagined.

However, this exceptionally qualified nominee has not even been afforded a vote on his nomination. In the meantime, the absence of a Solicitor significantly harms the Department of Labor's operations as well as those who are protected by the Nation's labor laws. The Solicitor enforces the laws under the Department's jurisdiction and advises on the legality of the actions the Secretary and others at the Department want to take. Without this crucial position, the Department cannot effectively perform its important mission.

I do not see any justifiable explanation for failing to bring the President's nominee for the Solicitor of Labor to the floor. He deserves a vote. What I do see is an attempt to hold up Mr. Scalia's nomination because he took a position consistent with a majority of both Houses of Congress.

In previous articles, he had some opposition to ergonomics, and I am talking about the repealed ergonomics rule that was put forward by OSHA, a rule that was seriously flawed both in its process and in its substance. Congress rejected the ergonomics rule for the same reason Mr. Scalia and many other experts have articulated.

There is simply no justification for now denying Mr. Scalia a vote because he is opposed to a rule this Senate also rejected.

There is also simply no justification for opposing Mr. Scalia's confirmation because of his last name. I hope my colleagues will not allow any antipathy they have for Mr. Scalia's father to cloud this body's solemn responsibility regarding confirmation of Presidential nominees.

The President has selected Eugene Scalia to be the Solicitor of Labor. Our task is to evaluate whether the President's choice is, in fact, qualified for the position. In Mr. Scalia, the President has chosen someone with the credentials and character to make an outstanding Solicitor.

Mr. Scalia's nomination has been reported out of committee, yet he remains in limbo, as I mentioned, 231 days since his nomination, 2 months since he was successfully reported out of committee. Mr. Scalia's nomination should be brought to the floor of the Senate. Mr. Scalia is entitled to that. The President is entitled to that. The Secretary of Labor is entitled to that. Everyone who is served by the Department is entitled to that. I urge the majority leader and my colleagues to ensure this happens.

I ask my colleagues to read the letter from the former Solicitors to see how important the position is and how important it is to have the President's choice installed in that position.

I thank the Chair. I yield the floor and suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CARPER. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, morning business is closed.

MEASURE PLACED ON THE CALENDAR—S. 1833

Mr. KENNEDY. Mr. President, I understand S. 1833 is at the desk and is due for a second reading.

The PRESIDING OFFICER (Mr. CARPER). The Senator is correct.

Mr. KENNEDY. I ask that S. 1833 be read for a second time, and I would then object to any further proceedings at this time.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

> A bill (S. 1833) to amend the Public Health Service Act with respect to qualified organ procurement organizations.

The PRESIDING OFFICER. The objection having been heard, the bill will be placed on the calendar.

NO CHILD LEFT BEHIND ACT OF 2001—CONFERENCE REPORT

The PRESIDING OFFICER. Under the order previously entered, the Senate will now proceed to the conference report accompanying H.R. 1, for debate only.

The clerk will report.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, having met, have agreed the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

(The conference report is printed in the RECORD of December 12 in the House Proceedings at page H. 9773.)

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I strongly support the conference report on the education reform bill. I urge the Senate to approve it. This landmark bipartisan legislation contains far-reaching reforms to give all the Nation's students much greater opportunity than ever before to succeed educationally, to do well economically and participate fully in American society, and to enable schools and communities across the Nation to provide a much higher quality of education for their students.

The conference committee has worked well together for over 5 months to reach these agreements. I commend all of the conferees for their effective work and leadership on the many parts of this bill, and for their commitment to the high priority of improving education for all students.

It has been a genuine bipartisan process. We have been able to reach effective agreement on these reforms, because the challenge is so important and the need is so significant.

We need to enact these reforms and implement them as soon as possible. The Nation's students, schools, teachers, principals, and superintendents cannot wait. The parents of the 48 million students in the Nation's public schools cannot wait. And Congress shouldn't wait either.

Throughout our history, education has opened the doors of opportunity for generations of Americans. It has been a long and continuing battle, and it still is.

The Nation's Founders understood this, when they urge public education in the early days of the Republic.

As John Adams said so well,

> The education of a nation instead of being confined to a few schools and universities for the instruction of the few, must become the national care and expense for the formation of the many.

The women's movement understood this, as they fought to open the doors of schools to girls as well as boys.

Civil rights leaders understood this, as they risked their lives to end segregated schools that were separate and unequal.

The bill before us today continues that great march of history, to fulfill the promise of a good education and greater opportunity to all children in America—whether they are black or white, from the cities or the suburbs or the rural areas, from the North to the South to the East to the West.

This legislation is about the future of America. In this 21st century, we want an America that continues to be a beacon of freedom and progress for the world. And we want all Americans to have a chance to fulfill their greatest dreams and reach their fullest potential.

But to do so will require more than just the words of the legislation we adopt today. It will require hard work and continued partnership between Federal, State, and local governments—and between schools, communities, and parents.

It will require constant effort and constant vigilance to see that all students receive the help they need.

And, it will require a commitment of more resources in the years ahead, so that the Federal Government lives up to its part of the bargain.

I strongly support these reforms, but I am concerned that this conference and this Congress and this President have failed to support the investments necessary if we are serious about truly leaving no child behind.

Moving IDEA to the mandatory side of the budget would have been a victory both for children with disabilities and for children without disabilities.

Prior to the passage of the IDEA legislation in 1975, we had approximately one million disabled students who were being warehoused and receiving informal education, if any education at all.

All State constitutions guarantee education for all children—not just children who do not have disabilities.

In 1975 we passed IDEA, with the idea goal that the Federal Government would meet its responsibilities by offsetting 40 percent of the cost for the education of children who qualified for IDEA.

Over the past 25 years, Congress failed to meet its responsibility of 40 percent of funding IDEA. The Senate insisted on full funding. We introduced an amendment that called for mandatory spending, which would have required that we provide full funding of this important program.

The reason this was such a controversy during the time of our conference is that: One, it involves children; two, it involves children who are the most vulnerable, those having special needs; three, it is a constitutional right; four, we committed ourselves to the States and local communities that we were going to provide this help and assistance over a long period of time.

The principal argument against us was we should wait, that we are going to reform the IDEA system next year. As was pointed out in the numerous debates on this issue, we are committed to these children. They need our help now. Now is the time. We have heard enough excuses. We should be meeting our responsibilities. Moving IDEA to the mandatory side of the budget would have been a victory both for children with disabilities and for children without disabilities.

It would have guaranteed students with disabilities that they and their parents will not have to fight as hard as they do today to get the education to which they are entitled. It would have freed up local resources to improve regular public school programs for all students.

Our very able and gifted leader on so many of the disability issues—TOM HARKIN, joined by Senator HAGEL who has been strongly committed on this issue for years in a bipartisan way—have reminded us that this fight will continue next year. I am absolutely convinced we will be successful. Nonetheless, as we address these issues, we ought to understand that two-thirds of the children who actually qualify for IDEA also qualify for what we call the title I funding.

Only one third of the children are actually covered by the title I program today. With what has happened to our economy, there are more than 660,000 additional students who will be eligible for title 1 funds. With early requests in the budget this year, there is a 3.6-percent increase. We have been able to get that up to close to $4 billion, which represents about a 20-percent increase, which under the whole ESEA budget is just about where it has been for the last 5 years. This is an important improvement, but it will still only reach one third of the students. We are strongly committed to making sure the benefits of this legislation are going to reach all of the children, and we are going to come back and make the battle and the fight for this particular program.

Since I am talking about the budget, I will give just a very brief oversight as to how the funds are distributed based on the money that has been authorized and included in this legislation, and then actually the money in appropriations that have also tracked our legislation.

The title I education program, is targeted towards the neediest children in this country. The formula has not only reached the needy, but it has also been spread out until there is no question that it needs more focus and more targeting to reach the neediest of the children. This has been one of President Bush's prime considerations and one of his prime objectives. It was his strong commitment in this area that allowed the opportunity to reach strong common ground. We give him praise and credit for his leadership in this whole reform of the title I program.

One of the major achievements of this legislation is that it dramatically increases Federal education funds for the neediest students. With this bill and the pending appropriations bill, we will be able to tell every city in the country that they will see an increase of more than 30 percent in supplemental Title I education funding for disadvantaged children. There will be $11 million more for Boston, $80 million more aid for Los Angeles in the next school year, and $140 million more for New York City.

High poverty rural areas will see similar percentage increases in Federal education aid in the next school year. In Todd County, South Dakota there is a 50-percent poverty rate, however we will see a 30-percent increase in the resources to reach those neediest children. In Arizona, there is a 75-percent poverty rate, and we see an indication of increased support for the education of those children in that particular county.

In the Meek Public Schools in Nebraska, where there is a 67-percent child poverty rate, there is likewise an increase in resources.

So whether it has been in the urban areas with the increased poverty rate or it has been in the rural areas, what we have tried to do in this bill is to get increased focus and attention in terms of investment in this program.

Money is not the answer to everything, but it is a pretty clear indication of the Nation's priorities. You cannot increase the quality of education with money alone, but you cannot do it with reform alone. The key is to have reform, the resources, and the investment. That is what we are attempting to do with this legislation.

But Congress and the administration have to do more next year and the year after. This battle will go on. This battle for resources will continue again and again and again, until we meet our obligations to families, parents and students across the country.

One of the major goals of this conference report, is to lessen, over the 12-year period, the educational achievement gap between the disadvantaged students and their more affluent peers, between minority and non-minority students. There are wide gaps between these students today in the K–12. We are strongly committed to reducing and attempting to eliminate that disparity.

The bill begins to do that by ensuring that all States set performance standards in reading and math and that they will set high standards in science by the year 2005. These standards outline what students should know and be able to do in these subjects.

Each State will develop a strong curriculum that helps teachers translate those standards into day-to-day learning for their students. Each State, itself, makes the judgment and decision about what their children should know in what particular grade. Their educators, their professionals, their parents, their instructors, their principals, and their school boards get together and make the determination about what the children should know in each particular grade in each of the particular States. We give States the flexibility to do so.

We have stated—and we will restate—our objective, and that is to make sure these tests are not punitive, they should be used to find out what a child knows. These accountability measures will help ensure that every children receives a good education. But they won't work alone. Accountability is only the measure of the reform—it is not reform itself. We must provide the necessary support and resources to see that schools can achieve their goals.

We want to make sure that, across the country, the child who is doing reasonably well today will do even better, the child who is having difficulty making it will find out they are able to deal with the challenges they are facing in school, and the child who is not making it is going to get the help and the assistance they need in order to be able to reach proficiency. That is what we are going to do with our program.

States must also set annual goals for schools to raise student achievement. The States will each set their own goals based on how they are doing now. But all States must put themselves on a glidepath to see that all children achieve proficiency in 12 years. We let the States make the judgments and decisions about how that will progress.

Schools that do not meet the annual goals set by the State for 2 consecutive years will be given extra resources and technical help to turn themselves around. Students in those schools will have the option to transfer to a high performing school. If the school does not meet its achievement goals for another year, it must offer the lowest-achieving children after-school tutoring services. If the school continues to fail to meet the goals after 6 years, it will be either restructured as a charter school, taken over by the State or district, or reopened with new leadership and staff.

But at the end of 12 years, every child in America has to be able to reach the proficiency level. Twelve years is a long time, but this is a complex issue. I am always reminded of the great words of H.L. Mencken when he said: For every complex question, there is a simple, easy answer, and it's wrong.

This is a complex challenge. We are not offering a simple answer. We are offering a responsible answer that has been based on the experiences of recent years and our studies in the committees and the conference and taking the best judgment of those who have really thought about this over a long period of time. That is what we believe is represented in this legislation.

These accountability measures will ensure that every child receives a good education. They will not work alone. Accountability is only the measure of reform, it is not reform itself. We must provide the necessary support and resources to see that schools can achieve their goals. This legislation includes the needed reforms that are the building blocks of change to help the Nation's schools meet their goals.

The objective of this legislation, is to provide a greater opportunity for all students to achieve high standards.

There is the extra help for mastering the basics. There is a very important dropout provision. My friend from New Mexico, Senator BINGAMAN, has been so active in that area, as well as in many other areas. There will be more mental health services, more counselors highly qualified teachers, more after-school tutoring.

In addition to better basic students, students will have greater access to a variety of other courses to enhance education, including advanced placement, foreign languages, civics education, economics, American history, physical education, art education, character education, and programs for gifted and talented students. The pathways to excellence—we have the advanced placement, foreign language, American history, civics, economics, arts, physical education, the gifted and talented programs, as well as character education.

So the tools will be out there for these children to be able to take advantage of this. The support systems will be out there to help and assist them, depending on what the particular needs are of the children.

We are setting high standards for children, we are setting high standards for schools, and we are setting high standards for parents.

We ought to set high standards for the Congress to make sure we give the resources so these programs will work, and we ought to set the standards for the States to make sure they are going to meet their responsibility. That is what we are able to do here with regard to the children, with regard to the schools, and with regard to the parents. The rest of that puzzle is here in the Senate and in the statehouses across the country. They are the ones that provide the principal resources for the children.

Reform of the schools is high standards and high expectations. We know and we saw once again from the tragic circumstances of September 11, Americans do their best when they are challenged. That was certainly true of those at the time and place of the disaster in New York and at the Pentagon and the field in Pennsylvania, the individuals who performed with such extraordinary bravery and heroism, and how our service men and women are performing today. Americans respond best to challenges. That is the essence of this legislation, high standards and support.

In order to achieve high expectations, the bill includes reforms that will strengthen teacher training and mentoring, with the strong commitment that we are going to have highly qualified teachers in every classroom. We have the option for moving toward smaller class size which has demonstrated such success in a number of our States, such as Tennessee and Wisconsin. It expands support for early reading, so that all children read well by the end of the third grade.

Violence and drug prevention programs are even stronger, there are more opportunities for parents to be involved in their children's education greater parent involvement, and the new books for school libraries. If we are going to develop effective reading programs, the new school library program will have enormous success.

One of my real pleasures is reading with a child each week as part of the Everyone Wins! Program, where a number of my colleagues also participate. I have seen the change that have taken place in the last 5 years in books in those libraries. If you went there and started reading 4 or 5 years ago, you would have to search to find an age-appropriate book in order to be able to read to the child. Now that is changing. We want to make sure this is going to change for schools and school libraries across the country.

It improves bilingual education for students with limited proficiency in English.

It also strengthens after-school activities, to give extra opportunities to more students to improve their learning. Afterschool programs which have demonstrated such success—I don't think in any of the categorical programs in the last 2 years that the Federal Government has out that any of them have been as oversubscribed with quality applications as the afterschool programs. They work and are making a major difference. I recently visited an afterschool program in the Boston area, which has partnered with the business community. They are teaching children graphics and art design, things that they would never have seen in school.

This is an awakening, an interest in these children in some areas of learning that they had never even thought of. It is transferring into enhanced grades. All of this is happening in boys clubs and girls clubs across the country. It needs to be supported. And more classroom need to have access to technology.

Finally, we have the State and local school report cards for parents—the children, the schools, and now the parents. The student achievement for all students, children with disabilities, children with limited English proficiency. We have seen the changing of the demographics in our public school systems, minority children, and the poor children; graduation rates, professional qualification of teachers, the high poverty/low poverty schools, and the percent of the highly qualified teachers, high poverty, low poverty.

Every parent is going to be able to receive a report card, not just on their child, but also detailing the achievement of all children in a particular school district or state. They will know how many qualified teachers they have. They will know also what is happening in these other areas of learning in their schools, what the graduation rates are. We are giving the greatest amount of information to parents so that they will know what is happening in their school, what is happening in the next school, what is happening around their schools; empowering the parents in ways they need and they want and they desire so that they can help make a difference in terms of the education of their children.

This has not been done, and it needs to be done. Thirteen States provide no individual school profiles at all. Of the 37 States that do produce school report cards, their quality and accessibility for parents vary widely. Here, we are setting a standard to provide uniform information to all parents in an understandable format.

That is really something that we intend to do.

I know there are others who want to speak early. I have taken about a half-hour of the Senate's time. I do want to say that I believe we have very important legislation that is going to make a very important difference in the lives of the children.

Before concluding, I will express some appreciation to some very important and special people who helped get us to where we are, and then I will yield the floor. I see my friend from New Hampshire, Senator GREGG. I am enormously grateful to him.

First of all, I thank President Bush for his strong commitment in making this his No. 1 domestic agenda item. I have been here in recent years where we have seen attempts to dismantle education programs and to cut back in terms of funding for education. I have seen attempts to repeal the Department of Education. Thankfully, now we are beyond that debate.

I have always believed that it would be useful to have someone at the President's elbow when they have those cabinet meetings talking about children and education. This President has indicated he wants to make real education reform available for the neediest children. He deserves great credit for helping to give direction to this effort.

I, in particular, thank my colleague, Senator GREGG. We worked closely together on this important legislation, particularly over the period of the past 5 months. We came at this issue from very different directions. We both shared a very important commitment to try to get something done that would benefit children. We were each prepared to put aside some of our own reservations to come up with legislation. And I frankly believe that our final product, with what has been achieved, is better, quite better than the previous legislation passed by the House and the Senate earlier this summer.

I thank Senator GREGG for his strong involvement and participation.

I thank JOHN BOEHNER, who was our chairman, and who was very effective in keeping us moving in a positive direction. He was very talented and should receive very considerable credit for this achievement.

Also, I thank GEORGE MILLER from the House, whose knowledge and legislative skills and dedication helped make this conference report an excellent piece of legislation. GEORGE is a legend in many ways. His passion is education. We saw that in this conference. Anyone who listens to GEORGE speak on this subject knows his very strong commitment and the knowledge and ability he holds in this area. We thank him.

I want to thank the majority leader, Senator DASCHLE, and Senator REID for their leadership and support throughout this process. Senator DASCHLE, from the earliest days of this effort on education, was strongly committed to achieving results and good legislation. He was committed to getting something positive, something that was going to make a difference for children. I don't need to remind this body of the number of times that Senator DASCHLE has addressed the conferees on this education conference, urging us forward and working to try to make sure we would achieve great results. His help and assistance has been absolutely invaluable and essential in getting us to where we are today. I am enormously grateful to him personally, and I commend his strong commitment to education. I thank Senator REID, as well, for his continued support and assistance.

I also want to mention Secretary Paige and Sandy Kress. Secretary Paige came to our committee as one of the first members of President Bush's Cabinet. He had a strong record in Houston, under very challenging circumstances, and demonstrated many of the principles the President illustrated. Sandy Kress was able to devote much of his time during the early days in which this legislation was formed, and he carried a great commitment to the President's positions. He is a very effective fighter for those positions and never gave up on any of them as we moved through, but always tried to find some way of moving this process toward a positive solution. I am grateful and thankful to both Secretary Paige and Mr. Kress.

I want to take a final moment to thank the staffs. It is important as we enter the final passage of this legislation that they be included in the managers' opening statements. Their role has been absolutely indispensable. Their satisfaction should be deep, continuing, and abiding. They are all skilled professionals. They will do many things in their lives, but I doubt they will ever do anything that will be more important to children in this country than what they did over the period of this last summer. While others were away during the August Recess, staff were here working tirelessly throughout the summer on various provisions of this legislation. They were in touch with all of us as discussions moved forward, and they are absolute masters of the details of these provisions.

I think all of us are mindful of the words that "the devil is in the details." This legislation is over 1,100 pages long, and our staffs combed through the details and ensured that our objectives were met. They have done it with a professional excellence, which is, I think, in the highest order of this institution. It is what the American people expect and what they deserve to have, and we have not let them down. So I thank all of them for their good work.

In particular, I thank Danica Petroshius, who is here on my staff; Michael Dannenberg, Roberto Rodriguez, Dana Fiordaliso, Ben Cope, Connie Garner, David Sutphen, Melody Barnes, Jim Manley, Helen Yuen, Karen DiGiovanni, and Menda Fife of my staff, who all worked long and hard together on a wide variety of issues in this legislation.

I also thank Sally Lovejoy and Paula Nowakowski of Congressman BOEHNER's staff; John Lawrence, Charles Barone, Alex Nock, and Denise Forte of Congressman MILLER's staff; Denzel McGuire, Townsend McNitt, and Stephanie Monroe of Senator GREGG's staff; Lloyd Horwich of Senator DODD's staff; Bev Schroeder of Senator HARKIN's staff; Kimberly Ross of Senator MIKULSKI's staff; Sherry Kaiman, Michael Yudin, and Justin King of Senator JEFFORDS' staff; Carmel Martin of Senator BINGAMAN's staff; Jill Morningstar of Senator WELLSTONE's staff; Bethany Little of Senator MURRAY's staff; Elyse Wasch of Senator REED's staff; David Sewell of Senator EDWARDS' staff; Ann O'Leary and Wendy Katz of Senator CLINTON's staff;

Michele Stockwell of Senator LIEBERMAN's staff; Elizabeth Fay of Senator BAYH's staff, and Joan Huffer of Senator DASCHLE's staff.

I also thank Denis O'Donovan and Steve Chapman who served our committee so effectively and made sure that the conference ran smoothly. I also thank the staff of the Congressional Research Service, Wayne Riddle, Jim Stedman, Rick Apling, and Jeff Kuenzi. CRS provides invaluable help to all of us. There are also many others who work hard and they don't get recognition, but they were absolutely invaluable.

I am sure there are others I should mention, and I will try to make sure I include them later in the day or tomorrow.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, first, I thank the Senator from Massachusetts for his kind comments in his opening statement, with which I agree in part and disagree in part, but that is what makes this an exercise that is so worthwhile.

Let me pick up where Senator KENNEDY has left off, which is thanking those people who have done an extraordinary job with this exceptional piece of legislation, which will have a very significant, if not dramatic, impact on our Nation's future in education. There were a lot of people who played a huge role in making this a success, but I think no one within the Senate obviously played a bigger or more significant role than Senator KENNEDY. He was willing to step forward and work with the President in order to accomplish completion of this bill.

When the President ran for office, he outlined a very clear and, I thought, compelling agenda on the issue of education. He was willing to step onto this rather controversial field and take very specific stances and try to drive a policy that would dramatically improve education for American children. This was his No. 1 domestic priority when he ran for President. He could not have been successful in accomplishing this if he had not had the bipartisan support he received in the Senate and in the House.

Here in the Senate it was led by Senator KENNEDY, and he deserves tremendous praise for that. The Senator has, for over 30 years, had a wide swathe in the Senate and has a voice that gets listened to. He used his strengths to move this bill aggressively and effectively. He was assisted by exceptional staff, and that may be the key to all of us here.

I thank Danica Petroshius for her great work, and the other members of the Kennedy team. I hadn't realized how many he had until I listened to the names. Maybe that is why we felt overwhelmed at times. I also, obviously, want to thank Congressman BOEHNER, whose leadership within the conference was critical. He was adroit in his ability to keep all the parties at the table negotiating. It was a difficult task because of the different views brought to the table. He deserves great credit.

I thank Sally Lovejoy, his staff director. I also consider GEORGE MILLER to be a bit of a legend—mostly on the basketball court, but as a legislator also. It was a pleasure to have a chance to get reacquainted with Congressman MILLER, whose opinions are always expressed with great passion and tremendous effectiveness, and to work with him in developing this bill. His fingerprints are significant in this area.

I thank Charles Barone of his staff, who was another player of significant importance in this exercise.

The support we got from the Department of Education was exceptional, also, as mentioned by Senator KENNEDY. Secretary Paige interjected himself at key points in the process. He was extraordinarily constructive, and he has been a shepherd of this exercise. His people: Becky Campoverde, Christy Wolfe, Sandra Cook, Paul Riddle, Kay Rigling, Tom Corwin, and Jack Kristy also played significant roles in getting us on the right track. CRS was a tremendous help to us and the people at legislative counsel who drafted this bill.

Obviously, I cannot discuss this bill without talking about some of the other players in the Senate who were involved. Senator KENNEDY mentioned some of the people on his side of the aisle. On our side of the aisle, we had a working team within our committee that was very strong and committed many hours on different issues. Almost everybody had a role to play.

I especially thank Senator FRIST for his role with respect to Straight A's and flexibility, and his staff person, Andrea Becker. Senator TIM HUTCHINSON was critical in a number of areas—bilingual reform being one critical area—and Holly Kuzmich of his staff played a major role. Senator ENZI played a role everywhere. Amanda Farris of his staff was helpful especially on technology issues. SUSAN COLLINS of Maine, a real force for quality education in the Senate, and her staff person, Jordan Cross, was very important to the positive completion of this effort.

Senator KENNEDY did mention Sandy Kress and Margaret Lamontange at the White House. We had staff who did an exceptional job—especially Sandy Kress and Margaret Lamontange—back and forth bridging the difference. We had one staff person who went from my staff to the White House at a critical point, stayed at the White House for a critical period, then came back to my staff at a critical point, and then had a baby. She did all this while doing a great job helping to produce this bill. That was Townsend McNitt who played a very significant role in the success of this bill, along with my other staff: Stephanie Monroe, Becky Liston, Kathy McGarvey, and, of course, Denzel McGuire, who was the right arm in this exercise, as far as I am concerned, and did an exceptional job and is to be credited for much of what was done right in this bill.

The bill itself, as has been mentioned, is fairly complex legislation with a lot of moving parts, and therefore, it did take a long time to complete. As we move through this debate over the next few days, I hope to go into more specifics.

The themes of this bill are essential to understanding the outcome of this bill. The reason we were successful is we all basically had the same fundamental goal. All the major players who came to the table to try to develop this legislation understood, No. 1, that the laws which we placed on the books 35 years ago to help low-income kids were very well-intentioned, but they had not worked. We have spent $130 billion over that period of time, and yet we see that our low-income children are falling behind and have stayed behind their peers at almost every grade level.

In fact, the average child who comes from a low-income family and is in the fourth grade reads two grade levels below his or her peers. This has not changed over that 35 years. There has been no significant improvement as we have tried to address the issue in a variety of reauthorization efforts.

There was a genuine desire—and it cut across party lines, cut across philosophical views, cut across geographic areas—and commitment to do something about giving the low-income child a better shot at education because we all understand that the American dream and the capacity to pursue the American dream is dependent upon education.

The engine of the American dream is the public school system. Regrettably, for the low-income child, that public school system is not firing on all cylinders. We know that, and we are going to try to fix it, or at least put in place laws which will help us fix it.

Equally important as the fact the low-income child was being left behind, the failure to educate generation after generation of low-income children, especially children from minority backgrounds, was dividing our country. We were balkanizing ourselves based on education and the failure of certain segments of our population, certain large cultural segments of our population, to be economically successful or socially successful, and who were finding themselves isolated within our culture.

That is not constructive to a nation. We have seen nations balkanize. We cannot afford that in the United

States. John Adams was absolutely right; the key to avoiding that is having an educated public. He saw it when he founded our Nation, and we need to see it today as we move forward as a nation.

As we become larger and larger and more diverse, we must transcend our diversity in a positive way through educating people and making sure everyone has an equal shot at the American opportunity through quality education.

The goal to obtain quality education for low-income kids cuts across all the different groups participating in this bill. That is why we were able to overcome our differences as we moved through some very complex and critical parts of the debate.

There has been some discussion—and I alluded to not agreeing with my colleague on some of his opening statement—there has been some discussion on the issue of IDEA. This is another area that needs significant attention. But the bill we are dealing with today deals with the low-income child and the title I program, which is the most significant Federal program in the area of elementary and secondary school education.

IDEA and special education is a separate issue and should be dealt with as a separate issue because the IDEA issues are equally complex, maybe narrower, maybe not as many, but certainly equally as complex and intensely felt as the title I issues—in fact, more intensely felt in many instances. To merge the two and try to solve both of those issues at the same time would have been a mistake.

We have put off the IDEA funding issue and the other major questions dealing with IDEA such as overidentification, especially of minority groups, issues involving discipline, issues involving excessive attorneys fees, issues involving excessive bureaucracy being forced on the school systems, issues involving whether or not a special education child has a right to move out of a public school and into a private school and the payment for those activities. All those programmatic issues which are very intricate and very difficult to address should be brought up in the context of a full IDEA reform and reauthorization which will occur next year.

As part of that, we should address the mandatory issue, which I am perfectly willing to do. In fact, I believe we have made huge steps forward in the area of funding IDEA. In fact, over the last 5 years, because it was made a No. 1 priority of a group of Members on this side of the aisle when we were controlling the Senate, we have increased funding for IDEA by 173 percent. That is the most significant increase in funding that any element of the Federal Government has gotten, including NIH, which we made a commitment to double over this same period.

IDEA funding has gone up dramatically. We are still not at the full funding level, which is 40 percent of the cost of IDEA, but we went from the 6-percent level, which is what it was when other Senators and I began the initiative to get to full funding, to almost 20 percent funding of IDEA.

President Bush has continued that commitment. In fact, he sent up the single largest increase ever proposed by a President in the IDEA accounts this year. Over $1 billion will be put into the IDEA accounts, we presume, once the Labor and HHS appropriations bill is completed as a result and in part of the President's commitment.

The commitment to funding IDEA is there, it is aggressive, and it is a stronger commitment than any other element of the Federal Government. As a result, I think people who are concerned about special education funding cannot say they are being left behind. Not only are they not being left behind, they are out in front of the crowd when it comes to funding. The question is how much further will they be out in the front of the crowd and how do we handle the mandatory issue versus discretionary accounts, which is more of an issue of inside baseball with appropriators and how they deal with that issue than it is whether IDEA is going to be funded.

There are a lot of attempts in this bill to significantly change the focus of how we proceed relative to low-income children. If we want to generalize about them, we can say there are four different areas. The first is we are going to take the programs which presently exist and try to make them more child—say, try to take them away from being bureaucracy centered and school centered to being more focused on how that child is doing and whether that child is succeeding and whether that child is keeping up with his or her peers.

Secondly, we are going to empower parents to assist their children when they have a child who is in a failing school and who is being left behind and is from a low-income background. We have given them a whole panoply of new tools to do that, including much more information, as was pointed out by the Senator from Massachusetts, and a lot of tools that allow them to take action which affects their child's education, something parents cannot do today.

In most instances when talking to parents of a low-income child, it is not parents but parent. They usually come from single-parent families. That is unfortunate, but that single parent is usually struggling to make ends meet and really does need to have some options available to her—usually it is a "her"—when she is trying to address the education failures of the school her child attends. So that is the second part. First, child center; second, empowering parents.

Third, we give more flexibility to local school districts and to States. I believe very strongly—and I think everybody at the table ended up with this approach—that the local school district should have the ability to move their dollars around to accomplish this goal of better education for low-income kids.

In exchange for that flexibility, we are expecting the fourth item, which is accountability, and specifically accountability that reflects there has been academic achievement. Academic achievement is the end result we seek.

We are going to say to the local school districts they can have these dollars and they can have them with very few strings attached both in the area of their teacher accounts and in the area—if they decide to be a Straight A's school district, in the area of their school accounts. When they get these dollars, we are going to expect results, results that are defined by the school district. This is very important to remember. We do not say there will be a national standard to which they teach. In fact, we say just the opposite: There shall be no national curriculum. We say to the local school districts they decide how much their children in the fourth grade should know; for example, how much math they should know and how proficient they should be in English, and when they make that decision, then it is that standard which they set which we expect them to meet for their children.

We have a process of tests which basically requires them to test these kids to see if they are meeting that standard and then tell their parents if they are meeting that standard. One of the most important parts about this testing proposal is the scores are disaggregated. No more burying the child who maybe does not make it in a group of people who do not make it covered by a group of people who do make it. These are disaggregated numbers so we will know if a low income child from a school system is not making it. We will know if a child from a certain minority group is not making it. That is important. That is new information, a new approach.

In addition, we adjust and change a large number of programs which really were not working all that well. For example, bilingual education, the second largest account under title I under the ESEA. Yet we know what happened to bilingual education. It got off track. Instead of kids learning English, we ended up isolating kids, took them on a train track that took them to their language and left them there, put them in schools and classrooms where they basically were being taught in their language and they were not being allowed to learn English essentially, or they were not being asked to learn English.

That is wrong, and it is not fair. They cannot compete in the American society, in the American culture, unless they speak English. We are an English-speaking culture. It is great that people come to this country from all around the world and they speak other languages. That is one of the great strengths of our great melting pot. But the consistent thing is, amongst our culture, we speak English as a society. So retaining one's language, yes, that is essential, but they come through as a result of their ethnic cultural background, and they need to learn English.

Our school system should not isolate kids and not allow them to learn English. So we change the bilingual program so now the stress in bilingual education is going to be teaching kids to learn English so that they can compete in our world, compete in America, and have a shot at the American opportunity.

There are a lot of other major initiatives in this bill that I want to go into as we move down the road, but my time is about up. I want to spend some time, for example, discussing—I will highlight it now—some of the new tools we give parents, especially what are known as supplemental services, because I do think this is a breakthrough approach.

What we are basically going to say to a parent if their child is in a failing school and that school has failed 3 years—by the way, on the effective date of this bill there will be 3,000 schools which will, unfortunately, fall into that category, and therefore this program will be available immediately to those poor parents.

We are going to say to that parent they can take their low-income child to afterschool programs, or maybe to a school structured so it is during school hours and they will get tutorial support. Those afterschool programs are not all public school driven. They can be. They can be private school driven. They can be at a parochial school. They could be at a private enterprise that does tutorial activities or they could be in the structure of the public school system if the public school system decides to set up a tutorial activity.

We are essentially going to say to that parent, we will give them the money they need to cover, in most instances, all the costs of that tutorial activity. Depending on what town they are from, what city they are from, the costs will be on a sliding scale, but it will be a significant amount of dollars, somewhere between $500 and $1,000, which can buy a lot of tutorial support.

So that is a big incentive. First, it is a big plus with a parent, whose child has maybe fallen behind in math or fallen behind in English, to take their child and get tutorial support. It is an equally big incentive for the school systems to get their house in order—very important.

There is another program I also want to spend some time talking about, but I suspect the Senator who is in the chair is going to spend some time talking about it, and that is the charter school system which was authored by the Senator in the chair. We dramatically expanded it. That, again, is another new tool we are going to be giving parents as an option in order to help their kids who are in a failing school. The Senator from Delaware deserves great credit for having authored that proposal.

In addition, I hope we have more time to talk about public school choice, which is another really exciting tool we are putting in place. Public school choice already exists but not with the emphasis we are putting in this bill and not with the transportation costs. In other words, a lot of parents in an inner city, for example, cannot send their kids to another public school, even if the school is failing and they know another public school is across town that is not because they simply cannot get them there. This bill allows the costs of moving that child from the school that has failed to the school that is not failing to be paid for as part of the effort.

So, in addition, there are protections for school prayer, for the Boy Scouts of America, for military recruiters, protections relative to discipline records, a whole series of initiatives that are very important in maintaining the integrity of our school system. I will go into those hopefully in more depth as we move on through this debate, but at this point I understand we are going to sort of go back and forth. I understand the Senator from Massachusetts has speakers until about 2:30 and then we have speakers from 2:30 to 3.

Mr. KENNEDY. I yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank Senator KENNEDY very much for yielding. I also thank him for his leadership on this very important legislation. I have admired his work in the Senate since I have been in the Senate. There is no legislation, that I am aware of, however, that has passed under his jurisdiction and with his leadership that is more important than this education bill—the Leave No Child Left Behind Act of 2001.

I also would like to thank Senator GREGG. I think he has worked long and hard on this set of issues and also deserves great credit for this final product.

Congressman MILLER and Congressman BOEHNER in the House both deserve tremendous credit, as do many of the Members in the Senate and the House.

Of course, I thank the staff of all concerned for the wonderful work they have done, particularly my own staff member Carmel Martin who has been mentioned by Senator KENNEDY. She has been an integral part of all the negotiations related to this legislation and has done a wonderful job advocating for the proposals and initiatives that I believe are most important. I'm pleased to say that all of those proposals are in the final bill.

Before I get into positive aspects of the conference report, let me say a few things about the disagreement we had at the end of the conference related to IDEA funding and specifically, the Harkin-Hagel amendment regarding IDEA funding. My State of New Mexico has the highest child poverty rate among the entire 50 States. We rank 11th in terms of the school age population growth during the last decade; about 16 percent of our student population is served by special education, which is also one of the highest in the Nation. Providing a comprehensive, responsive system of education and social supports is extremely important in my State and for the entire Nation.

That goal will not be possible in coming years unless we at the Federal level step up to the responsibility we committed to many years ago, and that is to provide 40 percent of the cost of IDEA services. That is not an unreasonable or excessive commitment by the Federal Government, but it is something we have never achieved. We have never achieved the promise we made to the citizens of this country when IDEA was first passed, but it is time we did that.

I congratulate Senator HARKIN for his hard work to get that done, along with Senator KENNEDY. I believe this is an issue that will be revisited next year when we reauthorize IDEA. I will strongly support the full funding provision then, as I did this time.

Let me say a few things about the positive aspects of the legislation currently before the Senate. This is a milestone, as I see it. I recall, and the Senator referred to, the earlier debates about eliminating the Department of Education. I recall those debates were raging in the Senate when I came in the early 1980s. Unfortunately, they persisted well into the 1990s.

However, we have reached a major milestone. We have turned a corner. We have developed a bipartisan consensus that education needs to be a national priority, and not just a State priority or a local priority. We also have developed a bipartisan consensus that the Federal Government needs to accept substantial responsibility for improving the quality of education, and not just leave that to the States or leave that to local school districts.

I see that as great progress. It is incorporated in this legislation, and that is why I believe this legislation is so significant. I am proud to support the bill. I believe it does contain provisions that can bring revolutionary change to our education system. They do not automatically bring that revolutionary change to our educational system, but they put in place a framework which, if we follow through, can dramatically improve our education.

The most important of these provisions, as I see it, are related to accountability for student performance. They relate to the challenge of ensuring that students actually make progress.

In 1999, Congressman MILLER introduced legislation in the House of Representatives to create an accountability system for student performance with the focus on closing the achievement gaps between disadvantaged student groups and nondisadvantaged groups of students. That same year, I introduced companion legislation in the Senate. In both of those bills, we required new accountability for the quality of the instruction by mandating that teachers be qualified in the subjects they are assigned to teach and requiring public reporting related to student performance and teacher qualification. Our legislation also required that schools demonstrate progress in improving student achievement and closing achievement gaps.

At the beginning of this Congress, over nearly a year ago, we reintroduced our respective bills and we were grateful to receive bipartisan support for our proposals. Senator LUGAR joined me in legislation we introduced in the Senate, and in the House Congressman BOEHNER became very involved in this effort. Perhaps most significantly, President Bush became very involved in this effort, as he indicated he would during his campaign. I congratulate the President for the success he has had and the contribution he has made to this important legislation. I also want to thank him and the other Members for their great work on this bill.

For the first time, I believe States and local school districts and individual schools will be held accountable for improving academic achievement for all students, not just a few students. This bill ensures that Federal funds are tied to those gains in student performance. Most importantly, it ties these funds to eliminating achievement gaps.

The components of the accountability system are worth mentioning. Let me mention some of them.

First, raising standards for all students, providing an objective measure for progress.

Second, focusing on the progress of disadvantaged students by setting separate goals for their achievements so that schools must show gains for those groups or be labeled as failing to make adequate progress.

Third, the bill calls for identifying schools that are failing to meet these goals in a timely manner so they can get additional funding, so they can get additional support. If they still cannot show improvement after that funding and support is provided for a period of years, then it provides some strict consequences for the chronic failure to adequately serve those students.

Next, the bill calls for working to ensure that every class has a qualified teacher and that low-income and minority students are not taught by unqualified teachers at a higher rate than are other students in our school systems.

Finally, the bill provides an expanded role for parents.

As described by Senator KENNEDY and Senator GREGG, this empowers parents and gives them a report card that parents can take to understand precisely the quality of the education their child is receiving.

Although we need to do more for IDEA funding and on the appropriations front—and that debate will continue next year—the conference report does include increased authorization levels for key programs. In addition to the set-aside for accountability and turning around struggling schools, the bill guarantees that States receive at least $3 million each to help develop required assessments. It authorizes $490 million nationally for this purpose. The bill sets out authorization levels for title I that lead to full funding for that program.

The bill also authorizes resources to help create 21st century schools by authorizing the use of Federal funds for school renovation, providing $650 million to improve school safety, providing $1.25 billion for afterschool programs, and $2 billion to integrate technology into the classroom.

I should also note that the technology program in current law, which I helped to author, has been improved by making teacher training in technology a priority for the $1 billion provided to school districts nationally. The conference report also authorizes a separate teacher training in technology program for Schools of Education so new teachers will graduate with the skills they need to use technology to improve student performance. These measures will ensure that teachers will know how to effectively use technology in their classroom instruction.

There are several provisions in here that I want to highlight that relate to improving high schools. Most of the Elementary and Secondary Education Act has historically focused on elementary schools, and that is appropriate. But we have some provisions in this final bill that relate to high schools and to improving the quality of teaching at the middle school and the high school level. One of those is the advanced placement program.

This bill includes a new measure supporting advanced placement programs. I sponsored this measure with Senators HUTCHISON and COLLINS and I thank them for their support. It provides high school students with challenging academic content in advanced placement courses. They raise the bar for academic standards and allow students to earn valuable college credits.

Last year there were about 1.5 million students who took advanced placement courses in this country. Unfortunately, that does not represent nearly the number of students it should. Only 54 percent of the Nation's high schools currently offer advanced placement courses. The rest do not. There is much more that can be done here.

The purpose of the advanced placement measures included in this bill is to build on the existing Advanced Placement Incentive Pilot Program to provide grants to States and districts seeking to raise academic standards through advanced placement programs. This is an extremely important initiative.

In my State, we have one school district—the Hobbs Municipal Schools—that has made tremendous progress by emphasizing the advanced placement instruction and the pre-advanced placement instruction in their middle schools and high schools. This is something that I believe all students throughout the country could benefit from very substantially.

Another program contained in this bill that is a major benefit for high school students in particular and middle school students is the dropout prevention initiative.

When the Governors met with former President Bush in Charlottesville at the National Education Summit many years ago, one of the national goals identified for the country was that we would have at least 90 percent of all of our students completing high school and getting a graduation certificate before they left high school. That was the goal set. Unfortunately, we have done very little to achieve that goal in the 12 years since it was identified.

This legislation, for the first time, makes dropout prevention a national priority. That is extremely important in my State. We have the unfortunate circumstance that a disproportionately greater number of minority and low-income students wind up leaving school before they graduate. There are over 3,000 students who drop out of school each day in this country. Hispanic youth are nearly three times more likely to drop out than non-Hispanic students in our classrooms. The disparity is equally great for Native American students. The Dropout Prevention Program provided here commits Federal funds and grants to local schools and school districts to help them deal with this very important issue.

Senator REID of Nevada cosponsored this legislation with me and deserves great credit for his longstanding support of the effort we made to get attention to this dropout problem. I am very pleased that is included in the bill.

One other provision I want to highlight that I believe is very important is the Smaller Learning Communities Program.

I am persuaded—and I believe the evidence clearly demonstrates—that when larger school buildings are divided up into smaller learning communities, the student achievement levels rise, the dropout rates decline. There is greater security, less violence, and less absenteeism. This is an extremely important initiative. Again, this is something that I think is a very positive provision in this legislation.

Let me highlight a few programs that have great significance in my home State of New Mexico.

The bill authorizes the program related to tribally controlled schools and Indian education. One in four of all tribally controlled schools is in my State of New Mexico. We also have many Native American students in our public schools. We worked closely with our colleagues on the Indian Affairs Committee to improve the existing legislation governing these programs.

In addition, the bill revamps and expands a program providing funds to districts with a large Federal presence, or impact aid districts. These districts have smaller, and in some cases have no local tax base because of the existence of Federal land or Indian land within that school district. Under this bill, the existing construction program for these districts is expanded so that more districts can qualify for Federal assistance for facility renovation and modernization.

There are other very important initiatives in this bill. We substantially expand the program that assists students with limited-English-proficiency. That is a very important program for my State, where over 20 percent of our total student population are English Language Learners.

The report also includes a program for small and rural districts. In my state 88 percent of the districts are rural and 45 percent serve fewer than 1,000 students. The rural program in the conference report will ensure that these districts can effectively use their federal resources.

I know there are others waiting to speak. Let me conclude by again thanking Senator KENNEDY and Senator GREGG for their leadership, and their staff, and Danica Petroshius, in particular, for all of her work with us; again, my own staff member, Carmel Martin, who worked so hard on the legislation.

I see this as a very major step forward. I look forward to following through. As I said, none of this is self-implementing. This is authorizing legislation. We will need to come back each year for the next 6 years during the time this bill is in effect and see to it that adequate resources are provided so that these programs can be adequately funded and so that States will not be able to legitimately say that it is wrong to hold them accountable if we do not provide them with assistance. I think we can and should do that. We must follow through so we can do something here that will make a major difference for future generations in this country.

I am very pleased to support the legislation. I urge my colleagues to give it a positive vote.

Thank you, Mr. President. I yield the floor.

Mr. KENNEDY. Mr. President, I thank the Senator from New Mexico. He mentioned the whole issue of the Governors' meeting in Charlottesville. Senator BINGAMAN, I think, more than anyone else from that meeting up until this legislation, has followed the issue of accountability in the development of education and education standards. The issue on dropouts that he mentioned has been included in here. Advanced placement, smaller learning communities, education technology—this legislation reflects a great deal of what the Senator has been interested in and has spoken to. I thank him not only because of all of that, but he has made an indelible mark on this legislation. I am grateful to him.

I see the Senator from Indiana who, again, on the issue of accountability, has been enormously schooled in this subject. When he arrived here in the Senate and started speaking about education, I took the chance to look back over Indiana and found that this was his No. 1 one priority as Governor. He arrived here with a very keen insight into ways we could be more effective in trying to benefit children in learning. Although not a member of the committee, he has been very much involved with this legislation. We always benefit from his comments and insights. I am delighted to see him in the Chamber.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I thank my colleague, Senator Kennedy, for those very gracious remarks. I am pleased to have his strong support of the conference report on H.R. 1, the No Child Left Behind Act of 2001.

I would like to begin by thanking all of my colleagues who brought us to this moment today, starting with Senator KENNEDY. From the very beginning, Senator KENNEDY has been results-oriented in trying to strike the right balance between principle and practicality and has given clear evidence in this debate about why he is considered to be one of the most accomplished legislators of our time.

Senator KENNEDY understands that the art of legislating is not the same as being in a political science classroom. It is not the same as having an ideological debate. The end of the debate is what matters in what we can do and what we can actually accomplish to help people of our country—in this case, the schoolchildren of America. I thank him for his leadership and for his dedication and perseverance.

Also, I thank my colleague, Senator GREGG. Senator GREGG is a former Governor. He has labored in these vineyards for many years. I thank him for his very able leadership throughout this process. We wouldn't be here today without him.

I would like to express my gratitude to the President, who was good enough to call some of us down to White House, even before he was sworn in, to offer his commitment. He very clearly wanted to make this legislation his top priority. He wanted to work on this in a bipartisan fashion. He wanted to have accountability and some of the other landmark accomplishments that are included in this legislation. I thank him for his leadership.

Also, I thank Sandy Kress, the President's chief liaison on this issue. I think the Presiding Officer is aware that Sandy is not only very schooled in the subtleties and the complexity of education policy, but he is also a card-carrying member, and in fact dues-paying member, of the Democratic Leadership Council. I believe this may be the very definition of bipartisanship when it comes to the education debate. I thank Sandy for his leadership.

Our colleague, JOE LIEBERMAN, will be in this Chamber before long. I thank JOE for his courage and persistence. We would not be here today without his perseverance and dedication to these issues. He is a true leader, a true statesman. I want to acknowledge today his indispensable contributions to this conference report.

I thank the staff. I thank Elizabeth Fay of my own staff, who has worked tirelessly, sometimes late into the night and early in the morning. She has been my strong right arm. I am grateful to her.

I thank Senator KENNEDY's assistant, Danica Petroshius, Michele Stockwell of Senator LIEBERMAN's staff, Denzel McGuire of Senator GREGG's staff, Charles Barone of Representative MILLER's staff, Alex Nock of Representative KILDEE's staff, Sally Lovejoy of Representative BOEHNER's staff, Kathleen Strottman of Senator LANDRIEU's staff, and all the rest of the staff on both sides of the aisle in the legislative branch and at the White House. They make it possible for us to do our jobs. I want to say how grateful we are to each and every one of them. I also want to thank Will Marshall and Andy Rotherham of the Progressive Policy Institute and Amy Wilkins of the Education Trust for their advice and support.

Last, but by no means least, I thank the majority leader, Senator DASCHLE, who has scheduled this debate and action on this bill. We are grateful to him for his leadership and for his statesmanship. I want to acknowledge the fact that, with Senator KENNEDY's agreement, he placed Senator LIEBERMAN and myself on the conference committee. This was a new development. I thank him for his confidence. I hope we have demonstrated his confidence in us was well placed. As a matter of fact, I was joking with Senator KENNEDY at one point in the debate—only one point—it seemed as if those of us who were not regular members of the committee were even more supportive of the chair than regular members of the committee. So this is perhaps a small precedent of some kind.

In any event, for Senator KENNEDY's willingness, and Senator DASCHLE's willingness, to put confidence in me, I am very grateful. I hope I discharged my responsibilities well, serving on the conference committee.

Mr. President, this is another step in America's long journey toward making education a national priority for our country. The journey began in the mid to late 1800s with the common school movement when Horace Mann, and many others, reached a determination in this country that a good education should not be the province of the elite, the well to do, the wealthy alone, that the consequences of ignorance went way beyond the well-being of a single individual and, instead, affected all of us as a community and as a country.

Nearly 100 years later, in the 1960s, in the war on poverty, we realized that the dream of a good education for too many poor children was, instead, merely a cruel illusion and that we should reach out to those communities and those families without means to make sure they could realize the dream of a good education. Not only so they could realize their full potential as individuals, but equally important, so that our country could recognize our full potential as a great society. So the Elementary and Secondary Education Act of 1965 was born.

Today we gather to recognize that the status quo is no longer good enough. Too many children, particularly poor children, are still at risk of falling behind, and that the failure is not theirs but ours and that of the system which for too long we have been unwilling to fundamentally change.

Today we gather in this Chamber to make progress toward correcting that cruel inequity. The progress we mark today is a victory of bipartisanship and good public policy. Both sides in this debate have been required to put aside long-entrenched ideological positions. There were too many on the one side who believed that the only thing wrong with our public education system was the need for more dollars. And there were too many on the other side who believed that improving the public education system was beyond all hope and that, instead, it should be abandoned in favor of private school vouchers.

Instead, we have forged a new way, a third way, a better way, that will insist upon change, results, and accountability in our public school system.

There are consequences if results do not occur. There is accountability for all of us to improve the system and give the children the education they so desperately deserve. The consequences of inaction are great today. The consequences for ignorance and a lack of accountability have never been greater. Our country's economic well-being depends upon the quality of the education our children are receiving in classrooms across America today.

In a global-knowledge-based economy, our economic progress, our standard of living, and our competitiveness will be determined by the quality of our children's education. High skills will demand high wages. The days of not knowing very much but commanding high wages and a good standard of living are rapidly receding. Our economic well-being depends upon our success in this arena.

Likewise, there are profound social consequences to our level of success in this regard. The gulf today between haves and have-nots in America is primarily an education gap, a skills gap, a knowledge gap. If we want to avoid the consequences of a large and growing, persistent underclass in our country for the first time in America's history, it will be by winning the battle to improve the quality of education that those who are less fortunate in our society receive.

The very vibrancy of our democracy is, in many important ways, dependent upon our success in this regard because an informed citizenry and participation by our citizens require more knowledge and learning than ever before.

It was Thomas Jefferson, one of the Founders of our Republic—one of the founders of the Democratic Party—who once said: A society that expects to be both ignorant and free is expecting something that never has been and never will be. Jefferson and the other Founders of our Nation understood the clear, indisputable link between knowledge, citizenship, and democracy. It is that challenge that we rise today to meet as well.

The bill we are advocating in this conference report embodies within it major changes in education policy for the schools of America, changes for the better. It embodies high academic standards for all students. No longer will we tolerate the two-track system which embodied within it what the President referred to as the "soft bigotry of low expectations," trapping too many poor children in ghettos of ignorance and, therefore, ghettos of poverty.

Today we will reemphasize the fact that every child can learn and that every child should be given that opportunity, that expectations matter, and that we should expect the very best from all of our students, not just those who have been born to greater privilege than some in our country.

This legislation embodies meaningful assessments to evaluate progress each and every year. There are clear definitions of how much progress we will consider to be good enough, with the goal of 100 percent proficiency within 12 years. And there is a focus on subgroups so we ensure that no group of America's children—the economically disadvantaged, the disabled, those who do not speak English as a first language, those who come from racial or ethnic minorities—that those children's futures will not be left behind, and their lack of adequate progress will not be masked by the progress of the majority of our schoolchildren, because these schoolchildren from these subgroups are as near and dear to the heart and future of our country as any others. They must not, and shall not, be left behind in this legislation.

The bottom line is that every school, every district, every State, and each and every one of us, will be held responsible for the progress by our children each and every year.

This legislation strikes the right balance between Federal and State responsibilities, making this clearly a national priority, because the progress of education will have national consequences for years to come for every American, but still recognizing that State and local officials and governments must take the lead in devising ways to implement this vision because they are ultimately closest to the schools with accountability to citizens at the local level.

This legislation contains a strong commitment to teacher quality with $3 billion to recruit and train good teachers. This is vitally important because, after parental involvement, the most accurate predictor of a good education for a child is the presence of a quality, motivated teacher in that classroom. Nothing is more important, besides parental involvement, to the future of educational progress.

This legislation contains within it a robust commitment to parental choice and the inclusion of market forces within our public education system, while still retaining the genius of a public education, which is the implicit guarantee of a good education for everyone, not just those who would do well in a purely market-based system.

I would like to take a moment to salute the leadership and the work of the Presiding Officer in this regard. These provisions would not be what they are and would not have been included in this legislation without the Senator from Delaware. I want to acknowledge and thank him for his steadfast leadership and support on this bill.

We have public school choice for every parent where a school has not done well enough in making progress within 2 years. There are supplemental services after 3 years, giving parents a choice for afterschool, summer school, and weekend tutorials to make sure the kids get the education they need. And finally, there is a meaningful, determined commitment to charter schools, making them an integral part of the public education system, to give more vitality, more innovation, and more accountability to public schools through charter schools. I thank the Chair for his leadership in this regard. My own capital city of Indianapolis just designated the first of four charter schools in Indianapolis. We look forward to benefiting from the provisions the Chair has championed in this bill.

There are major provisions in this bill to help those who are limited English proficient. We also do a better job of targeting resources to kids who are most in need. Senator LANDRIEU from Louisiana championed the targeting provisions in this bill. I always thought it was one of the ironies of ESEA that so many schools with a high concentration of poverty children, in fact, receive next to nothing in terms of support from the very vehicle that was designed to rectify this inequity.

In conclusion, let me say two things: First, nothing is perfect. Even with all of this historic progress that I and others have outlined, this is a major step forward. But, of course, many of us would like to have seen us accomplish even more, particularly in the area of funding. We have made a major step forward in regard to ESEA funding and with that, an implicit commitment to make even more historic increases in the years to come toward full funding of this vital program. I voted consistently—I know the Chair and others did—for more funding for IDEA. This includes a $1 billion downpayment as commitment toward full funding of this initiative which is not only long overdue but vitally important to the educational progress of children with disabilities across America. We must do better in this regard. We will do better.

The choice was the progress we have outlined in this bill or nothing—nothing for another year, nothing year after year for America's schoolchildren. While there is work yet to be done, I don't think the appropriate course was to set aside the progress that is here to be made because, frankly, we cannot afford to wait any longer in making all the progress that we practically can for America's schoolchildren. That is why I support this bill and why I am also dedicated to coming back and finishing the business with regard to IDEA and ESEA funding.

Let me conclude by saying, 2 years ago, on the floor—Senator KENNEDY may remember that I quoted Winston Churchill when he spoke at a time of great trial for his country, a time of military trial for his country. I will paraphrase him once again today as we gather to make progress with the successful conclusion of this debate on reforming education. At that time, Churchill said that they had not reached the end and perhaps they had not reached the beginning of the end, but at least certainly they had reached the end of the beginning. So have we.

Let us begin to provide the kind of historic advancements that America's schoolchildren have needed for so long. Let us begin to make meaningful progress in closing the inequities in income in our country by making knowledge and education affordable and available to all of our children, regardless of race, creed, color, religion, or income. When we do that, we will look back on this day's work with gratitude and satisfaction that we have made a difference in this body.

I thank Senator KENNEDY for adding another illustrious chapter to his long career of public service to our country. I thank him and my colleagues, including Senator DODD.

Mr. KENNEDY. Mr. President, I mentioned earlier how much we value our colleague's participation in the fashioning and shaping of this legislation. He remembers that we had a 2-week debate without conclusion in the year 2000 on this legislation. We had 8 days of markup even this time. The legislative effort has been ongoing. It is a better product as a result of it. Frequently legislation gets derailed.

I again thank the Senator for all of his good work and his counsel. I know he will be very much involved as we follow on with this legislation with a reauthorization of higher education.

I see my friend and colleague from Connecticut. Senator DODD has, as all of us know, been the chairman of the children's caucus and has always taken a great interest in education, as well as children's interests. He has been very much involved in this legislation, he and Senator DEWINE, with our safe and drug-free school features that are so important now in terms of violence in schools, the afterschool programs, which are so essential. He has been the principal advocate for those programs, the private character education, early childhood educators, a whole series of measures that have been included in this legislation as a result of his strong work. We are delighted to see him.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me add my voice to those who have already spoken in commending the chairman of the committee, Senator KENNEDY, and the ranking Republican on the committee, JUDD GREGG of New Hampshire, for their leadership, and JOHN BOEHNER, the chairman of the House committee, along with GEORGE MILLER of California, the ranking Democrat. They have been the four principals responsible in the last few months for putting this proposal together. The adjectives describing the contributions of my friend and colleague from Massachusetts are merited, considering the amount of time and effort he has put into this product. Later in my remarks, I will acknowledge the key staff people who have put in tireless hours—forgoing weekends, evenings, and vacations—to try to reach compromises on some of the thorniest issues of this legislation.

I thank Senator JIM JEFFORDS of Vermont. Senator JEFFORDS began the process as our Senate Education Committee chairperson. He has fought hard for his entire career in public life on behalf of education and certainly made a significant contribution to this bill, particularly in one area he cares about especially deeply, special education. I gather Senator JEFFORDS may not vote for the conference report at the end of the day because of his deep disappointment over the fact that we did not include mandatory spending for special education. I share his concern.

Full-funding for special education gained broad support in this body. Unfortunately, neither the other body in conference nor the administration was supportive, despite the rhetoric of many years for meeting the goal of full-funding; that is, the Federal government providing 40-percent of state's special education costs.

In fact, I see my good friend from New Mexico, PETE DOMENICI, in the Chamber, former chairman of the Budget Committee. I recall sitting on that committee with him some 12 years ago when we actually had a tie vote in the committee on fully funding special education. We will come back to this issue, even though we didn't include it in this bill.

The interest and concern of communities all across the country is well founded on this particular issue. I will get into it in a little more detail later. But, in any event, Senator JEFFORDS deserves a great deal of credit for his tireless efforts on behalf of children, particularly those with disabilities.

I also thank President Bush. He is getting a lot of credit these days for the conduct of the war in Afghanistan, and rightfully so. All of the news has been focused on that. But he deserves a great deal of credit, in my view, for making education his top domestic priority. We may have our disagreements, including on significant parts of this bill, even though I intend to support it. But, this administration is quite different from administrations past that we talked about eliminating the Department of Education. We now have a President who is has made education his top domestic priority. Without his leadership on this, without his insistence that this issue be pursued by this

Congress, I don't think we would have arrived at the position we have today. I commend the President for his commitment to this cause.

I hope it remains throughout his term in office. I hope that during these next 3 years when he submits his budget to the Congress that education will be among his top domestic priorities there, as well. I am confident it will, based on his dedication over the previous year to this issue.

I have said I had some concerns about the bill. Obviously, all of us do. That is the nature of compromise.

The bill, as we know, requires testing of every child, all 50 million, who go to public schools. Of the 55 million children who go off to school every morning, 50 million go to public elementary or secondary schools, and 5 million to private or parochial schools. We are going to test every child in the third to the eighth grade every year in math and in reading. I think that has some value.

My concern is that we may be tilting more toward diagnosis than treatment. Then again, you can't treat unless you diagnose, so I accept the notion that you have to take children's temperatures, if you will. My concern is the obvious one—that once we take their temperatures, are we then going to put the resources into the most troubled communities in America so that these kids get the treatment they need to pass not only the tests they will be required to take in third through eighth grade, but passing more difficult tests in life as to whether or not they can become good citizens, whether or not their education is full and rounded, whether or not they are going to be good parents, whether or not they are going to make a contribution to the economic well-being of our Nation.

This bill makes it clear that we must have high expectations for every child, regardless of race, disability, limited English proficiency, or income. Because quality teachers are so critical to children's success, this legislation will insist that all teachers be highly qualified within 4 years. That is a tremendous goal, Mr. President, one which I strongly support.

The underlying question I have in all of this is whether or not we will provide the resources, budgetary and otherwise, to achieve those goals.

We have added measures to ensure that schools will be accountable for students' progress in reading and math, and in limited English proficiency for students learning English. That is something I strongly support, also.

This bill ensures that Federal education reforms and resources are targeted to our neediest children. There are also many parts of the bill that are of particular interest and importance to me. Let me enumerate them quickly.

One is that we protected and expanded 21st Century Community Learning Center Programs after school. I know I am preaching to the choir when I talk to my colleagues about this. We understand that this is a dangerous period of time for kids after school. You need only talk to any parent in the country about what happens after school—this is when children are most likely to become victims of a crime, or become involved in bad behavior that could undermine their education and their well-being.

We provide something I have felt strongly about for years—professional development for early childhood educators through competitive grants to local partnerships that focus on helping teachers in child care and other early childhood education programs that support children's learning and development. Again, I am preaching to the choir.

I welcome the administration's support for early literacy through the Early Reading First program. The Early Childhood Educator Professional Development grants will complement, rather than duplicate, those efforts, by providing educators with training in all the domains of child development—social, emotional, physical, and cognitive. We must remember that a child's school readiness must include a knowledge of letters, but also how to follow directions, how to work independently or with others, and how to resolve conflicts without aggression, to name a few.

These programs work, and there are not enough of them. Children with better qualified early childhood educators have better behavior skills, better vocabularies and pre-reading skills, lower juvenile arrest rates, and do better in school. Yet, most early childhood educators have only a high school diploma. Professional development therefore is critical.

I thank Senator DEWINE. He and I have worked for many years on Safe and Drug Free Schools. This bill reauthorizes that act and makes significant improvements to it. It ensures that programs under the act will be in response to identified State and local needs, will be based on proven or promising theories, will have clear and measurable goals, and will be undertaken with parent and community input. That is as it should be. These are the people who know best at the local level where the resources should go. The Safe and Drug Free Schools Act has been most successful over the years.

I see my colleague from New Mexico here. He and I have championed and worked together on character education for some time. There has been no stronger advocate than Senator DOMENICI for that. We started out with a tiny pilot program a few years ago because none of us knew for certain whether this noble idea would actually work in practice. As a result of those pilot programs, over the years, we have seen marvelous achievements made by kids in some of the toughest communities and poorest communities in America. As a result of those pilot programs, character education is now part of the seamless garment of learning. Students who receive character education carry with them throughout their lives not only the ability to contribute to society, but also the understanding that it is their responsibility to contribute. We now have some $25 million in character education grants to go to local communities. That is a 300-percent increase over where it was. So I thank my colleague from New Mexico for joining with me over the years in that particular program. I know he will address that in a few minutes.

I am also pleased to tell you that this bill includes strong privacy provisions to ensure that schools are centers of learning, not centers of market research. Senator SHELBY of Alabama and I, along with Congressman MILLER, have worked hard to see to it that parents have a right to know whether their children are being used as marketing tools and the right to say that they don't want their children to be a part of that. It is hard enough to get kids to learn. I am nervous about businesses reaching into captive audiences of kids and probing them about themselves and their families without parental involvement. This bill now adds very strong provisions in that regard. Parents wouldn't allow somebody to come into their home and question their 7- or 8-year-old child without permission. Now, parents will have the right to keep that from happening in the schoolroom—children being subjected to marketing techniques that may violate families's privacy and also used to develop product lines.

Today also marks the end of the injustice of treating Puerto Rican children as second-class citizens under title I. I thank my colleague from Massachusetts for his leadership on this. I thank Commissioner ANNÍBAL ACEVEDO VILÁ, the Governor of Puerto Rico, Sila Calderon, and others who have fought very hard to see that we treat Puerto Rican title I children just as we treat every other child in the United States. We do that in this bill. They deserve the same educational opportunities as all American children. They are going to be subjected to the same testing requirements. The expectation that these children perform is just as high in Puerto Rico now as in any other State. Now, they will receive not three-quarters of their allocation of title I funds, but 100 percent.

We have set high goals for title 1 authorizations. Senator COLLINS of Maine and I drafted an amendment that passed with 79 votes for full funding for title I. This bill doesn't have full funding for title I, but this Chamber went on record supporting full funding. I thank Senator COLLINS for her work in that. We didn't achieve it here, but our goal is that this will ultimately be what is supported by the administration and our colleagues here. The concern I have is one I have expressed all along, and that is whether or not the resources are going to be here to support the reforms. We are taking a leap of faith. Many advocated that we wait before adopting this conference report until the President submitted his budget in January.

We could have waited a few weeks to see what President Bush puts on the table before we passed this 6-year bill. We are not going to do that because we are going to rely on the commitments made by the administration that the resources will be there.

I would point out that in the midst of this recession, State education budgets have declined in excess of $11 billion since last year. So the demands are going to be even greater than before. The number of low-income students is going to go up. The number of title I students will increase. State budgets are going down. Whether or not we have applied adequate resources, only time will tell.

On this issue, the President's rhetoric far exceeds his action so far. I do commend him immensely for making the education issue his top domestic priority. I can only hope that when the budget is submitted come January, the numbers on title I—the numbers needed to support these reforms will be there. We will also continue to fight for full funding of IDEA. The pressures are going to be significant there. By providing only 15 percent, rather than 40 percent, we consign every community in America to making up the difference in their special education budget. That means added pressure on local communities, most of whom pay for education with local property taxes.

As I said recently, if we were debating the Defense budget, we would not tolerate anyone saying: This is the best we could do. If it was the Defense budget, we would say: Don't tell us it is the best you can do; tell us what you need and we will provide it. I happen to think education is as important an issue as there is, if not the most important issue.

In our democracy and free-market economy, education is critical to success. I would like to think we would do all that needs to be done. So, I am disappointed in the budget numbers, but I am confident that over time, we will gain the support we need to provide the resources necessary to implement the reforms included in this legislation.

To give my colleagues an idea, the title I increases in my State of Connecticut are not insignificant, a 20-percent increase in title I funding which will be very helpful. In Hartford, CT, that means going from a little more than $16 million to in excess of $22 million, a 37-percent increase in title I. New Haven will go from almost $12 million to in excess of $16 million, a 33-percent increase in title I funding. These are Congressional Research Service estimates. That is significant, and those additional dollars are going to go a long way in serving the neediest children in two of the largest cities in the State of Connecticut.

The issue is whether the appropriations will be sufficient this year and in the future to implement the reforms in this authorizing language. Again, I hope that will be the case in the coming years, that we will continue this bipartisan effort that marked this legislation and that the appropriations process will be not just bipartisan within Congress, but also between Congress and the executive.

In closing, I also thank Shawn Maher, Lloyd Horwich, Grace Reef, and Patrick Rooney of my office who have done terrific jobs. From Senator KENNEDY's office: Danica Petroshius, Jane Oates, Roberto Rodriguez, Michael Dannenberg, Dana Fiordaliso, and Ben Cope were tremendously helpful and supportive in listening to all of us and our staffs as we worked through the legislation. I thank Denzel McGuire and Townsend McNitt of Senator GREGG's staff, and I thank all the staff of other Senators from the conference as well as members of the House staff, all of whom should be commended.

As I said earlier, their names are not well known, they are not elected to office, but we all know that without their Herculean efforts late at night, on weekends, and in lieu of vacations, we would not be here talking about this fine legislation that we will ask our colleagues to support.

Sandy Kress of the White House and his staff, as well, deserve tremendous credit for staying at the table and seeing us through this process.

I immensely commend my friend from Massachusetts for the tremendous effort he has made on this legislation and his significant accomplishment. He deserves a great deal of credit for it. I yield the floor.

The PRESIDING OFFICER (Mr. LEAHY). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I mentioned before a number of the provisions in which the Senator from Connecticut had been particularly interested. The one I had not mentioned and the one I welcomed the opportunity to work with him on was full funding of the title I for Puerto Rico. If we look over the percentage of men and women who serve in the military, they come from Puerto Rico. They are at the highest, if not the highest, of the top two or three equivalent States.

If we look at Congressional Medals of Honor and other awards—these are individuals who have always been there. They are American citizens and their children should receive the full benefits of the legislation.

I welcomed the chance to work with Senator DODD and our conferees to make sure that was going to happen over time.

I thank the Senator from New Mexico. He is not a member of our committee—and he will express his views—but if my colleagues will take a moment and look on page 434 for the provisions to improve the mental health of children, as well as character education, which Senator DODD mentioned—character counts also includes community of caring programs as well—Senator DOMENICI has been the leader in this institution of making sure we have parity and equality in mental health. This has been one of his great causes. He has educated this body and educated the country. He and Senator WELLSTONE are two real champions in understanding there are mental health challenges for children and for students.

Senator DOMENICI has been enormously helpful to our committee. He has made a very important contribution to the development of this legislation. We are enormously grateful for his interest and involvement.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to the distinguished Senator from Massachusetts, the chairman of the committee, I greatly appreciate the comments he made with reference to both character education and the issue of our schools integrating mental health systems that are operating outside the schools but should be in the schools. That is on page 434. I am very pleased it was added.

I offered this issue as an amendment and turned it into a grant program that is modeled after the language of an amendment. It is going to go a long way toward using the community's mental health resources to help public school children who have mental health problems.

Second, I thank Senator DODD who spoke a moment ago about his and my involvement in a program that involves character education. My colleagues will remember when I first talked about it in this Chamber, Senator Sam Nunn joined me and then Senator DODD. Senator DODD fell immediately into succession when Senator Nunn left, and it became known as the Domenici-Dodd approach in the Senate.

The Senator from Connecticut found some exciting ways to do this in his State. So have I. One of the most exciting things I have done in education is visit schools with character education as part of their program, with the voluntarism it brings to bear and the wonderful feeling it gives to children and teachers to know in their regular education they are also learning what the word "responsibility" means, what the word "trustworthiness" means, which essentially is: You should not lie; you should live up to contracts and agreements.

And there are other programs that are part of the character counts approach. These are used to get children excited about character and the principle attributes that make somebody a person of character. We all know that is very important, and I am very thrilled to have been part of that over the years. It is working in so many States.

I thank Senator DODD for his leadership. I will work now on the appropriations to see if we can get the full $25 million. This is authorized, but we have to get it appropriated. That is a small amount. Everybody should know the reason it is small is we do not tell anybody how to do this part of education. We merely offer money to them for centers or resource-based facilities so they can pass on the word and the tools to various teachers and organizations. We want character counts taught by teachers at the local level, using local people to implement it.

Nonetheless, walk into a classroom of sixth graders and see that this month is the month of responsibility. See the walls loaded with posters about responsibility, and then sit down with them while they talk about responsibility. Then go to the class reunion which they do once a month. They make the awards themselves for those who have been most responsive, for those who have been most trustworthy, for those who have been best in their citizenship. It is exciting, it is moving, it is very positive, and rather fantastic, because one might say we have been spending a lot of money and trying a lot of things. We have remained rather constant in one way of doing it for almost 40 years. Essentially, we changed it only in that we pushed for more resources in that 40-year approach.

I might say the time was ripe for change, and this President made it part of his effort. As a matter of fact, it probably can be said that only because he has pursued it as he has have we finally produced an education bill that is significantly different and has significantly different qualities and characteristics about it than we have ever had before.

I want to, in my own way, tick off a few of them. First of all, I am pleased that in addition to character education expansion, better mental health coordination, and teacher recruitment centers are in this bill. I introduced an amendment in that regard, too, and that is going to be very helpful because, if anything, we know we are not paying our teachers enough and that movement of paying more is catching up State by State.

We need to help our teachers be better teachers because the fact is, we know in many instances they need help and they need to be better educated, especially in the specialities that will make these students better and more well rounded, better at math and science and technology.

In addition, in educational funding this bill authorizes significantly more money. We are very hopeful the appropriators will come close. The amount this bill authorizes is $26.3 billion, and that is dramatically up from last year.

The other thing that is new and different is enhancing accountability and demanding results. There were many who questioned that, but in a sense what has come out in the conference is good. It is good in that it requires report cards on school performance. States using Federal dollars must show success on an annual reading and math assessment for students of third grade through the eighth. Four hundred million dollars is authorized to help the States administer this new approach.

There were some who were saying they will not have enough money to put this into effect. That was cut through and some extra resources were given so they can do what is necessary to enhance the accountability and prove there are results.

We have unprecedented State and local flexibility. That is contentious nonetheless because there are some who do not want to do that. They want the Federal Government to remain in charge. Compromises were forthcoming, but we might say we are going to be trying unprecedented State and local flexibility, not as much as some want but more than some wanted in this area. I think the compromise is going to prove in 2 or 3 years that we probably ought to give even more flexibility to the State and local people.

We have streamlined bureaucracy and reduced red tape in the process of putting programs together. We have made 45 programs out of 55, and then we have given a certain number of districts an option to opt out of the Federal program and opt into one with pure flexibility. We do not do that for everyone because some are very frightened about what might happen. But I think we allow approximately 150 schools to voluntarily pull out from the details, spend the money on the ideas, and see which comes out better 3 or 4 or 5 years from now in terms of student and teacher education.

We have expanded parent choices. Children in failing schools are going to be allowed to transfer to better performing schools or to charter schools immediately after a school is identified as failing. I do not know whether that is going to work. We all know that is a difficult concept. We do not know in some parts whether there are going to be enough schools for them to transfer to. Nonetheless, this certainly sets the stage and sets a standard that the United States ought to give parents more choice if parents are willing to be part of it, help with transportation and other things. Then we go into reading where for the first time we have a very major change in that almost a billion dollars is authorized for reading. That is very exciting. I hope they fund the appropriations.

In Early Reading First Program, there is some money, asking that it be part of the Federal program, and then it lays the groundwork for important reforms in special education. It has already been said we did not move totally to mandatory funding of that program that we are so concerned about, a program called IDEA, but we are moving toward more funding rather than less.

The distinguished Senator from New Hampshire, Mr. JUDD GREGG, is in the Chamber. He is the one who pushed the Congress more adequately fund IDEA. We started about 5 years with him pursuing this, and for the first time in the history of IDEA, special education, we started to fund it at higher levels. In this bill, we move even more in the direction of seeing to it that schools are not overburdened because the Federal Government puts more money into this program.

We have something in this bill to make schools safer, something for English fluency, and we have some special safeguards regarding rural schools. That is exciting, and that means we have concern that the regular programs that exist in a city such as Albuquerque might not work in a school district in Deming, NM, which is considerably smaller and very rural.

So I hope when we are finished, the President will sign this bill, and I hope he takes some credit for it because, indeed, he deserves substantial credit for it, as do a number of Senators, including Senator KENNEDY, clearly, as the chairman of the committee, Senator GREGG, and many others. I am not on the committee, but I do a little bit because I am genuinely interested and concerned, and I think we have added some special ideas to this bill.

I want to thank those Members who allowed those ideas to find their way into this bill, and clearly our next step is to see how much the appropriators are going to appropriate. This is an authorizing bill. It must be funded. I hope in the next week we will know, and we will be telling the appropriators that we have praise for their work because the most important aspects of this bill would have been funded by them in the health and human services appropriations bill.

I thank the Senator for yielding me time, and I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I see our friend and colleague from Delaware in the Chamber. I wanted to again point out to our colleagues that again he is one of our newer members, but he spent a great deal of time making education a top priority in Delaware.

I have listened to him speak about education on many different occasions. He has been enormously active during our debate on this legislation on the charter school programs and also on the voluntary school choice programs. We are very grateful for all of his interventions and for his strong support.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Mr. President, I begin by thanking Senator KENNEDY for his kind words. A year ago this month, I was privileged to be in Austin, TX, at the Governor's house for a fellow who had that day stepped down as Governor of Texas and was about to become President of the United States.

There were any number of Senators present that day, a number of Representatives from the U.S. House of Representatives, and one sitting Governor—that was me. Absent from those in attendance that day was Senator KENNEDY.

We spent the better part of an afternoon discussing with the new President-elect what kind of changes we should make to the educational system in our country. I remember returning from that meeting, that extended discussion, and calling Senator KENNEDY on the phone to share with him a little bit of what took place in his absence.

I recall reading almost a year ago there were some in this city who were saying education reform would be at the forefront of the President's agenda, and that a good deal of it would take place with or without the involvement of the ranking member and now chairman of the committee, Senator KENNEDY.

As it turns out, Senator KENNEDY ended up being in the center of the action. He and his staff helped to shape, in no small part, the agenda. I want to express my thanks to him for his support and his acceptance of provisions offered by Senator GREGG and myself with respect to public school choice and charter schools.

I say to Senator GREGG, who is present today, how much I appreciate the opportunity to be his ally, to make sure that as we assess the schools in this country and provide leadership in Washington, we not only support the States in establishing strong standards and assessing student performance, but also empower parents by giving them greater choices as to where their children will go to school.

I want to mention a few others who played an important role in shaping this bill and in supporting the measures that Senator GREGG and I advanced with respect to public school choice and charter schools. We have already heard from Senator BAYH. Later, I suspect we will hear from Senator LIEBERMAN, Senator LANDRIEU, and Senator FRIST, all of whom played an incredibly important part in the conference and in the debate on this legislation. I want to also recognize a few of my old colleagues in the House of Representatives, including Chairman BOEHNER and Congressman MILLER, who have been mentioned, as well as some Members who have not been mentioned. To MIKE CASTLE from Delaware, TIM ROEMER of Indiana, ROB ANDREWS from New Jersey, and HEATHER WILSON of New Mexico, I want to say a special thanks for the great work they have done to give us a solid compromise. And I take my hat off to the President. He has made this his primary initiative coming out of the starting block and has done wonderful work, along with Sandy Kress, Margaret Spelling, and others from the White House staff.

If I could draw a rough analogy to a war going on on the other side of the world, the military campaign in Afghanistan, we are providing more money for our military operations. We are saying to those leading that operation: We will give you significant flexibility in how you use the resources. We will not try to micromanage the war from Washington. But we are going to hold you accountable for results.

If you think about this legislation, in an effort to ensure better results from our schools in America, we have agreed with the President to provide more money for our schools. We have agreed to provide that money with greater flexibility to be used in our schools as our school leaders at the local level believe is best suited to raise student achievement. And we have agreed that, while we will provide that money, more money with greater flexibility, we will demand results. We will not throw good money after bad. We want results. There will be consequences for those schools that do well and consequences for those that do not.

That is the basic compact at the heart of this legislation—greater funding and greater flexibility in exchange for greater accountability for results. Beyond this, we have added measures to target federal dollars where the need is the greatest. We have also included report cards for parents, report cards that will give them the information they need to assess the performance of the schools their children attend. We do this because we want to empower parents to make choices for their children and we want to bring market forces to bear, competition to bear, within our public schools.

If we had debated this legislation 6, 7, 8, or 9 years ago, we might have come at it in a different way. A decade or so ago, I know of no State which had adopted rigorous academic standards—no State that had spelled out what they expected their children to know and be able to do in reading, writing, math, and social studies. Today, all but one State in America has adopted rigorous academic standards, spelling out what they expect their students to know. A decade or so ago, we didn't have States that had developed tests to measure student progress. Today, over half the States have developed those tests. In my State and other States, we measure student progress each and every year. A decade or so ago, we did not have accountability systems in place. We did not have systems in place that said we will hold schools accountable and responsible: for those that meet the grade, there are certain rewards; for those that do not, there are certain consequences. Today, almost half the States in America have adopted accountability systems.

A decade or so ago, if we had taken this legislation up, we would probably have said: The Federal Government should write the standards; we are smart enough in Washington to write the standards and impose those on the States. We have not done that in this legislation. This legislation acknowledges that the States have spent a lot of time, effort, and energy with the input of some of the best and brightest teachers, business leaders, and scientists—working to develop their own academic standards to measure student progress. In this legislation we say to the States: You develop the standards, you determine how quickly you will move over the next 12 years to get up to those standards, but once you have done that, we will hold you responsible for moving all kids up to the standards—kids from the best communities, with the highest per capita income, as well as those from the toughest communities.

A decade or so ago, we might have provided the money and said to our schools and school districts: By the way, here is the money, and this is exactly how you have to spend it. We don't do that in the context of this legislation. We say: Here is extra money. Roughly half the money we will provide will be provided in ways that give you more flexibility. If it makes more sense to use the for before- or after-school programs, do that. If it makes more sense to use the money to provide full day kindergarten, do that. Or for prekindergarten training, do that. But in the end, however you decide to use the resources, we want and demand results.

Now, let me talk briefly about public school choice and charter schools. In the State of Delaware, as Governor, I signed into law legislation making Delaware the first State to go to statewide public school choice. I will never forget hearing a conversation between school administrators shortly after we signed that legislation into law. One administrator was heard saying: If we do not offer students and parents what they want in our schools, they will go somewhere else. If we don't offer students and parents what they want in our schools, they will go somewhere else. In Delaware, they can do that. They take the money to another school. The money from the State taxpayer follows the students. We have injected competition and market forces into our public schools in ways that might have seemed impossible half a dozen years ago.

The legislation we are debating, and will hopefully pass this week, says there will be consequences flowing from the annual tests given in grades 3 through 8. Among the consequences of a school failing to make progress toward their own standards, at the rate they have said they will make it, is that parents are given an alternative. We will provide assistance to help turn around the school, but public school choice becomes an option for parents after that second year that the school fails to make adequate progress. Transportation money is also provided so that a student can actually go from school A to school B if that is where they want to go. If school B gives a better education, the transportation money to get that child from school A to school B must be provided. Having dealt as Governor with public schools through the turmoil of public school choice and the challenges of its implementation, I know it is not easy. I am grateful to Senators KENNEDY and GREGG for ensuring we provide the necessary resources to help schools and school districts to make that difficult transition to public school choice.

After 4 years, if a school continues to fail students—if it fails to make adequate progress toward their State's standards—not only are parents provided with the option of public school choice, but that school has to be reconstituted. That school has to be closed, it has to be taken over by the State or by a business interest, or that school has to be turned into a charter school. As a State with a number of charter schools I know that charter schools provide wonderful educational opportunities for children in some of the most disadvantaged communities in America. However, we do not provide much help to charter schools to finance their facilities. We ought to. It is the number one challenge facing charter schools today—preventing new charter schools from opening and preventing successful ones from expanding. With this legislation, we provide some help at the Federal level to assist charter schools in accessing the credit markets and leveraging private capital. We also provide new incentives to encourage States to treat charters like other public schools and provide them with equitable funding for facilities.

Let me conclude with one last thought. One of our sports heroes, especially this time of year as we play football on Sunday, is a fellow no longer with us, Vince Lombardi. He used to say about football: Unless you are keeping score, you are just practicing.

In Delaware and States across American we have begun to keep score. We set the standards. We measure student progress. We are keeping score. We are trying to figure out what works and provide more money for those things that work.

This is a tough-love approach. Sometimes on our side of the aisle we are viewed as just wanting to throw more money at every problem. We are all love. Sometimes those on the other side of the aisle are viewed as just being tough, as not willing to provide the resources that are needed in a loving way.

The beauty of this legislation—and it is not perfect by anyone's judgment—is that it takes the toughness and it mixes it with a measure of love. We commit to investing greater resources on behalf of students in this country and in return we demand improvement. As a result, we emerge as a full partner with the States and the school districts across our country that are doing a whole lot of wonderful things to raise student achievement.

I am convinced that no piece of Federal legislation will solve all of our problems with respect to schools. We are a minority partner with respect to public education. But with this legislation, and hopefully with the funding that will follow this week in the appropriations bill, we will be a more meaningful partner from Washington, DC, from our Nation's Capital, than we have ever been in the past.

For everyone who has worked hard to get us to this day—Sean Barney, a member of my staff, Danica Petroshius and Michael Meyers of Senator KENNEDY's staff, Michele Stockwell and Elizabeth Fay of Senator LIEBERMAN's staff and Senator BAYH's staff respectively, and Denzel McGuire and Townsend McNitt of Senator GREGG's staff—my heartfelt thanks for a job very well done on behalf of all of our students.

I yield the floor.

Mr. KENNEDY. Mr. President, I thank the good Senator.

We have a number of other Senators who have indicated their desire to comment on this legislation. We are waiting now for the Senator from Ohio. As soon as he comes, I will yield the floor.

I want to take a moment to reiterate another important provision in this legislation. Achieving our goal of a well-trained teacher in every classroom. That is a critical and important reform. There are other key reforms to which our colleagues have spoken, but I think this is one of the most important commitments in this legislation.

For those who are very interested in this particular subject matter, there is a wonderful document entitled "What Matters Most, Teaching for America's Future," a report of the National Commission on Teaching and America's Future, which I have found to be one of the most helpful and useful documents in terms of understanding what is happening in schools across the country and what is missing.

Let me mention some of the conclusions they have reached in this excellent study. Their conclusions are evident in many communities across the country. I will also indicate what we have tried to do about them.

I read from page 38. I will not ask, obviously, that the RECORD print it. The RECORD will include the parts I read.

> Some problems, however, are national in scope and require special attention. There is no coordinated system for helping colleges decide how many teachers in which fields should be prepared, or where they will be needed. Neither is there regular support of the kind [of recruitment] long provided in medicine to recruit teachers for high-need fields and locations.

This legislation responds to that. It recognizes that recruitment is a national problem. The bill greatly expands the support for recruitment in all subject areas, including math and science, and through State-grant programs.

This bill also includes Troops to Teachers, which has been enormously successful in a number of communities across the country. Also, there is support for the Transition to Teaching Program, which is another very successful program.

Another important area:

> Turnover in the first few years is particularly high because new teachers are typically given the most challenging teaching assignments and left to sink or swim with little or no support. They are often placed in the most disadvantaged schools, and assigned the most-difficult-to-teach students with the greatest number of class preparations. Many of them are outside their field of expertise with a slew of extracurricular activities with no mentoring or support. There is little wonder that so many give up before they have really learned to teach.

We have included a very effective mentoring program that is responsive to this issue.

This legislation supports teacher mentoring at the local level for all schools and for schools that have fallen behind. We must fulfill our goal of providing every new teacher with an effective and dependable teacher mentor.

Finally, on professional development:

> In addition to the lack of support for beginning teachers, most U.S. school districts invest little in ongoing professional development for experienced teachers, and spend much of these limited resources on unproductive practices. Estimates of professional development support range from one to three percent of the district operating budget even when the costs of staff time are factored in.

We have included provisions in this legislation that ensure that professional development will reconnect teachers to work with their students. It will be linked to concrete tasks of teaching. It will be organized around problem solving. It will be based on scientifically based research and will be sustained over time by ongoing conversations and coaching. All of those recommendations are included in this report.

This legislation requires professional development funding to meet these criteria that I have mentioned. In addition, all title I schools must spend 5 percent of their funds for professional development. Title I schools that are falling behind must reserve 10 percent of funding for professional development.

Hiring well-trained teachers and having such teachers stay in classrooms located in underserved areas is a high priority in this legislation. We have taken the best recommendations we could possibly receive based upon experience and incorporated them into this legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I come to the Chamber today, as many of my colleagues have, to speak for this long awaited piece of legislation. I thank Senator GREGG and Senator KENNEDY for the tremendous work they have done in bringing this effort together. There have been a wide range of differing views, clearly because of the differences of philosophy and attitudes about how the Federal Government should engage in the business of education at the primary and secondary levels.

At the same time, clearly the Nation is replete with studies that indicate our children are not achieving at the levels they should and that the commitment is not as much as it could be, even though many States such as mine struggle as much as is possible to commit the public resources to education and at the same time knowing that in many instances it is woefully inadequate.

We finally begin I think to recognize—this legislation reflects it—that simply throwing money at the educational establishment will not solve our educational problems. That has been largely the argument at the Federal level for a good number of years: The only thing public education lacks is money. We now know that is not the total answer. We needed to cut Federal redtape to implement long overdue reforms.

I think we truly want to see improvements in our educational system. There is no one in this Chamber or across America who doesn't want the goal of greater recruitment, higher quality of education for our young people, and, of course, our young people in the broad sense achieving at higher levels.

This bill, while authorizing a substantial increase in Federal support for education, does not simply continue funding programs which have no track record of success or, even worse, which have a proven record of failure.

We did this in the past. I think the result is evident. We spent more money for little to no improvement in the educational programs to which our young people were being subjected. Of course, the end result was obvious. Our children were not achieving at the levels that I think all of us would have wished compared with other educational programs around the world. We were not measuring up.

The bill on which our conference committee worked so long and hard does not continue the old ways. That is why I am in this Chamber today. I think many of us who were skeptics and concerned, and watched very closely, recognize the work of this legislation has been long overdue in making the changes to the Federal programs and giving the States the flexibility to use the Federal dollars to implement programs and reforms, and, in much of it, it is their own reforms.

For the first time, the Federal Government has made a real commitment to returning power to the States. This bill cuts through the redtape, as I mentioned earlier, allowing States to use Federal money to implement programs that they think are important, instead of programs that the Federal Government or the bureaucrats at the Department of Education think are the higher of the priorities.

We know that in all of our States education varies, it differs, and in many instances it should. While the fundamental learning skills are always critical and uniformity is necessary, clearly, different States wish to attract and offer different approaches. I continually hear from principals, superintendents, and school board members about how their job would be made much easier if the Federal Government would let them do what they know how to do instead of trying to tell them how to do it. We finally paid attention to them. I think we are going to offer them the flexibility for which they have asked. All we ask in return is results. That is a rather simple equation.

This demand for demonstrable results is indeed—and some have charged—a Federal mandate. I have been in this Chamber more than once before speaking against Federal mandates. But this one Federal mandate replaces numerous other mandates which are eliminated throughout the bill. This mandate is also unlike most of the other Federal mandates that are incorporated in current law today; it is fully funded. In fact, the bill requires full funding for the cost of the tests which will be developed due to its mandates. And if we do not fund those costs, the States do not have to implement the tests. That is a fairly reasonable and appropriate formula. If we do not own up to our promise and our commitment under the law, then the States do not have to follow suit.

I suggest this bill isn't perfect, but then again my guess is most legislation that comes to the floor, depending on one Senator's or the other's point of view, would not meet that test. For example, it does not authorize full funding for the federally mandated Individuals with Disabilities Education Act. It does provide substantial new moneys for the Federal program to meet the commitment, though. I hope next year we will fully reauthorize IDEA and fund it.

That was a program where we promised but we never delivered. As a result of it being a Federal law on the ground that superintendents and principals had to live up to, there was a phenomenal drain of local education money to that program away from other programs and other commitments to education that were made. So, literally, local education funding was providing for a Federal law and a Federal mandate under IDEA.

I am not going to stand here this afternoon and debate the value of IDEA, but certainly the commitment was made to fund it, and we are moving in that direction with substantially more moneys; we ought to continue to do that. What does it do? It frees up local money to go into education where it was intended. I think that is why it is so critically important.

I think this bill provided by the conference committee, however, is a better vision of educational reform than the bill voted out of the Senate in June. I am glad we are finally getting it to the President for his signature.

In the past few weeks, too much important legislation has been held up on the floor for partisan reasons or for somebody thinking they were gaining political points out in the field. Well, they may be gaining, they may be losing, but there is one very real thing about this legislation. If it passes, and if it is signed by the President, America's children win. That is the most important nature of any good education bill.

It has been a top priority of this President, as it has been a top priority of this Senate for a good number of years, to move to improve public education, to participate in it at the Federal level, as limited as it may be, in a way that it enhances the authority at the local level to have greater flexibility in decisionmaking and ultimately, we hope, produce a higher quality of education for our young people.

I am proud to support the final conference report. I am confident it will make important strides toward what President Bush calls the right vision, and that is that no child should be left behind by America's educational system.

So, once again, I thank the two Senators who, along with others, have worked hard on this and have brought it to the floor for final consideration. I support the education bill's conference report and hope we move quickly on it. It is a good and right approach and a great Christmas present to America's schoolchildren.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

Mr. President, I withhold that.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I know Senator DEWINE and Senator ENZI are on their way over to the Chamber. As soon as they arrive, I will yield the floor.

I bring to the attention of the Senate a rather interesting story that recently evolved at the Sterling Middle School in Quincy, MA.

Five years ago, the Sterling Middle School was known as the school where tough kids went. This year, Sterling was recognized by the Massachusetts Department of Education for the improvement they made in the statewide tests. In fact, Sterling has reduced their failure rates every year since 1998. How did they transform this failing school? The school changed the way they scheduled classes, giving teachers more time to teach and students more time to do things, such as experiments in science, problem solving in math classes, and serious writing in English classes.

Teachers got the professional development they needed to make sure that longer classes incorporated techniques that would increase learning. And the school created a council, which gives parents, teachers, and students the ability to decide what textbooks work and how lessons should be structured.

Since 1998, Sterling's eighth grade failure rates have dropped, from 46 percent to 17 percent in math, and from 12 percent to 2 percent in English. This is a school which has turned itself around.

The reforms we have enacted in this bill will give other school districts the chance they need to turn around schools that are failing. With this legislation, we give the teachers more professional development, we give the parents the voice they need to connect with the schools that serve their children, and we give the schools the flexibility to reduce their class size so that teachers can reach every child. So this bipartisan legislation will help more public schools provide the best possible education to every student.

I will mention another factor. The absentee rate at the Sterling Middle School has been reduced by 90 percent, and today it is under 1 percent. They previously had an enormous absentee rate and an incredible dropout rate which has been dramatically reduced.

The Sterling school is low-income, working-class school. Forty-two percent of students in the Sterling Middle School receive free or reduced-price lunches. The district's free and reduced-price lunch rate is 28 percent. Eighty-one percent of Sterling students are white. The percentage of students in the Quincy district who are white is 70 percent. Twenty-five percent of the students are classified as disabled.

Principal Metzler credits the school's outcomes to a commitment to high academic standards for all children, including those with disabilities. The school has instituted a full inclusion program for children with disabilities. There is block scheduling to extend instructional time, and math and reading are integrated throughout the curriculum.

These are the kinds of innovations taking place at the local level that we are giving life to with this legislation and which we believe will be replicated and duplicated across the country. This is an extraordinary example of how things work.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, one of the very important aspects of this legislation deals with accountability. In addressing accountability, we must address the issue of assessment. A number of our Members have focused on this issue. I want to discuss several points, in the few minutes we have waiting for our colleagues, about why developing high-quality assessments is such an important goal.

Under this bill, States will develop their content standards about what children ought to know in a particular grade. Those standards will shape curriculum. With ensuring that all classrooms have a well-trained teacher, and with quality curriculum, we will be able to assess students to find out what they are learning, and where we need to improve. Schools will identify areas for improving student achievement, and will provide active support and extra assistance to help those children. Such services may be accomplished throughout the school day, or they may take place after school. The school has the flexibility to decide what works in terms of that support.

Several of my colleagues raise questions about assessments, and about the practice of testing. I recognize from the outset that American children are the most overtested children in the world. However, the problem is that we're not focusing deliberately measuring what we should. And we're not focused on the quality of the measure—too many children are being tested with off-the-shelf tests, and we're running into situations where teachers are teaching to such low-level tests.

This obviously undermines what we are attempting to achieve with this legislation. Our objective is much different in this legislation. We seek to establish high standards. We seek to set in place the reforms that will ensure that all students meet those standards, because we know that they all have the potential to achieve. And we seek to use good assessments as tools, not as reforms in and of themselves, to gauge the success of our progress, and to understand the academic needs of students.

All assessments under this bill must be aligned to State academic standards to help teachers and parents understand how well a child knows a particular subject that is being taught. All of this works together. You have challenging content standards. You have good curriculum. You have high-quality tests. You have the well-trained and highly-qualified teacher—the real professional—working with students to ensure their success. It is all coordinated. Rarely are all of these pieces in place in all of our schools. So often schools with needy children are the places where one or more of these elements are missing. We must change that.

Assessments are important tools in school reform. We need objective information about how children are achieving in order to identify the problem areas and fix them. When your car breaks down, the mechanic runs a test to determine where the problem is. Is it in the carburetor or the exhaust? Is it in the electrical system? Then the mechanic uses the tools specific to the problems to fix it. When you are sick, the doctor performs a series of tests to determine what the illness is that you have. Then the doctor prescribes a remedy specific to the illness.

The academic tests under this bill serve the same purpose. They help the teachers and parents diagnose the problem and apply remedies that will help the child achieve in those areas. The tests are not punitive. They serve as a stethoscope, not a hammer. This bill builds upon current law by requiring States to administer one test each year in the elementary school grades, one test in the middle school grades, one test in the high school grades, until 2005.

Not all States have complied with this requirement. We need to get about the business of doing it, and doing it now. There is no excuse for having poor-quality, sub-par assessment program.

Beginning in the 2005–2006 school year, States will be required to administer assessments in every grade, 3 through 8, in order to provide accurate information. That gives States 3 years under our bill to develop a high-quality system that is valid, reliable, and aligned to standards. Such a system should ultimately provide accurate information about student achievement from year to year, and should be useful in diagnosing student needs, skills, and knowledge more accurate. All of the tests under this bill must be of high technical quality, and based on nationally recognized professional standards.

However, we know the tests cannot provide a complete picture of how a school is doing. Therefore, we require that the States use the additional resources such as graduation rates and retention rates to determine whether a school is performing well. We have made tests an integral part of the reform, and we provide the resources to help the children do well in them.

We will begin to provide States the resources to develop and implement these assessments in FY 2002, even though the tests themselves will not be required for close to 3 more years. There will be resources available to the States. Help is on the way to meet the challenge of ensuring that all students achieve to high standards.

Seeing the Senator from Ohio, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I thank the Senator from Massachusetts. I congratulate him and Senator GREGG for their tireless efforts to bring this bill to us. I also, of course, congratulate Congressman BOEHNER as well as the President of the United States for his leadership. This bill has been a long time coming. It has really taken a tremendous amount of work on behalf of all of the leaders in this effort.

Over the last several months, as we have debated the reform of our public schools, I have argued it is necessary that we look at exactly where we are as a society and how this is affecting our public education system. If we don't look at ourselves and how our society reflects itself through education, we will not make any reforms, we will seek no change, and we will fail our children.

As I see it, tragically, our society is becoming more and more divided, divided along economic and educational lines. This division is certainly nothing new. Scholars and sociologists have been warning us for many years that this was where our Nation was headed, particularly if we didn't properly educate our children. Tragically, we have not heeded these warnings.

As a result, our Nation today is a Nation split into two Americas: One where children get educated and one where they do not. This gap in educational knowledge and the gap in economic standing is entrenching thousands upon thousands of children into an underclass and into futures filled with little hope and little opportunity. This is happening across the country, and certainly it is happening in my home State of Ohio, which in many respects is a microcosm of what is happening all over our Nation.

In Ohio, growing income and educational disparities are creating our very own permanent underclass. Most of Ohio, candidly, is doing better economically and educationally.

The children in these areas have a great future. However, when we look across the entire State, we see two areas where this is not always taking place—areas where the children are not being as well educated as we would like our own children to be educated. And these are also areas where the income level shows that disparity. We see it in Appalachia, we see it in our core cities.

Too many children in Appalachia and too many in our core cities are at risk. In fact, according to the National Center for Education Statistics, in 1999, young adults living in families with incomes in the lowest 20 percent of all family incomes were five times as likely to drop out of high school as their peers from families in the top 20 percent of the income distribution.

Just look at some of the class of 2000 graduation rates of my own home State of Ohio in the urban areas. In Akron, only 72 percent of the State's high school students graduated last year. That is actually a high rate for an urban area. In Toledo, only 67 percent graduated; in Columbus, it was 62 percent; in Youngstown, 59 percent; in Dayton, 57; in Canton, 53 percent; in Cincinnati, 51 pereent; and in Cleveland, only 34 percent of the students who started high school actually finished. Yes, that's right, only one-third of the students in Cleveland public schools graduated; two-thirds did not.

I think if you look across the country, you will see these figures replicated in urban areas, no matter what State we are referencing. There is something wrong when that many of our children are simply not graduating. There is also something wrong in this country when nearly one-third of college freshmen must take remedial courses before they can begin regular college-level course work. There is something wrong when only one-third of fourth graders can read. The practical result of this is a society that is growing farther and farther apart, not closer together. So how do we bring society back together? That is our challenge. How do we bring about equality and opportunity so that all children in this Nation have the chance to lead full, meaningful, and productive lives as adults. We do this in the same way that we have always done it, and that is through education.

As Horace Mann, a former president of Antioch College in Yellow Springs, OH, and the man known as "the father of public education," once said:

> Education beyond all other devices of human origin, is the great equalizer of the conditions of man—the balance-wheel of the social machinery.

Mr. President, this is exactly what education can and should do. It should provide all children, regardless of their economic circumstances or family backgrounds, with the tools they need to make it as adults in our society—the tools necessary to rise above individual situations of poverty and instability, individual situations of hopelessness and despair. It truly has been, for generation after generation of Americans, their ticket out of poverty, their ticket out and away from despair—their ticket to opportunity.

The education reform conference report we will be voting on tomorrow is certainly a step in the right direction. It is a step toward giving our children the tools they need to move ahead in life. Mr. President, we in this Chamber cannot fix broken homes or solve the issue of poverty overnight, but we can use finite and limited Federal dollars in ways that help close this education gap in America. We can use the finite resources of the Federal Government to help close that education gap and give these children opportunities. I believe the best place to begin on the Federal level is by restoring accountability and achievement with the single most important resource in the classroom, and that, of course, is the teacher.

When I think about teachers, I think about something else that Horace Mann once said. He said that "teaching is the most difficult of all arts and the profoundest of all sciences." I can certainly attest to that. As a college student at Miami University many years ago, I spent 4½ months as a student teacher at Princeton High School north of Cincinnati. It was tough. In many respects, it was the toughest thing I ever did.

Teaching is tough. In fact, that is what I have learned firsthand—that Ohio's and America's teachers simply don't get the respect, the admiration, nor the salaries they deserve. Not surprisingly, the National Center for Education Statistics predicts that within the next decade, we will need to hire 1.7 million to 2.7 million new teachers to replace those who retire or leave the profession.

While this exodus of teachers is certainly a daunting challenge and a very real and pending problem, it is also an enormous opportunity. It is the single greatest opportunity for us as a country, as parents, as community leaders to reshape the next decade of education in the United States. When I think about this opportunity, when I think about how we can shape education to the greatest benefit of our children, I am reminded of something my own high school principal, Mr. John Malone, once told me many years ago. He said that when it comes to education, there are only two things that matter: One, a student who wants to learn; the other is a teacher who can teach. Mr. Malone was right many years ago, and he is still right about that today.

Nothing is more important than that teacher in the classroom. When you get right down to it, good teachers are second only to good parents in helping children learn. So any effort to restore confidence and improve quality in education must begin with a national recommitment to teaching as a profession.

I believe we are doing just that with our education reform legislation. Through language in the bill which I worked to have included, we can expand, enhance, and encourage support for teachers all across America.

First, we have a provision that would provide support for people in other professions who seek a second career as a teacher. We need to make it easier, not harder, to recruit future teachers from the military, from industry, and from research institutions—people with established careers in real world job experiences who want to go into teaching. We must utilize them and we must make it easy for them to enter the classroom.

My provision would allow the use of Federal funds for alternative teacher certification programs. This will allow States to create and expand different types of alternative certification efforts. It would make it easier for them to enter the teaching profession.

Second, we have a provision giving support for teachers seeking to improve subject matter knowledge or classroom skills. This language helps ensure that our teachers have access to training academies where they can sharpen and improve their skills as teachers. There is such a facility in Cincinnati called the Mayerson Academy. Teachers can go there to learn from seasoned educators, experienced educators who can guide and help them become stronger in the classroom. Plans are already underway for a similar teacher training academy in Dayton, OH. No doubt, this kind of support should be available for teachers in every community in our country.

When we have studied teaching and education, we have found that many times teachers start off and they are put in the classroom; they have just come out of teacher's college and they don't get the mentoring or assistance they need. That is something that will truly make a difference.

Finally, we have a provision for giving support to new teachers from experienced teachers who do, in fact, serve as these mentors. Many of our experienced, most senior, most knowledgeable teachers are about to retire, and it is vital that we don't lose their expertise.

We can utilize their skills through mentoring programs. Our provision would allow the use of Federal funds for new and existing teacher mentoring programs.

All of these provisions we have worked on are included in the final version of this bill.

I also believe we need to prioritize our limited Federal funding to recruit and retain good teachers in our high-need urban and rural school districts. One way to do that is by recruiting teachers from the military through the Troops to Teachers Program. Last year I worked to save this program, and I fully intend to do the same this year.

Troops to Teachers assists retiring military personnel in gaining the State certification necessary to teach. Furthermore, Troops to Teachers helps broaden the makeup and skills of our current teacher pool. Finally, it brings the best teachers to the schools and the children who need them the most.

This is a program that has been championed by the First Lady. It is a program that has received wide accolades. It is a program that works. We need to not only continue it, we need to expand it.

Because the Federal role in education accounts for only a small percentage of district spending—about 8 percent; that is about all the Federal Government puts into a typical school district—we must be especially prudent and wise in allocating those limited Federal resources. That means we should direct those dollars first and foremost to America's neediest school districts.

In keeping with that notion, I am very pleased that the conference report makes sure a portion of increases in title I funds goes to the target grant formula. I congratulate the conferees for doing this work. This formula would funnel Federal funding directly to school districts in the highest poverty areas of the country. Again, I thank Senator KENNEDY and Senator GREGG for this work.

The target grant formula recognizes the disparity between public education in affluent and poorer school districts and that there was a unique set of challenges associated with educating impoverished children. However, since the formula's creation in 1994, not a single Federal dollar has been appropriated to fund this grant program; that is, until now.

In the floor debate on the Labor-HHS appropriations bill, I supported Senator GREGG's amendment to provide $1 billion for the target grants. This will fundamentally reform our education system, and it is about time. By funding the target grants, we are finally focusing on those children most truly in need.

While I strongly believe the teacher is the most important resource in the classroom and that it is necessary to target funds to those districts most in need, there are other issues in education we need to address, such as the problems of drugs and violence in our schools. My colleague, Senator CHRIS DODD from Connecticut, and I have improved the Safe and Drug-Free Schools Program. We worked on this for well over a year. This bill authorizes $650 million for the State grant program and additional funds for the national program. This vital program provides funds to over 97 percent of school districts nationwide to keep our schools safe and drug free.

This bill incorporates the reforms on which Senator DODD and I have worked. This bill will make a difference in this area.

We need this program because a child threatened by drugs and violence is not able to learn, and a teacher afraid to stand in front of a classroom is certainly unable to teach, and that is a situation we should never, ever have in our schools.

I believe it is clear that the Government can make a difference in restoring quality and equality to education. On the Federal level and on the State level, the Government can help target programs to those children in those districts most in need. However, the whole realm of education is so big and so vital and so all-encompassing that it is something we cannot leave to the Government alone to fix. Everyone knows that.

Parents, families, and communities must take an active role in reforming our schools and helping our best teachers stay in our children's classrooms. Parents must go into their children's schools and help the teachers teach, volunteer to read to the classes, or help teach math, science, history, or literature. Society must help provide opportunities for families in need, help teach them, help them learn how to help their own children succeed in school.

Ultimately, education reform is a journey toward the horizon, not a destination but a never-ending, forward-leading journey toward the future. So as we move toward that horizon, as we move ahead for the sake of our children, we need to get back to basics: Good teachers, Safe and Drug-Free Schools, and parental and community involvement in the schools.

I am confident we will go forward in the days ahead to give the children the tools they need for a bright and promising future.

We will go forth to restore quality and community in our system of education.

We will go forth and establish a new way of thinking—a way of thinking that challenges and changes the current culture of education in America.

We will go forth and restore education's ability to "equalize," as Horace Mann suggested.

We cannot rest—we must not rest—until every child in this country has teachers who are qualified to teach and schools that are safe, drug-free learning environments. Our children's future and the future of America hang in the balance.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank the Senator from Ohio for his comments both on education and Haiti. I think he is modest in character when he is talking about Haiti. He mentioned he is going there next month. He did not mention all of the years he and his family have been going there, and not just going there on vacation but going there to work with the poor. As those of us who have traveled to some other countries know, it is a different level of poor. It actually deserves and needs another word because it is so far below the poor we recognize that it kind of defies imagination unless a person has been there.

I appreciate the effort that his family makes each and every year to go to Haiti and consequently to understand that Government a little bit better. It does tie in with education because as of September 11 our world got smaller. The United States and the students in the United States did not have the tendency to notice what was going on in the other countries as much as they do now, and that is a stronger part of the education now and a more understandable part by the kids in the United States.

Mr. DEWINE. I thank the Senator for his very generous comments.

Mr. ENZI. Mr. President, my main purpose today is to address the education bill, which conference report we are looking at now. I am a member of that conference committee which spent nearly 6 months considering this bill, and I am especially pleased to be talking about this landmark legislation.

As many of my colleagues have and will mention, this bill provides the most comprehensive education reform since 1965. The Senate and the conference committee went into this to a different level than we have done for years, and I am happy to report it lives up to its name by achieving the simple yet powerful goal of ensuring that no child is left behind, a request we had from the President.

I give particular thanks and congratulations to the Senator from New Hampshire, Mr. GREGG, who played a very forceful role in each step of the process with this bill and was a significant contributor to the negotiations, someone who directed the negotiations, was in the negotiations, and came up with some unique compromises that made this bill possible.

Senator GREGG is a person who is intensely interested in education. Part of that is from his tour as Governor of New Hampshire, which has carried over into his Senate work. He is truly a person in education that has a very strong focus and a vision for what needs to be done.

I also, of course, congratulate and thank Senator KENNEDY for his intense effort on this bill and willingness to come up with a solution for America. Senator COLLINS of Maine needs to be mentioned particularly for her efforts and particularly her wordsmanship that resulted in some of the compromises, particularly that helped on a couple of our controversial rural issues.

Senator HUTCHINSON of Arkansas spent a lot of hours and, of course, Senator SESSIONS of Alabama, with his intense interest in children with disabilities, and the vast number of school visits he has made to schools in Alabama over the last couple of years has brought some insight into the classroom that has been very helpful. There are a number of us who try to get into the classrooms when we go back home on a regular basis and see what the problems are and the successes to see if we cannot overcome the problems and share the successes.

Does this bill contain everything? No. But it does contain the 80 percent we all agree on, and that is since September 11 the new way we have of doing business.

We are going ahead with issues on a much faster and more dramatic scale than has happened in decades probably. We have had to do bills from scratch in less than a week. The normal process is to spend 2 or 3 years working different versions of a bill, having hearings, working compromises between Members, eventually getting it to a hearing in committee and then markup in committee, which is where the amendments are made, and then bringing it to the floor for debate.

Our form of government is designed to have a very lengthy process, and it works. It has worked for centuries now, longer than any other existing government. But on September 11, we had to change our operation. We had to take care of some problems on a shorter term basis than we have ever had to handle before, and we did it. We were putting out about a bill a week on topics that had not been debated extensively in committee or on the floor.

Are they perfect? No. Legislation seldom is. Do they do the job? Yes. Will they be revisited? Yes.

Education is not one of those emergency terrorism bills. It is a bill that has been worked on continually by Congress. We even held the debate before September 11. We were involved in conference committee before September 11. However, the bill before the Senate contains the 80 percent on which we all agree. The other 20 percent we will continue to hash out over the months and years to come.

We have completed the bill and done it successfully. The conference report reflects an agenda President Bush made clear during his first days in office when he invited lawmakers to his ranch in Crawford to discuss his No. 1 domestic priority, education reform. It emphasizes accountability, flexibility, and local control, funding for programs that work, and expanding parental control. It has student access to technology, it has high-quality teachers, and safe learning environments as a priority.

In addition, this legislation fulfills an important commitment to States such as Wyoming that are already heavily investing in improving student achievement by allowing them the flexibility they need to continue to innovate.

I ask unanimous consent to have printed in the RECORD a letter from the Governors of a number of States. Additional Governors, of course, will join, but this includes Connecticut, Georgia, Arizona, Arkansas, Colorado, Florida, Illinois, Kansas, Louisiana, Massachusetts, Nevada, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Tennessee, Virginia, Wisconsin, and last, but only by virtue of the alphabet, Wyoming.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 10, 2001.

DEAR MEMBERS OF CONGRESS: We are writing to support H.R. 1, the education reform legislation that embodies the education goals of both President Bush and the Congress. As Governors, we have served on the front line in promoting educational improvement in our own states. We believe strongly that H.R. 1 will help significantly in furthering this worthy cause throughout the country.

First, we appreciate the increased resources for education authorized in the legislation. The bill will provide federal funding for key priorities such as Title I grants for disadvantaged students, Title II grants for teacher professional development and training, and Reading First funds for states to implement comprehensive reading programs in the early grades. And it appears as if funding for elementary and secondary education will increase by more than 20 percent this year.

Second, we are pleased that H.R. 1 grants states and local districts unprecedented flexibility and freedom in deciding how federal education funds should be used to meet the unique needs of their students. In the key titles relating to teachers, technology, and bilingual education, authority over spending will pass rather dramatically from the federal government to states and local districts. Further, states and local districts will be given far greater authority to move funds from certain uses to other uses they deem to be more effective at achieving improvement in student results.

Finally, as supporters of accountability in education, we favor the accountability features of H.R. 1. We know that when adults are held responsible for student progress, that progress tends to be greatest. H.R. 1 establishes a comprehensive accountability system, and, wisely, it does so in cooperation with the states. States will set their own standards. States will select their own assessments. States will have a great deal of flexibility in establishing the details of how and when the elements of accountability will be implemented for their own schools. And, where the federal legislation calls for specific steps to be taken, such as annual testing, federal funds will be made available to pay for them.

President Bush has challenged the nation to leave no child behind. The Congress has responded with H.R. 1, which is grounded in the best practices derived from the states over the past decade. States have modeled reforms, which have in turn become the basis for this landmark legislation. The Congress should complete action on H.R. 1 immediately so that every state, district and school can begin 2002 with a clear and bright beacon shining on their path to improved student achievement.

Sincerely,

Gov. John G. Rowland, Connecticut; Gov. Roy Barnes, Georgia; Gov. Jane Dee Hull, Arizona; Gov. Mike Huckabee, Arkansas; Gov. Bill Owens, Colorado; Gov. Jeb Bush, Florida; Gov. George Ryan, Illinois; Gov. Bill Graves, Kansas; Gov. Mike Foster, Louisiana;

Gov. Jane Swift, Massachusetts; Gov. Kenny Guinn, Nevada; Gov. Don DiFrancesco, New Jersey; Gov. Gary Johnson, New Mexico; Gov. George Pataki, New York; Gov. John Hoeven, North Dakota; Gov. Frank Keating, Oklahoma; Gov. Mark Schweiker, Pennsylvania; Gov. Lincoln Almond, Rhode Island; Gov. William J. Janklow, South Dakota; Gov. Don Sundquist, Tennessee; Gov. Jim S. Gilmore III, Virginia; Gov. Scott McCallum, Wisconsin; Gov. Jim Geringer, Wyoming.

Mr. ENZI. These are States that see the special emphasis in the bill and want to add their congratulations and hope for approval of the conference report. We are always encouraged that those who have that direct of a hand in education are showing support for work we have done.

H.R. 1 strikes a good balance between making sure that Federal funds are well spent and maintaining appropriate State and local control of education. It significantly changes accountability standards with the goal of assuring that low-income and minority students, as well as other students, are learning. Yet it also prohibits national testing or Federal control over curriculum. While States will be required to administer the National Assessment of Educational Progress, known by the acronym NAEP, every other year in grades 4 and 8, there will be no rewards or sanctions associated with the results. The use of NAEP will simply be a tool for parents to evaluate the performance of their child's school against others in the Nation.

Of course, we will also provide accountability for NAEP and we will watch to see if they can get the results out faster than in previous experience—as when I was in the Wyoming Legislature. It will give a measure, a comparison, for parents to rely on and to give them some direction with what their children are learning compared to the rest of the Nation.

Some of the most important provisions in this bill concern our Nation's teachers. As we know, one of the greatest educational resources is our teachers. I say this not only because my daughter is a teacher but because research has found, with the exception of involved parents, no other factor affects a child's academic achievement more than having knowledgeable, skillful teachers. Every member knows that. Every Member knows teachers who have had a tremendous influence on lives, ones who challenged us or encouraged us or disciplined us.

Right now, there are Hallmark ads on behalf of teachers, in a very special way conveying a message of thanks, something we need to do to teachers in the past who have influenced our lives and made a difference. By the time we are in the Senate, a lot of the teachers are to longer around to be able to get that thanks. It is an opportunity we should not pass up.

There is a Hallmark ad I particularly like where the teacher is retiring, packing up his books. A lady comes to visit, a former student. She is surprised that he does recognize her and even remembers a paper she wrote. He says: I suppose you went on to be one of those corporate, well-paid lawyers. She says: No, I became a teacher, like you.

We need to be thankful we have people who are willing to teach children, educate children, and spend the time with kids, to know them well enough, to help them understand what learning is. We have those kinds of dedicated teachers in the United States. This bill will help to ensure there continue to be those kinds of teachers.

There were several places where contentious negotiations took place during the deliberations on this conference report, but one area that was not negotiable was ensuring our children have high-quality teachers, especially when it comes to reading and math. H.R. 1 contains unprecedented reforms that will help to ensure that all children are taught by a highly qualified teacher.

Unlike more restrictive proposals that require States and local school districts to use Federal funds exclusively for the purpose of hiring new teachers, this legislation provides maximum flexibility to States. It will allow them to develop high-quality professional development programs, provide incentives to retain quality teachers, fund innovative teacher programs such as teacher testing, merit-based teacher performance systems, alternate routes of certification, or to hire additional teachers, if that is what they believe is necessary.

Despite all of these efforts to improve teacher quality, there are some who say all we really need to do to improve student achievement is to hire more teachers. For small, rural States such as Wyoming, that is not the answer. While I certainly recognize our Nation is facing a teacher shortage in the coming years, Wyoming currently has a declining student enrollment, which is forcing some school districts to eliminate teaching positions. Moneys specifically earmarked for hiring new teachers will be of little help to schools in these areas with declining enrollment.

In addition, rural States such as Wyoming often have difficulty recruiting and retaining teachers—especially highly qualified teachers. We do have quite a bit of success, once we get them to come to Wyoming, at retaining them. Of course, we recognize anybody who can make a living in Wyoming usually lives in Wyoming. We do appreciate those teachers who come and stay.

In this bill, money earmarked for new teachers does not help Wyoming keep teachers from leaving. Congress must provide State and local school districts with flexibility to pay good teachers more money or provide other incentives in order to encourage them to continue teaching.

It is because of issues such as these that I am particularly pleased this legislation paid special thanks to rural school districts. H.R. 1 provides rural districts with increased flexibility in funding to enhance academic achievement while helping to ensure that students in rural areas have equal access to educational opportunities. As many folks from Wyoming are aware, rural schools often receive too little money from Federal categorical formula grants to provide meaningful services to their students. By the time the formula is broken down for the size of the school, there is not enough money to do the program.

In addition, they generally do not have personnel or resources necessary to secure Federal competitive grants which many schools use to augment and innovate beyond what is provided for in formula grant programs. The Rural Education Achievement Program, also known in this bill as rural flex, is included and addresses these problems by permitting rural schools to combine funding from a number of different formula grants. This allows rural schools to better serve their students by allowing them flexibility to determine where their money can do the most good.

Eligible school districts can use funds for virtually any activity authorized under the Elementary and Secondary Education Act, including educational technology, professional development, technical assistance, and teacher recruitment and retention.

The conference report also makes it clear that rural districts often face unique challenges in implementing restructuring actions that result from 5 consecutive years of failure, and they should be given flexibility as long they are held to the same accountability requirements as other districts.

Distance does create challenges. In Wyoming, we have miles and miles of miles and miles. We have a population of 493,000 people, and our State has 400 miles on a side. The average town that I visit is about 250 people. It is a long way between those towns. For virtually every town, you can drive outside of it and you see the whole town at once. It is not one running into another, running into another, running into another. Even Cheyenne, WY, our largest city of a little over 52,000, can be seen in its entirety by driving outside the town and looking back at it, and it is a long way to be able to see the next town. In fact, usually you cannot see a next town.

What happens if you give people flexibility with schools, if they can go to the public school of their choice but is too far to go to another school? We already have public choice in public schools.

Usually our schools are not failing, so this provision would not pertain to those schools anyway. But this bill will allow those rural schools that have failed to make progress but may not have the resources necessary to hire a completely new staff of teachers or find a private contractor willing to take over the school's governance, to take advantage of additional options as long as they are equally rigorous and are likely to help the school improve its performance.

Under the same provision, the Secretary of Education will be required to assist rural districts that request assistance in implementing alternative governance arrangements.

I thank Senators COLLINS, MURRAY, and BINGAMAN for their hard work on this particular language. I am also pleased the conferees were willing to recognize that schools in rural areas and small towns often require additional assistance to implement an advanced technology curriculum. Due to the isolated nature of many small rural towns, technology can offer rural students academic opportunities that they otherwise would not have. Ensuring that rural students are technologically literate is vitally important to many communities in my State of Wyoming. I am pleased the conferees have demonstrated their commitment to improve academic performance in rural areas and have helped rural students participate in the highly competitive economy of the 21st century.

Wyoming has been a pioneer in distance learning. We now have the capability, in many schools—no matter how small or how rural—to have classes the kids can take through a distance learning program to give them a wider variety of choice of classes. This bill will help to enhance that.

This bill also preserves the integrity of Federal educational programs that impact Native American children. As a Senator from the State of Wyoming, which was the crossroads for many of the Indian tribes and is now the home of the Shoshone and the Arapahos, I believe it is critically important that the United States continue to fulfill the Federal Government's unique and continuing trust relationship with, and responsibility to, American Indian people for the education of Indian children.

I am confident that the action of this conference committee has helped to ensure the programs that serve Indian children are of the highest quality and provide for not only the basic elementary and secondary educational needs but also the unique educational and culturally related academic needs of these children.

I am also pleased we were able to make improvements in the Impact Aid Program. That affects many areas of our Nation that have military bases, Indian reservations, or other Federal property districts that limit the ability to generate funds to pay for education. Then the Federal Government steps in to provide for that revenue that was lost by having that Federal facility.

I am pleased we were able to come up with a compromise that allows districts and schools that are most heavily impacted to be served first through the competitive construction grants that are authorized by this bill. It is my hope the changes made by this conference committee will emphasize the importance of making Impact Aid construction grants on the basis of greatest need and maximized effort so we can continue to fulfill the Federal Government's obligation to impact districts and the children who reside there.

As a strong supporter of the Boy Scouts of America and an Eagle Scout, I am glad to report that the H.R. 1 conference report includes a provision that would deny funding to any public school or educational agency that discriminates against or denies equal access to any group affiliated with the Boy Scouts.

Our children are our most valuable resource and we must prepare them to face the challenges of the 21st century. We cannot do this by allowing Washington politicians to implement a one-size-fits-all approach to education. The No Child Left Behind Act allows States to decide how to best serve their students and teachers. I strongly support this conference report. I encourage my colleagues to do the same.

I thank the President for his leadership on this historic legislation. If it were not for his determination to craft bipartisan reform of our Nation's educational system, we would not have this bill before us today. I also thank Senator GREGG and Senator KENNEDY for their tireless efforts to craft the compromises that made this bill possible and brought it to us at this time. They and their hard-working staffs deserve a great deal of credit for this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to take just a moment because I see my friend and our committee member, Senator REED, in the Chamber. I also thank Senator ENZI for his work and his support on this legislation.

We have some important protections of rural education in here. I took a few moments earlier today in a presentation to show that we have about a 30-percent increase—for example, in Detroit, MI, in terms of the urban areas, but we have a similar increase in the poorest rural areas of this country as well. He has fought, not only on that issue, but also for flexibility in rural areas.

He was very much involved in the Indian education programs and has been, as we all know, and is involved in education technology issues. I thank him.

This legislation incorporates a number of recommendations that Members have made. Senator ENZI has been very constructive and helpful. I enjoy working with him on this, as I always do when we work on OSHA. I always enjoy working with him on OSHA.

I was not in the Chamber when Senator DEWINE spoke. As has been referenced earlier, Senator DEWINE and Senator DODD restructured the whole Safe and Drug Free School provision. It is better in this legislation. It is enormously important. All of us have seen in very recent days the rather dramatic increase in substances that have been coming into the United States, principally, I believe, because our Coast Guard has been involved in other kinds of activities. This has been true in the Northeast, I learned from talking to various law enforcement officials. They are overstretched and overworked. The total membership of the Coast Guard is just what it was in the 1960s, and we have given them many more responsibilities. But the Safe and Drug Free School provision has been enormously important, particularly in dealing with violence in schools.

So I thank Senator DEWINE for his work. He has also been very much involved in Troops to Teachers. I see the chairman of the Armed Services Committee. He knows about this, is familiar with this program, and has supported it. Senator DEWINE has been very much involved, particularly in the areas of science and math, where retired officers have gone back into education. It has made an enormous difference. I thank him for his work.

I see my good friend, Senator REED. I want to tell America, if you see a library being modernized in your school district, there is the man right over there who was able to do it. We were in an incredible situation with regard to expanded reading. This is one of the principal recommendations of the President. It is very worthwhile. Also the early education reading. There was strong support for that and a budget allotment for it, but not for libraries. Our good friend, Senator REED, had brought up the problems that school libraries have been facing.

Also the parent involvement, I mentioned earlier this afternoon the role of parent involvement: Tough accountability for students, tough accountability for schools, and real responsibility for parents.

There are two areas where we are going to need responsibility in this institution and in the States. We have to get the resources. Senator REED has been the most actively involved in making sure we are going to have school libraries, parental involvement provisions, and highly professional development for teachers.

I thank Senator JACK REED for all of his good work. He comes from Rhode Island, which has a long tradition of educators, with Claiborne Pell, former chairman of our committee and the author of the Pell grants and many other important educational programs as well. There is something in the air in Rhode Island; all of their Senators are strongly committed to good education for children. We are fortunate to have him as a member of the committee.

The PRESIDING OFFICER (Mr. DAYTON). The Senator from Rhode Island.

Mr. REED. Mr. President, I thank Senator KENNEDY for those very kind and gracious words.

Today represents the culmination of a very long process to reauthorize the Elementary and Secondary Education Act. It has been difficult and daunting, and at times very frustrating. We are here today because of the work of many people. But singular among those people is the senior Senator from Massachusetts, the chairman of the committee, Mr. KENNEDY. His determination, his creativity, his persistence, his unwillingness to accept anything less than a bill that would materially aid children of America in their education is today manifest on the floor of the Senate. We owe him a great debt of thanks and great praise.

Of course, he was part of the process with our other colleagues, Senator GREGG, the ranking member, and, in the other body, Congressman BOEHNER and Congressman MILLER, with whom I had the privilege of serving on the Education Committee when I was in the other body.

A great deal of the tone, texture, and change in spirit was the result of President Bush's commitment to work for education, and doing so in a bipartisan way.

Today we see the culmination of that long and at times trying process. Today we have legislation which represents, I believe, an advance in giving every child an opportunity to learn and an opportunity to be educated in this country, which is the greatest opportunity one can ever have.

We are building on previous efforts. As a younger Member of the other body, I served on the conference committee for the Goals 2000 Act and the 1994 reauthorization of the Elementary and Secondary Education Act. It was there that we talked about tougher accountability and stronger insistence that the States step in when schools are failing. We insisted upon higher standards. We met resistance, but we insisted. We did not go as far then as I believe we could have gone, or should have gone. But today I believe there is vindication of those efforts almost 8 years ago when we talked about insisting that schools be held accountable and that real money flow to schools so that children can learn. We have taken steps in the intervening years as a result of Goals 2000 and the 1994 reauthorization.

In every State in the country, there has been some effort. In my State of Rhode Island, there has been a great deal of effort, and I commend my local leaders for what they have done to move education forward.

As we approached this reauthorization, there were several important goals that I believed we must achieve.

First, we should strengthen and build upon the accountability system that was developed in the 1994 reauthorization.

Then we should ensure that the President's proposals for testing in grades 3 through 8 have appropriate guidelines and not unduly harm students or the educational initiatives that are already underway in many States, including in my home State of Rhode Island; that we should also offer increased flexibility; and that we should insist upon high standards but give the States and the communities the ability to reach those standards through means that they could choose locally.

Then, finally—and I believe most importantly—we had to give the States the resources to make the changes that were urged upon them. We had to give them the resources to meet those standards.

These are the parameters I used to judge the legislation that is before us. I believe we have in a very meaningful way met those expectations.

Having erected a structure of accountability, having sensitized the schools of this country to be more sensitive to performance and to better teaching and to parental involvement, the test now is making sure that the States, the cities, and the towns in America have the resources to do the job. That is the test we will be taking in the years ahead.

As Senator KENNEDY stated, there were some particular issues in which I was interested. I am pleased to say we have made progress on those issues.

In the area of school libraries, I have long been a firm believer that good school libraries mean good education. Study after study has concluded that if there are good school libraries in school systems, those schools will succeed. In fact, there have been studies in diverse communities, such as in Colorado, Pennsylvania, and Alaska, which indicate that a good school library means better performance, regardless of geographic area and regardless of income. It is just one of those obvious points to which people will agree. But the real challenge is to go beyond the nodding of the head in agreement to the funding and support for school libraries.

Interestingly enough, Dr. Susan Neuman, the Assistant Secretary for Elementary and Secondary Education in the Bush administration, is one of the experts in this regard. She found through her research that limited access to books leads to poor academic achievement. Unfortunately, if you look at school libraries, particularly in poor communities in this country, they are starved for resources, for space, and for trained librarians and library assistants. As a result, it is no wonder that this is another burden on the education of children, particularly children from disadvantaged areas.

I was mystified when I arrived in the other body in 1991 that the Republicans eliminated direct support of libraries back in 1981 as part of the Reagan revolution. In 1994, working with Senator KENNEDY, Senator BINGAMAN, and Senator Pell, my distinguished predecessor, we were able to reestablish a school library program. Another of the great heroes of that effort was Senator Paul Simon of Illinois.

Sadly, within months of completing the reauthorization in 1994, the new Republican Congress eliminated the library program as an authorized program under the Elementary and Secondary Education Act.

This year, however, with President Bush's emphasis on increasing reading skills and literacy, and developing teachers who are adept at teaching reading, there was another opportunity to push forward on the issue of school libraries. The President's initiative seeks to increase professional development for teachers to improve reading instruction. However, it makes little sense to me to have better reading teachers and children eager to learn to read but libraries that are deplorably inadequate.

I have been sent materials from time to time by librarians from across the country. A librarian from Arizona sent me a book about the U.S. Constitution which I thought was interesting, particularly when I noted that the foreword was written by the distinguished President, Calvin Coolidge. It was still on the shelves of this library several years ago. I believe when President Coolidge wrote his foreword there were several amendments to the Constitution that had not yet been adopted.

That is just one example of books that are terribly out of date. Some of them are terribly offensive with respect to stereotypes of today, and which we would abhor, but are still on the shelves of many school libraries.

If we are going to train teachers to be better reading instructors, if we are going to embrace the eager young children and challenge them to read, we have to give them the materials to read.

I was extremely pleased, particularly when this legislation came to the floor and Senator COLLINS, Senator SNOWE, Senator CHAFEE, and others joined me in passing an amendment that would authorize $500 million to support school libraries. It was a 69-to-30 vote—a clear indication that this Senate on a bipartisan basis was standing strongly behind school libraries and school librarians.

We took this issue to the conference, and we were successful in the conference. We now have legislation in this report that once again supports school libraries. But the challenge remains to translate these very noble words into real dollars in the next budget cycle.

With respect to parental involvement, Senator KENNEDY also indicated that this legislation strongly reflects an emphasis on parental involvement.

Once again, parental involvement is not something that is just nice to do, something that is good socially; it is the heart of a good educational system in this country and any place in the world.

Research has indicated that if you have strong parental involvement, you will have better performance from students. Students need to know that their parents care about education. They need to know that their parents care about what they are doing and learning.

In 1999, I introduced the PARENT Act, legislation which I developed in conjunction with the National PTA to implement effective ways to include parents in the lives of schools. Some would say: Why do we need to do that? We need to do that because today there are parents who—simply because of time constraints, because both spouses are working, because they have children in three different elementary schools—do not have the same kind of opportunities, if you will, to be part of the life of their school as, perhaps, our parents did. So we have to develop new and different techniques to reach out and involve these parents.

Then we have parents who themselves have been very unfulfilled by the educational process. Their educational experience was deplorable or something they do not want to recall. Those parents find it difficult, in many cases, to be effective teachers of their children because of the apprehension, if you will, about school. We have to reach those parents.

In the past, we have tried to do this, particularly through the title I program. A 2001 study by several academics looked at the title I program. They found that title I schools have always talked about parental involvement. There has been a model to bring parents in as collaborators.

In the past, in our reauthorizations, we have tried to stress parental involvement. In 1983, we said you have to have an annual meeting in a title I school with the parents. In 1988, we talked about involving parents in planning and providing more information to parents. In 1994, we said districts have to spend at least 1 percent of title I moneys on parental involvement. That is all well and good, very noble words. But, once again, there was very limited accountability, very limited oversight.

As a result, there has been very limited participation by parents, particularly in those difficult areas where disadvantaged students and disadvantaged parents are likely to be.

So it is no surprise that when the PTA surveyed the parents of America, fully 50 percent said they were inadequately informed about what is going on in the school. They felt they could not participate in their school. They felt the school was not user friendly to them, the parents.

So working with the PTA, and others, we tried to craft legislation that would, once again, in a meaningful way, attempt to involve parents in every school in America by adding accountability to title I; not just a list of things you have to do, but an insistence that these things be done: Provide parental access to information about their children's education, make sure there is an active and effective and ongoing collaboration with schools, require states to disseminate to every school research-based practices that work to actually involve parents.

We also, when we looked at some of the other programs—such as the Safe and Drug Free Schools Program, the technology program, and the teacher quality program—insisted there be an aspect of parental involvement with the idea that parents just don't show up one night a semester for parent-teacher conferences, but they are active in planning many aspects of the life of the school. This legislation, I am pleased to say, was significantly incorporated in this conference report. I believe it represents a significant advance providing not just a list of nice things to do, but real accountability so these aspects of the parental involvement will, in fact, be done.

There is another important aspect of this legislation in which I was keenly interested, and that is professional development. We all recognize and we all stand up and say, sincerely and emphatically: Every child deserves a highly skilled, highly motivated teacher. But we have to go beyond the words. We have to make that a fact of life. And it is not a fact of life at so many schools.

In the reauthorization of the Higher Education Act, just in 1998, I worked closely with my colleagues and incorporated aspects of legislation I had previously introduced called the TEACH Act, which established grants to foster partnerships between teaching colleges and actual schools in communities.

One of the defects of teacher preparation is the fact that sometimes it is totally disconnected from the real life of the teacher, that the clinical aspect or the practice aspect is just a few weeks in a 4-year curriculum. The TEACH Act is now part of the Higher Education Act. It establishes a relationship between teacher colleges and elementary and secondary schools which, I believe, will provide more realistic preparation for teachers.

But we have to pay attention not only to the new teachers who are entering our schools, but we have to pay attention to all teachers. That means good, solid professional development for the incumbent teachers, for those who are teaching today in the classrooms of America. That is why I introduced legislation, the Professional Development Reform Act, which I am pleased to say is incorporated in many parts of this legislation.

There is a broad consensus that good professional development has to involve sustained intensive activities that focus on deepening teachers' knowledge of content, that allow teachers to work collaboratively, that provide opportunities for teachers to practice and reflect upon their teaching, that are aligned closely to these new standards, and that all of it is embedded in the daily life and work of the teachers.

We all recall some experiences we have had. I recall that once every year there was a teachers institute. We thought it was terrific. We got the day off. I did not know what the teachers did there, but I found out later. In most cases, they went to a big hall. They listened to a lecturer talk about something that may or may not be interesting to them. They socialized and then went home. That, for many school systems, was professional development. It was clearly inadequate.

Professional development has to be based upon content, what that teacher is purporting to teach: Math, science, history, and English. They have to know what they are teaching. Sadly, there are lots of teachers who do not know that. And we do not force them, through professional development, to master those details.

Then they have to have the opportunity to collaborate. One of the great problems of elementary and secondary education is the fact that so many teachers walk in in the morning, they have a cup of coffee, say hello to the rest of the teachers, and that is the last time they have a conversation with an adult for the rest of the day. At 3:30, they get in the car and go on with the rest of their life.

We have to build into our educational system the opportunity for teachers to talk about the craft, the art of teaching. We have to, of course, make all of this correlated with and focused on the high standards that we insist that our children meet. This is a daunting task.

This legislation reflects, in many respects, an emphasis toward moving toward those very challenging aspects of professional development. I would like to have gone further, but we have gone at least, I believe, in the right direction.

There are examples of very effective professional development around the country. I have visited Community School District 2 in New York City. It is in Manhattan. It is a school district that is committed to professional development. They do exactly what all of the experts say. They provide, for example, young teachers the ability to observe exemplary senior teachers. They have senior teachers working one on one with other teachers. They have peer networks where teachers can get together and talk with their peers about the educational process.

All of this is exciting. It makes teaching something more than a dull exercise of showing up, reciting something to students who are not particularly interested, and then walking out. Too often—in fact, I would argue if it happens anyplace, it is too often—that is the experience.

Let me mention one other aside about this notion of collaborative effort. One of the interesting things that happened in Rhode Island—we were lucky because we have a State that is committed to educational progress—is that one of our foundations, the Rhode Island Foundation, actually gave laptop computers to a significant portion of our teachers in the State.

You can do that when you have a population of a million people. And the teachers used them, not just to do lesson plans but actually to interact and collaborate with other teachers on challenging questions such as what to do with a child who continually refuses to be quiet and sit down. These are not things you learn in a lecture on the cognitive processes of schoolchildren but something you need to know to be a good teacher. They found it out by simply getting advice from seasoned teachers. That is what we have to do. This legislation moves in that direction.

There is another aspect, too, that I have been very interested in, and I believe it is key to our educational progress. That is to recognize that the school is one of the few places in our society where children are there for an extended period of time. There is a requirement that they go. But in effect, schools can't succeed as islands isolated from the other institutions of life.

We talked about parental involvement. That is the first and most important aspect of education, the parent as teacher. But many children have problems with health care. Many children have mental health issues. Many children have problems because of the social problems of the family. If the schools ignore those problems, those children will invariably fail. They have to be cognizant of all the issues that influence a child.

I think it is important to recognize in the school and even have an organization in the school that can access multiple services for children. We could have a great nursing program. We could have great mathematical instructions. We could beef up our science laboratories. But if a young child does not have a place to live, or comes in on a cold day without a coat and goes home without a coat, chances are we are not going to be able to challenge that child to do their best work. We have to recognize that.

In fact, as important—and it is very important—as this legislation is, we have many other things to do to ensure that every child learns, that no child is left behind. We can start with housing, health care, a long list. We are making progress today, but we would be deluding ourselves to think we have solved the problems of children in America by simply reforming education.

It is important in the context of education to have these institutions and organizations. In Rhode Island, they are called COZs, child opportunity zones. Within the school there is a trained person who can link up a child and the family to social services, childcare, housing programs, all those things that are going to make a difference in the life of that child, so when they come to school they will be, as we have said for decades, ready to learn. I hope, indeed, that some of the efforts we have made in this bill will advance that very important principle.

As we began this debate about the Elementary and Secondary Education Act, as we moved through the Senate, several very important issues became obvious. First, to the extent we quite properly insisted upon accountability, we had to recognize that we must design an accountability system that is fair and flexible. We could have designed a system in which every child in America passed. That would be a waste of time, a waste of money. We could have designed a testing system where everyone failed. That would be counterintuitive and foolish. So over the last several months we have been working to try to reach a point where there was enough flexibility in the States that they could, in fact, achieve progress. I believe in the process of debate and discussion, again with the tremendous leadership of Senator KENNEDY, we have made progress.

We have a system now that recognizes standards, standards that have integrity, standards that are checked ultimately by a national test, but also that allow the States the flexibility so their good schools will continue to be recognized as good, and schools that are not meeting that standard have an incentive and a direction to move forward. We have made that progress.

In so many cases, what we are doing is complementing the efforts that have been accomplished in local communities. In my State of Rhode Island, we have had tremendous efforts to reform our schools. In 1997, my legislature passed article 31 which mandates an extensive series of evaluations, of school improvement teams, and ultimately, if schools fail, giving the State not only the authority but the responsibility to step in and set the schools right.

That type of system should not be compromised by a scheme here in Washington that basically turned the clock back, put my State back to the starting point and made them run an entirely different race. I believe, through the efforts of the conferees, we have a situation in which my State and other States can build on what they have done to create even a better system. That is one aspect that we confronted as we moved along.

The second aspect, the one that is the most troubling, is the fact that all of these important innovations and initiatives that have been embraced by this legislation will not be successful if we do not have the funds to give the States and the communities to carry out our intent, our wishes and their wishes, which is truly to give every child an opportunity and an excellent education.

We know we are in a very difficult, precarious situation. The tax cut of last spring has set us back immensely in having the extra resources or even the resources at all to robustly fund education, to make it the kind of national priority this bill calls for. After September 11, it is even more difficult. But before September 11, as vice chairman of the Joint Economic Committee, I was pleased to be able to issue a report of the Democratic staff on September 7 that raised very seriously the question of whether or not we were going to be in deficits for the foreseeable future because principally of the tax cut. The reality is, we are.

The OMB Director declared a few weeks ago that we are looking at several years of deficits. So that will make it very difficult for this Congress to live up to the very challenging standards we set for ourselves in this legislation. But live up to it we must.

The situation here in Washington is difficult. If you go back to the States, it is even more difficult. It has been estimated that the States have already scheduled about $11.3 billion in educational cuts to meet their budget crisis. As we are talking about extra money in the billions, that is very encouraging, but it really could be offset before we even sign this bill by the cuts we see in the States. They are taking drastic steps. That $11.3 billion means laying off teachers, eliminating teacher training, eliminating parental involvement, all the things we say are necessary, all the things about which we are speaking with great pride and purpose. The States are forced today to begin to cut those.

In Rhode Island, the Board of Governors for elementary and secondary education suggested that the state increase the education budget by 4.4 percent. The Governor has told every State agency to cut their budget by 6 percent. To his credit, he has said there will be a little extra for education. We won't force them to have the 6-percent cut. But nowhere is he prepared to meet the 4.4-percent increase. That is going to be multiplied throughout this country. So we are looking now at a situation where we will have to struggle mightily for resources. The States are already cutting their budgets.

And so again we can be pleased that this structure of educational reform has been completed, but if it is built on a foundation that shifts with the winds of deficit, then we are going to be in an awkward position in the months and years ahead. That is why I was so strongly committed to supporting the efforts of Senator HARKIN, Senator HAGEL, Senator JEFFORDS, and so many others to fully fund IDEA, to make that funding mandatory.

First, it is the right thing to do. Back in the mid-1970s, we committed ourselves—the Federal Government—to IDEA, to share significantly with the States the cost of meeting the education needs of students with disabilities. We never lived up to that. Year in and year out, we have all said how strongly we believe in IDEA, how much we have to fund it. We relay tales of our school committees and superintendents, and how they insist that if you do anything at all, please fully fund IDEA. Yet when we had the opportunity to do that in the conference, we blinked, we refused to do that.

IDEA seems to be one of those issues where we say wait until next year—but next year never comes. Once again, we have to wait until next year. But the real test of education reform, I believe, will be whether or not we do fully fund IDEA next year in our budget and whether we do fund these other innovations incorporated in this legislation.

Fully funding IDEA is the right thing to do. There are 6 million children today being served by IDEA. They are in regular classrooms, by and large. They are part of the life of the school. They are not shunned and excluded as they were in the fifties, sixties. It turns out that the high school graduation rates for children who receive IDEA instruction are much higher than their predecessors'—those young Americans who were pushed aside and urged to leave school or were put in special classrooms. It is working, and we have to make it work more.

The other aspect about IDEA is, if we had made the spending mandatory, we would have freed up significant dollars for other education programs. Now, IDEA will compete with title I and other programs, such as Pell grants, and it will compete with a whole range of programs—all of them important, all of them. I suspect, every Member of the Senate will stand up and support and say we have to do more. Well, we had the chance to do more, and we failed to do that.

I commend Senator HARKIN and Senator JEFFORDS and my colleagues, Senators COLLINS, ROBERTS, WARNER, and HAGEL. This was a bipartisan effort on the Senate side. The House, unfortunately, did not agree with us. But we must attend to this as a first order of business in the next session of this Congress.

This conference report, I believe, represents great progress by many of us. Accountability has increased and improved. One aspect, which is particularly noteworthy—and I believe it has been mentioned by many colleagues—is the increased targeting of title I. That program was designed in 1960 to help low-income students, but through the process of legislation it has been flattened out so that title I reaches many students and it is not targeted to the very poor. This legislation changes that and, given the caveat of robust funding, it could be the most significant aspect of this entire legislation. I believe, again, this is something very near and dear to Senator KENNEDY's efforts—not just this year, but over the lifetime of his service to the country and the Senate. I commend him for that in particular.

I am pleased, as I have made clear before, about the library provisions included in the President's literacy program. This legislation is much more sensitive, in many different aspects, to parental involvement. Professional development—although it doesn't go as far as I would like—sets the right tone, the right direction, and is emphasized as a critical aspect of not just development of teachers, but reform of education.

We have the concept of child opportunity zones that has been embedded into the legislation. I hope we can build on that and see how that works. I know it works in my State. I hope we can take that notion of coordinating and integrating services for children in the school and make it something that is common in every jurisdiction.

Bilingual education has been strengthened significantly. There is also good news in the fact that provisions in the other body that would have limited bilingual education to 3 years were stricken. Now it is much more oriented to serving these children, getting them to master English as a critical language, not just here in the United States but around the globe, and not arbitrarily saying you have 1, 2, 3 years to learn it. That might be easy for a 5- or 6-year-old coming to this country, but what about a 14-year-old who grew up in a country without the educational advantages we take for granted? I would find it difficult to become a fluent speaker in another language in 2 or 3 years. I assume that would be the case for others coming here. This legislation does not have an arbitrary limit.

The safe and drug-free schools program, once again, incorporates aspects of parental involvement. Technology grants are here, with participation by parents as well as teachers and educational supervisors. The accountability provisions have been hard fought over many weeks. It represents a balance between a legitimate and credible national standard, together with local flexibility, ultimately checked by the national test, which will see how well the States are doing, given the opportunity to develop their own tests internally.

All of this is very commendable and, in some respects, exciting. But I come back to what I have said throughout this presentation: All of this will be interesting but ineffectual without real funding—not just at the Federal level, but at the local level; not just for 1 year, but for many years.

One of the great experiences of my life was being able to serve as a soldier in the Army. One of the great transformations of a lifetime was the transformation of our military. One of the key aspects was their recognition that you had to train the trainers—better professional development. It was done with the knowledge that you had to have real resources to do it. You had to commit real resources. We did that.

Today we are seeing amply demonstrated the wisdom of increased professional development, high standards of accountability. But resources go along with it.

I will conclude by simply saying that one aspect of this legislation that has received a great deal of notoriety has been the fact that every child in America, beginning in 2005, will have to be tested from grades 3 through 8. I am confident that the children of America will pass those tests—if this Senate passes the test it faces next year: Fund education aggressively—IDEA and title I. If we pass our test, I have no doubt the children of America will pass their test. If we fail, how can we blame them?

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank my friend again, my colleague from Rhode Island, for his excellent presentation in highlighting a number of the very important provisions included in the bill in which he was particularly interested. I thank him also for emphasizing the importance of responsible action and investment in education by the States, and by the Federal Government.

As I mentioned earlier in the day, we are putting a great deal of responsibility on children and youth to succeed academically. We are putting enormous responsibilities on the schools to teach effectively, and we are giving a great deal of information to the parents so that they can be responsive and effective advocates for their children. All of these ideas and reforms are set forth in this legislation. But the ingredient that will make the real difference, and ensure that all of this works, is funding—additional help and assistance State legislatures and additional help from this institution. We are prepared to make that case in the future, as we have tried to do so often this past year, and in the most recent past with some success.

Mr. President, I thank all of our colleagues on both sides for their comments. A number of colleagues came and talked about the different parts of the legislation that they were most involved in, and we have a number of others who are looking forward to making comments tomorrow. I think there is requested time for probably 12 to 14 colleagues on our side. I know a similar number on the other side will have a short timeframe. We are coming in at 9:30 and intend to vote at noontime.

In summary—and I will do this very quickly—I think if someone can think about these elements together, I think they come to the realization that each of these reforms is important, but taken together, they give us something that is very special in this legislation, reforms that are eminently worthwhile.

We were talking about State standards. We will have additional discussion on the issue of standards and assessment tomorrow, but I would like to highlight these elements in this legislation and make a brief comment before we adjourn this evening.

In this legislation, we talk about assessments and States developing content standards—what the educators, parents, and those involved in educational policy think a child should know at a grade level. We then highlight curriculum development, and invest in a well-trained teacher for each classroom. After reforms are in place, high-quality assessments help us identify what a child does not know so that we may assist that child to achieve the knowledge he or she needs to succeed.

That is our desire, and we are doing it with assessments that are not off-the-shelf tests but a thoughtful way of testing not only what the child has actually learned but also how they have learned to think.

I will mention briefly several aspects of these assessments. They must be valid and reliable. They must be aligned to academic standards. The scores must be disaggregated by race and ethnicity, English-proficiency status, migrant status, students with disabilities, and economically disadvantaged students so that we know that all children are learning. And so that we can identify who is falling behind, and provide additional help and attention to such children.

Gone are the days where students fall through the cracks. Children will not fail with no attention to their failure in a given classroom. We will know. And we will be held accountable. This is incredibly important.

We are going to insist the tests meet high standards of validity and reliability, and that they are developed consistent with professional and technical standards. There must be multiple measures within the test multiple test items, varying formats, and multiple tests to assess the highest order of understanding and thinking; not just memorizing, but critical thinking and true problem solving. That is a key element. All educators understand that developing those skills is the key to student success.

Under this bill, Itemized score analyses of test results will be prepared and reported to school districts and schools to address specific academic needs so districts will know if their children are falling behind, and why. All schools and school districts, for the first time, will have the data to know. We will be able to analyze not only a particular school but also an entire school district, which is very important.

We have individual diagnostic reports that will be provided to teachers, parents, and principals to provide information on student achievement and help address the specific academic needs of the students.

Students with disabilities will be provided reasonable adaptations and accommodations for inclusion in State assessments. If a child needs additional time because of a disability, they will receive the time they need. That will be worked out by teachers and by professionals so parents will not be tormented with saying: My child could have done all right if they had a little more time. States vary in the type of accommodations they provide to students with special needs. But some States have structured a system that works very well. We have taken the success of those States and worked closely to model this legislation to ensure that all students with special needs—students with disabilities and students with limited English proficiency—are provided the accommodations they need to succeed. I believe that we will make a major difference in the evaluation of such students.

States must also identify languages other than English that are spoken by English language learners, and identify the need for testing such students in their native language. This is of the utmost importance, because we have seen in States such as Colorado that, at an early point in their academic career, some English language learners perform better on assessments in their native language than they do in English. Ultimately, and at the appropriate time, all students should be assessed on their reading skills in English. But in the meantime, States must make every effort to develop native language assessments. These are the kinds of details we have gone into in this area and why we think it will make an important difference in educational enhancement.

I will quickly summarize in these final moments before the Senate goes in recess for the evening. We have basically set goals to achieve academic proficiency for all children in this country within 12 years. I said on a number of occasions those great words of H. L. Mencken: For every complex problem, there is a simple, easy answer, and it is wrong. We understand it is complex, and it is going to take us some time. We set the goal for 12 years for proficiency for all children, and we are going to need the resources to do it. We are setting the mark down now that we are starting down that road.

We have increased targeting of the resources, as we explained earlier, both in rural areas and in urban areas; a qualified teacher in every classroom, and professional development to continue to support their professional growth. These are key aspects of ensuring opportunity for our children. I talked about these reforms earlier today.

We are allowing States to continue to reduce class sizes. There will be the resources to do that, not as broad as I would like, but there will be resources.

We expand afterschool opportunities. There will still be a lot of children who will not be able to participate because we are not giving that enough support, but it is in the bill.

We promote safe and drug-free schools.

We expand the support for limited English proficient students. I was reminded of the success of bilingual education, listening to my colleague from New Hampshire earlier, who is not here now, as he spoke about the failure of bilingual education programs. Not all bilingual education programs are successful. However, many are. I know of some school districts where they are teaching children several days a week in English, and other days in Spanish. The students receive dual immersion in those two languages. The limited English proficient students learn in their native language and in English. And at the end of the fifth, sixth, and seventh grades, these children have higher levels of literacy than that have only learned in one language. There are successes. Not all of them are successful, but there are successes, and this legislation builds on those programs that have been successful.

Since 1995, the two-way bilingual education programs introduced in a number of the elementary schools in the St. John's Valley in the State of Maine have taken substantial steps to improve student achievement. The French-English program is an additive bilingual program, meaning that all students learn a second language without compromising their first language. This is the only program of its kind in Maine.

The St. John's Valley district, through support from a federal bilingual education grant, supported costs for teaching training, materials, and administrative costs between 1995 and 2000. In 1997, students from the immersion program at the second grade outperformed non-immersion students on the California Test of Basic Skills in reading, vocabulary, and language mechanics. The trend continued in 1998 with students in the bilingual education program placing 93rd in the national percentile in reading and math on that test. Clearly, there are programs that work, and they work well.

The additional commitment to reading and early reading in this bill is enormously important. Parental involvement, resources for the construction of charter schools, expansion of school libraries, assistance for children's mental health and emotional needs—this is something which is of enormous importance. Supportive resources for struggling schools, accountability for results, protecting civil rights of all children—each reform is eminently worthwhile.

Taken together, the whole is greater than the sum of its parts. This conference report deserves to receive an overwhelming vote in the Senate. I look forward to that tomorrow.

If there is no one further who desires to speak, I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Resumed

Mr. KENNEDY. Mr. President, I call for the regular order with respect to S. 1731.

The PRESIDING OFFICER. The clerk will report the title of the bill.

The assistant legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agriculture producers, to enhance resource conservation and rural development, to provide for farm credit, agriculture research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

CLOTURE MOTION

Mr. KENNEDY. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Harkin substitute amendment No. 2471 to Calendar No. 237, S. 1731, the farm bill:

Paul Wellstone, Tim Johnson, Bill Nelson, Harry Reid, Blanche L. Lincoln, Zell Miller, Barbara Boxer, Byron L. Dorgan, Max Baucus, Tom Carper, Ben Nelson, Kent Conrad, Tom Harkin, Patrick J. Leahy, Fritz Hollings, Jean Carnahan.

Mr. KENNEDY. I ask consent the mandatory quorum be waived with respect to the cloture motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. KENNEDY. I ask unanimous consent there now be a period of morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANTHRAX

Mr. BYRD. Mr. President, during the past few weeks, the American people have learned more than they thought they would ever want to know about the ancient scourge of anthrax. From reading the morning newspaper, and watching the nightly news, we have learned much about what anthrax is, how it infects, the dangers it poses, and ways to treat it.

But there was been very little attention given to the history of this dreaded and deadly disease that is on everyone's mind. From where did it come? What has been its impact on the world?

Let me begin by pointing out that the disease derives its name from anthracis, the Latin transliteration of the Greek word for coal, and the name probably stems from the black scab-like crust that the anthrax lesion develops. But through the ages, anthrax has been called by a variety of names. In Russia, cutaneous anthrax—infection through the skin—has also been called "Siberian ulcers" because of the prevalence of the disease in that region. Inhalation anthrax has been called "wool sorters" disease because it comes most commonly from inhalation of spore-containing dust produced when animal hair or hides are handled. A colloquial German term for anthrax is "ragpicker's disease."

The exact origins of anthrax and the time of its arrival upon Earth are unknown. But, it is commonly accepted that anthrax has been killing animals, and humans too, for thousands of years, perhaps as much as 10,000 years, dating back to the beginnings of animal domestication. It is certainly a pestilence as old as pastoralism and the origins of civilization. It is believed that man probably became aware of anthrax when he turned from hunting to a life of farming and animal husbandry.

The first recorded appearance of anthrax can be found in the Bible, where it appears that God may have used anthrax to punish the Pharaoh for holding the ancient Hebrews in bondage. The fifth Egyptian plague that affected livestock, and the sixth plague, known as the plague of boils, could well have been anthrax. These plagues are depicted in the Book of Exodus which reads: "Behold thy hand shall be upon thy fields and a very grievous murrain upon thy horses, and asses, and camels and oxen, and sheep." Murrain, according to the dictionary, is a group of cattle diseases that includes anthrax.

Anthrax may well have been Apollo's "burning wind of plague" that begins Homer's "Iliad," a plague that attacked "pack animals first, and dogs, but soldiers too." Ancient Greek physicians, Hippocrates and Galen, described skin lesions that were probably those of anthrax. Some medical historians believe that the "plague of Athens," 430-427 B.C. as recorded in Thucydides's "History of the Peloponnesian War," was probably anthrax. Thucydides describes symptoms of fever, bleeding, and "small pustules and ulcers," all consistent with a severe form of the anthrax infection.

In ancient Rome, Virgil's "Georgics" laments the shortage of animals caused by what appears to have been anthrax: "Now in droves she deals out death, and in the very stalls, piles up the bodies, rotting with putrid foulness."

For the next 2,000 years, animal and human anthrax ravaged Europe and Asia. At periodic intervals, plagues of anthrax swept across huge tracts of land killing massive numbers of livestock and people. In 1613, for example, 60,000 persons in southern Europe died of anthrax.

The disease was first recognized in North America during the colonial days. In Santo Domingo in 1770, about 15,000 people are reported to have died from intestinal anthrax contracted by eating diseased meat. The first recorded human case of anthrax in the United States occurred in Philadelphia in 1834.

In the late 19th century, anthrax contributed to two medical breakthroughs. The first came in 1876 when the German physician Robert Koch confirmed the bacterial origins of anthrax. Koch grew the organism bacillus anthracis in pure culture. He demonstrated its ability to form endospores, and produced experimental anthrax by injecting it into animals. This was the first microorganism ever specifically linked to a disease and demonstrated that germs cause disease.

Just 5 years later, in 1881, anthrax again contributed to medical history when the legendary French chemist, Louis Pasteur, produced a vaccine that helped prevent anthrax infection in animals. This made anthrax the first disease to be prevented by a vaccine.

Inspired by Pasteur's contributions to control anthrax in animals, in 1895, an Italian investigator named Achille Sclavo developed a serum for the treatment of anthrax in humans. Since then, the treatment of human anthrax has been further refined and the introduction of a succession of drugs, including penicillin, tetracycline, and, I must say, Cipro.

Throughout the 20th century, despite all the progress that had been made in identifying and fighting the disease, naturally occurring anthrax has continued to take a heavy and widespread toll on the world's population, both animal and human. Cases of livestock being devastated by anthrax were reported every year throughout the world, with Spain, Albania, Italy, Romania, Turkey, Greece, and Russia suffering significant outbreaks on a regular basis. In 1945, an anthrax outbreak in Iran killed more than a million sheep. In the United States, an outbreak of anthrax in Kansas and Oklahoma in 1957 killed 1,500 head of cattle, numerous pigs, horses, and sheep.

In the United States, there have also been scattered, fatal cases of inhalation anthrax. Between 1930 and 1960, there was a football player who may have contracted the disease from playing-field soil, a San Francisco woman who beat bongo drums made of infected skin, a construction worker who handled contaminated felt, and several gardeners whose infections were traced to contaminated bone meal fertilizer. In Manchester, New Hampshire, in 1957, inhalation anthrax killed four woolen-mill workers. In the same year, a man and a woman living near a Philadelphia tannery also died of inhalation anthrax.

The most deadly human anthrax epidemic in the 20th century occurred in Zimbabwe between 1979 and 1985. More than 10,000 people were infected, and at least 182 cases were fatal.

But, it was in the 20th century that the history of anthrax took on another lethal dimension—anthrax became a weapon of war.

Biological warfare, of course, was not novel to the 20th century. The Romans fouled water supplies of their enemies by dumping the rotting corpses of people and animals into the wells of their enemies. The Mongols catapulted the cadavers of persons who had succumbed to bubonic plague inside the town walls of cities they had besieged. The British, and later white Americans, destroyed Indian tribes by giving them disease-infected clothing.

But it was in the 20th century that mankind started developing, experimenting with, and then deploying anthrax as a weapon of war.

World War I is well remembered for introducing poison gas into warfare. But, during that war, Germany also established a large biological weapons program that involved anthrax. They infected livestock exports, bound for Russia and Allied countries, with the disease. In Norway, police arrested German agents carrying vials of anthrax bacteria with which the agents intended to infect reindeer being used to carry supplies to the Allied forces in Europe. In the United States, German agents were reported to have injected horses, mules, and cattle with anthrax.

International revulsion at the horrors of World War I included a revulsion against chemical and biological weapons, and this led to the Geneva Protocol of 1925. This treaty, which 28 nations signed, prohibited the use of both chemical and biological weapons in war.

The high hopes for this treaty were never achieved because it only banned the use of biological weapons in war, and did not expressly forbid their production and development. Furthermore, several nations, including the United States, reserved the right to use biological weapons in reprisal if first used against them—thus implicitly maintaining the right to develop and stockpile the weapons.

The failure of the treaty was revealed in the early stages of World War II, when imperial Japan began a massive, deadly biological warfare program in Manchuria, the infamous "Unit 731," which included the development and use of anthrax. Japanese scientists conducted experiments on Chinese prisoners, while the Japanese military targeted both the Chinese military and civilians as well as Manchurian civilians with anthrax weapons, killing thousands.

There is no indication that Nazi Germany had any investment in biological weapons capability. According to Jeanne Guillemin, who has researched and written extensively on anthrax, a directive from German dictator Adolph Hitler forbade research on offensive biological weapons. However, late in the war, Guillemin writes, it appears that some of Hitler's subordinates, notably Reich Marshal Herman Goring, began supporting research on biological weapons at a small secret facility in Poland, but the war ended before the effort produced any results.

Meanwhile, Allied governments had stepped up full scale anthrax-based biological warfare programs. In 1942, the British military experimented with explosives testing involving anthrax spores on an island just off the coast of Scotland. It would take the British 36 years, 280 tons of formaldehyde, and 2000 tons of seawater to decontaminate the island.

In 1943, the United States began developing anthrax weapons. By the next year, 1944, American engineers, at what is now Fort Detrick, MD, had produced 5,000 anthrax bombs for use by the Allied forces, but they were never deployed.

After World War II, the United States and the Soviet Union engaged not only in a full-scale, nuclear arms race, but also in a biological weapons race as well. At times, the cost was high, in human as well as financial terms. In 1951, for example, two Fort Detrick employees died after exposure to anthrax. Neither country, however, was deterred. The cold war was underway and so was the effort to develop deadly weaponry. Therefore, both countries continued stockpiling germs as well as nukes.

In 1969, President Richard Nixon had finally had enough. After reviewing the extensive U.S. investment in offensive biological weapons, he declared: "Mankind already carries in its own hands too many of the seeds of its own destruction." He terminated the American offensive biological weapons program and began championing a British proposal that called for an international treaty to ban biological weapons, an effort that resulted in the Biological Weapons and Toxins Convention and Treaty of 1972. Since then, 140 states have signed the treaty agreeing to halt research directed at the offensive use of biological weapons.

The high hopes for this treaty were smashed when both the United States and Soviet Union interpreted the treaty in such a way as to allow ongoing research on more than 200 projects. The failure of the treaty was vividly and tragically demonstrated in April, 1979, when an anthrax outbreak at a military microbiology facility in the Soviet Union killed about 70 people.

The end of the cold war failed to end the threat of biological weapons. Because they are deadly, cost-effective weapons to produce—a major biological weapons program requires only about $10,000 worth of equipment and a 16x16 square-foot room—biological weapons became a weapon of choice for international terrorists. Domestic as well as foreign terrorist organizations have been caught attempting to unleash anthrax upon innocent civilians. In the 1990s, the Japanese terrorist cult that attacked the Tokyo subway system with sarin gas, also released anthrax on Tokyo near the imperial palace, the legislature, and a foreign embassy. Fortunately, no one was injured.

What these terrorist groups or nations could not produce themselves, American companies have been ready to provide.

According to a 1994 Senate report, private American suppliers, licensed by the U.S. Department of Commerce, exported biological and chemical materials to Iraq from 1985 through 1989. Newsday reported that one American company alone made 70 shipments of the anthrax-causing germs and other pathogenic agents to Iraq in the 1980s.

Mr. President, I find it unfortunately ironic that American companies were supplying anthrax to a nation with which, just a few years later, we were at war, thus forcing American soldiers to face the prospects of encountering those same germs on the battlefield. I find it tragically ironic that American companies were selling anthrax to a country that the State Department now includes on its lists of states that sponsor terrorism—a nation that may now be participating in anthrax attacks upon the United States.

I realize that Iraq had been at war with Iran, and Iran was our bigger enemy at the time. Therefore, it may have served our military and political interests to have been shipping supplies of anthrax to Iraq. But, I have to ask, shouldn't we have been a little more careful about which countries we supplied with such potentially deadly weapons? We realized the danger in the proliferation of nuclear weapons. Why shouldn't we have been as vigilant with biological weapons? We may now be paying the price for our negligence!

I also realize that this is hindsight, and, as they say, hindsight is twenty-twenty. The worst private's hindsight, they say, is better than the best general's foresight.

We have recently had foresight—warnings that have been ignored.

A short time ago, the U.S. Commission on National Security/21st Century, referred to as the Hart-Rudman Commission, pointed out:

> biological weapons are the most likely choice of means for disaffected states and groups of the 21st century.

Two years ago, in testimony before the Senate Foreign Relations Committee, CIA Director George Tenet pointed out:

> There are a number of terrorist groups seeking to develop or acquire biological and chemical weapons capabilities. Some such groups—like Usama bin Ladin's—have international networks, adding to uncertainty and the danger of a surprise attack.

Last April, the State Department, in its "Patterns of Global Terrorism," pointed out:

> Most terrorists continue to rely on conventional tactics . . . but some terrorists—such as Usama bin Laden and his associates—continue to seek chemical, biological, radiological, and nuclear capabilities.

There were plenty of warnings that an archenemy of the United States, an archenemy determined to kill as many Americans as he could, could well unleash this ancient scourge upon America.

Who among us could have truly comprehended beforehand the horror of September 11? It is difficult enough to understand even after the fact.

But if history teaches us anything, it is that we should never underestimate the enduring power of evil. No science fiction writer ever wrote of anything as horrible as the Nazi Holocaust. It took an evil madman and his fanatical followers to make it a reality.

Now we are faced with another madman and his fanatical followers. We cannot allow ourselves to ever again underestimate him or others like him.

ATTACK ON HAITIAN NATIONAL PALACE

Mr. DEWINE. Mr. President, I want to take a moment—I see my colleague waiting to speak, and I ask him if he will indulge me 5 more minutes—to talk about something that happened very early this morning in this hemisphere that I think does, in fact, affect all of us in this country.

Today we are faced with a very grave situation in Haiti. Early this morning, armed gunmen stormed the National Palace in Haiti apparently in an attempted coup. While the Haitian police have apparently regained control of the building, the violence in Port-au-Prince seems to have just begun.

In apparent retaliation for the palace attack, hundreds of President Aristide's supporters have surrounded the palace wielding machetes and sticks. Recent reports also indicate that supporters have torched the headquarters of the Convergence opposition alliance, as well as other headquarter buildings of the 15-party alliance.

It is also my understanding homes of opposition leaders have now come under attack.

Now, more than ever, it is essential that President Aristide call for peace and push for domestic order. Continued violence and retribution will do nothing but cause further instability and upheaval. Candidly, I fear that Haiti may be ready to implode. President Aristide has an obligation to take his immense popularity and use that popularity to talk directly to the people of his country and make it clear to them and his supporters that taking revenge on people who they think may have been involved in the coup or taking revenge on the parties that oppose President Aristide is not in the best interests of Haiti. He has an obligation to do that, and I call upon him to do that and to help stop the violence.

As my colleagues well know, Haiti's political system has been in turmoil for quite some time. The most recent crisis stems from last year's contested elections. After 17 visits to the country by the mediator appointed by the Organization of American States, there has been no agreement yet reached.

Both the Haitian Government and the opposition coalition continue to avoid a compromise. Both the opposition parties and the President of Haiti have an obligation to go further than they have gone to try to work out their differences. They need to do that for the benefit of the impoverished people of Haiti. Ultimately, it is the Haitian people who suffer from this continued dispute.

Today we are faced with a country of about 8 million people who grow more and more impoverished, if that is possible, with each passing day. Haiti is already by far the poorest country in the hemisphere. We are faced with a country whose poverty and instability continue to deepen.

This despair has erupted into violence, violence that threatens the very stability of the Aristide government. That is why it is especially important Mr. Aristide and the Haitian Government show leadership and push for order in Port-au-Prince.

I urge Mr. Aristide not to condone further violence or retribution. I also urge anyone who is trying to stage a coup to respect the popularly elected Government of Haiti.

I also urge Mr. Aristide to move forward with OAS efforts to bring an end to Haiti's continued political crisis and bring about positive change. Similarly, I encourage the opposition coalition and its followers to show restraint and work toward a peaceful solution.

I conclude by saying the United States continues to be a friend to the Haitian people. At present, there are no holds on bilateral and U.S. humanitarian assistance to the Haitian people and we are, in fact, providing over $55 million this year alone. There is, however, other money that is being withheld. The American Development Bank, for example, this money will continue to be withheld until there is a political settlement in Haiti, a settlement that must take place. Until the Haitian Government calls for an end to violence, including today's retribution, and distances itself from the kidnappings, political killings, and corruption, then innocent Haitian people will continue to suffer.

I thank my colleague for allowing me to proceed. I have spoken many times about the situation in Haiti. I will continue to do so. I am planning to actually travel to Haiti next month. This is a situation that ultimately is of grave concern to the United States, but ultimately we must realize, as the people of Haiti and this Government must realize, the future of Haiti is in their hands, not in ours. Settling the political disputes, restoring the peace, is in the hands of the Haitians. We call upon them to do that.

I yield the floor.

TRIBUTE TO CUBA WADLINGTON, JR.

Mr. NICKLES. Mr. President, I rise today to honor and pay respect to a great man who was also a great builder: a builder of pipelines, a builder of communities and a builder of dreams. Cuba Wadlington, Jr., president of Williams Gas Pipeline, died on Sunday, December 9, in Tulsa, OK. He was the quintessential pipeline executive. Over the last two decades, there was no one more driven to conceive and build interstate natural gas pipeline projects. The Kern River pipeline, his first, was the longest pipeline built in the 1990's and was the first interstate pipeline to be built into California. His vision also produced Gulfstream pipeline, the first line to connect Alabama and Florida by laying pipe on the floor of the Gulf of Mexico. These projects are a part of the 28,000 miles gas pipeline system that is Williams'. Those who know Cuba also know that he had a passion for Alaska and his early and current work were focused on building a pipeline to bring natural gas from Alaska to the lower 48 States.

However, Cuba had more than just a passion to bring new sources of gas supply to new customers in new States. He had compassion to build up people and the communities in which they lived. Most recently, he worked to raise $30 million for the United Way. A passionate golfer, Cuba was seen nationwide as he appeared in a television commercial with Tiger Woods championing the Woods Foundation through the Williams World Challenge, a PGA golf tournament raising money for children. He was also the chairman-elect of the United Way of America and on the boards of Up with People International, the Tulsa Philharmonic Society, the Nature Conservancy, the March of Dimes and on the Executive Committee of the Indian Nations Council of the Boy Scouts of America.

Beyond communities and children, Cuba was also a champion of his employees. He was a leader in promoting diversity of ideas, cultures and backgrounds. He worked within Williams on its workforce initiatives and on opportunities to attract and advance minority talent.

Cuba often stated his belief that "to be a true leader you must have a vision for the future and be ruthlessly committed and focused on making that vision a reality. True leaders have the capacity to take a diverse group of employees from all levels and deploy strategies that optimize their capabilities. Leaders do not surround themselves with people in their own image, instead they surround themselves with a diverse and highly talented workforce." I find these great words to live by, from an outstanding leader whose many contributions will be greatly missed.

Cuba was born in Arkansas, held degrees from Washington University and St. Louis University and served his country in the U.S. Marine Corps. His service with Williams spanned 22 years. Our thoughts and prayers go out to his wife Ann, their two children and their three grandchildren. His positive contribution to numerous employees, countless friends and all Oklahomans is greatly appreciated.

ENERGY AND THE ENVIRONMENT

Mr. JEFFORDS. Mr. President, I rise today to address the impact of our existing energy policies on America's environment and public health.

Energy touches every aspect of our lives, from the fuels that heat our homes and businesses, to the electricity that powers our lights, to the electricity that powers our lights, to the gasoline that runs our cars, airplanes and other forms of transportation.

Unfortunately, our current energy use comes at a price.

We are heavily dependent on oil imported from politically unstable areas of the world. Vehicle emissions are one of the major air pollutants, yet our vehicle fuel efficiency standards have been at a virtual standstill for more than a decade, and we have made very little movement toward real use of alternative, nonpetroleum fueled vehicles.

Emissions from our Nation's power plants degrade air quality, pollute our water, and contribute a whopping 40 percent of our national carbon dioxide emissions, the main cause of global warming. We in the Northeast live downwind from virtually the entire Nation. Pollution from many of the Nation's most industrialized regions makes its way to my State, bringing acid rain that is destroying Vermont's forests and lakes, and mercury that is contaminating our fish. Regional haze significantly reduces visibility in the Northeast, diminishing views in the Green Mountains and across our beautiful Lake Champlain, and affecting other of our most scenic natural areas.

So I have a very personal interest in how energy is used and developed in this country.

As chairman of the Environment and Public Works Committee, I also have a very strong interest in how energy use affects our national air quality, water quality, and wildlife. I am concerned about emissions that cause global warming, and that harm our natural environment and the health of our children, our seniors and those who suffer from respiratory diseases.

We must also manage to have affordable energy without having to destroy pristine natural areas such as the Arctic National Wildlife Refuge.

Nuclear energy is also an important component of our energy mix. We must find ways to deal with the environmental and public health risks associated with production, storage and disposal of nuclear energy. We must also thoroughly and quickly address facility security, an issue of compelling concern for nuclear as well as chemical plants following the attacks of September 11.

As chairman of the Senate EPW Committee, I have held numerous hearings on these issues. I have also introduced legislation that would mandate strict emissions standards and create incentives for the use of clean, alternative power. I have introduced legislation that would provide tax incentives to support alternative fuel and new technology vehicles. And I have introduced legislation to promote alternative energy sources through the use of renewable energy trading credits, through the establishment of matching funds to States to promote energy efficiency programs and through net metering which gives consumers credit for their own production of solar or wind energy.

I will continue to review emissions from the electricity and transportation sectors and related air, water and human health concerns in the EPW Committee in the upcoming session.

I wish to express my strong commitment to continuing to work with Senator DASCHLE and Senator BINGAMAN on legislation to advance our national energy policy in the right direction. I congratulate them on introduction of S. 1766, the Energy Policy Act of 2001: This comprehensive energy package sends a strong message about our need to achieve energy efficiency, and to diversify into clean, domestically produced renewable energy.

I applaud my colleagues for stepping forward on these issues. It is imperative that we create a national energy policy that will provide adequate and affordable energy supplies, but will leave a heritage of clean air, clean water and pristine wild places, while also reducing harmful carbon emissions that destabilize our global climate. Senators DASCHLE and BINGAMAN and their staffs have put in long hours to make this a consensus bill, and I commend them for their leadership on these complex issues.

Certainly there is much to support in the Daschle/Bingaman legislation.

I thank them for including a modified version of S. 950, the Federal Reformulated Fuels Act, a bill that was approved by the Senate Environment and Public Works Committee earlier this year. That inclusion should help reduce MTBE contamination of water supplies and enhance fuel suppliers' flexibility in meeting market demand. That part of the bill also includes a provision to grow the renewables share of the transportation fuels market. That benefits the environment and reduces our petroleum dependency.

I am glad to see provisions in the Daschle/Bingaman bill allowing those who generate wind, solar and other clean renewable energies to connect to the energy grid, and to receive credit for their renewables generation through net metering. These provisions are essential for allowing entry of renewable technologies into the market. While some issues in these provisions still need to be worked out, I strongly support addressing them in comprehensive energy legislation.

I also support the bill's provisions on efficiency standards for homes, schools and public buildings, as well as the efficiency standards for appliances and other consumer and commercial products.

I support the provisions that fund additional research and development for expanding our energy efficiency technologies, for reducing greenhouse gas emissions, and for promoting renewable energy.

Having long been a champion of energy assistance to low-income families, I applaud the provisions which increase funding for the Low Income Home Energy Assistance Programs, LIHEAP, the Weatherization Assistance Program and the State Energy Programs. Price spikes in home heating fuels hit low-income consumers the hardest. We should give strong support to these programs which help families pay their bills, and which address the underlying energy efficiency problems associated with high energy costs such as better airsealing, insulation, and furnace and cooling replacements.

The Daschle/Bingaman legislation also sets us on a path to seriously address global climate change. The bill directs the development of a comprehensive energy research and development strategy to reduce greenhouse gas emissions. It incorporates a sense-of-the-Senate resolution urging the administration to re-engage constructively on international negotiations on climate change. And, the legislation creates a mandatory greenhouse gas emission reporting and registry system.

For all its good provisions, however, the bill has several serious shortcomings. These shortcomings must be addressed if we are to meet our obligation for a clean, effective and responsible energy policy.

The renewable energy portfolio standard in the bill falls well below what is technologically achievable. In so doing, it fails to capitalize on the very realistic goal of significantly diversifying our energy supply with clean, domestic resources.

Consistent with my longstanding interest in renewable energy, in August of this year I introduced S. 1333, which sets a renewable portfolio standard, or RPS, of 20 percent by the year 2020.

An RPS is a market-based mechanism that uses tradable "renewable energy credits" to enable utilities to gradually increase the percentage of electricity produced from renewables such as wind, biomass, geothermal and solar energy. Twelve States, including Texas, have successfully enacted RPS requirements.

The U.S. Department of Energy's Energy Information Administration estimates that an RPS providing 20 percent of U.S. electricity from wind, solar, geothermal and biomass energy by 2020 would raise consumer electricity prices by only 0.7 percent in 2010, and by 2020, total consumer electric bills would actually be declining with an RPS. Yet, the Daschle/Bingaman bill imposes a requirement of only 10 percent by 2020.

I note that even this 10 percent is a vast improvement over existing proposals. The administration to date has refused to endorse any RPS, despite successful introduction of an RPS in Texas and other States. HR 4, the House-passed energy bill, contains no RPS. Instead, HR 4 directs approximately $30 billion in taxpayer subsidies to traditional oil, gas and coal production. This is both unwise and unacceptable.

It is essential that this Congress reverse the trend of overreliance on fossil fuels, a trend that weakens our national security and limits economic and technological opportunities in the energy and commercial sectors. Like most of my colleagues, I too believe we must decrease our dangerous addiction to foreign oil. However, this will not be accomplished by spending billions of dollars on subsidies to promote the status quo. In a world where the U.S. is 56-percent dependent upon foreign imports, but holds only 3 percent of the oil reserves, we are foolish at best to undervalue emerging renewable technologies. I will continue to work in the upcoming session with my colleagues and the administration to raise our commitment to wind, solar and other clean and domestically produced renewable energy by enacting a strong renewable portfolio standard.

I am encouraged by provisions in S. 1731, the farm bill being considered on the floor this week, that will provide mandatory spending to promote the expanded use and production of renewable energy in the agricultural sector.

The bill provides grants to farmers, ranchers and small businesses to convert biomass into fuels, chemicals and other products. It also finances the purchase of renewable energy technologies such as windmill turbines. It provides specific financial aid to rural electric coops and utilities to aid in the development of renewable energy, and requires Federal agencies to purchase biobased products.

These are types of creative measures needed to strengthen renewable energy in this country.

Comprehensive energy legislation must also address global climate change. Fossil fuel combustion accounts for more than 85 percent of U.S. greenhouse gas emissions.

While the Daschle/Bingaman bill does have many sound provisions addressing global climate change, I am deeply concerned that administration of the greenhouse gas database is not placed with the EPA. EPA is clearly the agency most qualified and appropriate to run this program. No other agency has the experience with air emissions data or the capability to run such a program more effectively. The Agency already collects detailed carbon dioxide emissions information from the utility sector, and leads the Federal agencies in preparation of the national inventory, pursuant to the Global Climate Protection Act of 1987 and other authorities. Placing this responsibility elsewhere in the Federal bureaucracy seems duplicative and illogical.

The Daschle/Bingaman Energy Policy Act of 2001 also leaves out several key provisions which are essential to a balanced energy policy. These include a public benefits trust fund, tax incentives for energy efficiency and renewable energy technologies, and updated CAFE, or corporate average fuel economy, standards. It is my understanding that it is the leader's intention to include provisions in all three areas before the bill comes to the floor.

A public benefits trust fund is necessary to provide local funding for clean energy programs, and to encourage energy efficiency in the electricity system. My bill, S. 1333, would establish a State matching grant program. Eligible areas on which the States can spend the grants include energy efficient programs; investments in promising renewable energy technologies; low-income energy assistance; and universal access to the transmission grid. I urge Senate DASCHLE to include a similar provision in any final energy package, along with other tax incentive programs for promoting renewables and energy efficiency.

As to CAFE standards, it almost goes without saying that improving the fuel efficiency of our cars and trucks is of the highest priority. The National Academy of Sciences tells us what we already know, which is that improving fuel efficiency will save consumers money, cut greenhouse gas emissions and decrease our dependence on foreign oil. Efficiency in both cars and trucks, and in the electricity sector, are essential to cutting emissions and addressing global warming.

As chairman of the Environment Committee, the environmental and public health impacts of emissions are on the top of my list of concerns. I will be considering legislation that would cap greenhouse gas emissions from the transportation sector, which is responsible for approximately one-third of U.S. emissions.

I look forward to working with Senators DASCHLE and BINGAMAN and my other colleagues to ensure strong provisions in the energy package to address these issues.

I also note that S. 1766 contains provisions that would exempt hydraulic fracturing, a natural gas production technique, from regulation under the Safe Drinking Water Act. Legislation proposing this has been referred to the EPW Committee, and I intend to hold hearings on this matter at the earliest possible time in the upcoming session. Once the EPW Committee has acted on this matter, it is likely I will have amendments to propose to this provision.

S. 1776 also reauthorizes the Department of Energy contractor provisions of the Price Anderson Act. The EPW Committee will be holding hearings early in the session on Price Anderson reauthorization of commercial nuclear powerplants licensed by the Nuclear Regulatory Commission, as well as on security at nuclear powerplants. Senator REID and I will work with the leader on appropriate language to be included in any energy package debated on the floor.

CBO ESTIMATE ON H.R. 3009

Mr. BAUCUS. Mr. President, on December 14, 2001, I filed report 107–126 to accompany H.R. 3009, a bill to extend the Andean Trade Preference Act, to grant additional benefits under the act, and for other purposes. At the time the report was filed, the estimates of the Congressional Budget Office were not available.

I wish to correct a statement made in the report as filed. At section VI.A, the report states that the Andean Trade Preference Expansion Act involves no new or increased budget authority. In fact, the wool provisions contained in section 201 of the bill involve $24 million in increased budget authority and outlays for fiscal year 2002 and $12 million in increased budget authority and outlays for fiscal year 2003.

I ask unanimous consent that a letter of transmittal and the CBO estimate be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 14, 2001.

Hon. MAX BAUCUS,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3009, the Andean Trade Promotion and Drug Eradication Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Erin Whitaker, who can be reached at 226–2720.

Sincerely,
BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 3009—Andean Trade Preference Expansion Act

Summary: H.R. 3009 would extend the period during which preferential treatments is provided to certain products of countries under the Andean Trade Preference Act (ATPA). In addition, the bill would provide preferential treatment under ATPA for additional articles, including certain footware and petroleum products. The bill also would provide certain ceiling fans and certain steam-generating boilers.

The Congressional Budget Office estimates that enacting the bill would reduce revenues by $43 million in 2002, by $218 million over the 2002–2006 period, and by the same amount over the 2002–2011 period. CBO also estimates that enacting the bill would increase direct spending by $24 million in 2002 and by $12 million in 2003. Because enacting H.R. 3009 would affect receipts and direct spending, pay-as-you-go procedures would apply.

CBO has determined that H.R. 3009 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3009 is shown in the following table.

	By fiscal year, in millions of dollars—				
	2000	2003	2004	2005	2006
CHANGES IN REVENUES					
Estimated Revenues	-43	-44	-49	-60	-23
CHANGES IN DIRECT SPENDING					
Estimated Budget Authority	24	12	0	0	0
Estimated Outlays	24	12	0	0	0

Basis of estimate

Revenues

Andean Trade Preference Expansion (Title I). ATPA expired on December 4, 2001. H.R. 3009 would extend the ATPA program until February 28, 2006. Several products of beneficiary countries would continue to receive preferential duty treatment if the bill were enacted. Based on information from the International Trade Commission and other trade sources, CBO estimates the ATPA program would reduce revenues by $17 million in 2002 and by $101 million over the 2002–2006 period.

Under current law, ATPA does not extend preferential treatment to footwear that is ineligible for treatment under the generalized system of preferences (GSP), tuna packed in cans, petroleum and certain products derived from petroleum, watches and watch parts containing material that is the product of countries not receiving normal trade relations (NTR) treatment, certain sugars and molasses, and certain leather goods. H.R. 3009 would allow the President to extend duty-free treatment to those products. CBO expects that all imports of these products would receive duty-free treatment.

Tuna packed in cans would receive duty-free treatment for amounts equal to 20 percent of United States production (in kilograms) for the preceding calendar year. Under current law, all imports of tuna packed in cans are subject to a tariff-rate quota. Global imports of tuna packed in cans are subject to a rate of duty of 6 percent when imports in kilograms are less than 20 percent of United States production. Thereafter, imports of tuna packed in cans are subject to a rate of duty of 12.5 percent. Based on information from the National Marine Fisheries Service, the United States Customs Service, and the International Trade Commission, CBO expects that imports from the ATPA program would rapidly fill the global quota for imports, and would continue to receive duty-free treatment until ATPA imports equaled the quantitative limit of 20 percent of U.S. production. Based on information from the above sources, CBO does not expect ATPA imports to exceed the global quota limit. CBO estimates that the provision that would alter the treatment for canned tuna would reduce revenues by $2 million in 2002 and by $10 million over the 2002–2006 period.

Under current law, certain apparel articles that are the product or manufacture of an ATPA beneficiary country are entitled to preferential treatment. The bill would allow apparel articles assembled from fabrics formed or knit-to-shape in the United States and certain other apparel articles to receive duty-free treatment. Apparel articles assembled from fabrics produced in the ATPA region would also receive preferential treatment if they do not exceed certain percentages of imports on apparel articles. All preferential treatment would expire after February 28, 2006. Based on information from the International Trade Commission, the Office of Textiles and Apparel in the Department of Commerce, and private-sector sources, CBO estimates that if enacted, all provisions that expand ATPA treatment to new products (including canned tuna) would reduce revenues by $19 million in 2002 and by $101 million over the 2002–2006 period.

Miscellaneous Trade Provisions (Title II). H.R. 3009 would provide temporary duty-free treatment to ceiling fans from Thailand through July 30, 2002. The bill also would provide duty-free treatment to certain steam or vapor generating boilers used in nuclear facilities through December 31, 2006. Based on information from the International Trade Commission and other trade sources, CBO estimates that, if enacted, these provisions would reduce revenues by $7 million in 2002 and by $19 million over the 2002–2006 period. H.R. 3009 also would alter a program that has provided refunds of duty to certain wool manufacturers. This change is detailed in the section describing changes to direct spending. CBO estimates that this provision would increase revenues by $1 million in 2002 and by $3 million over the 2002–2003 period.

Direct spending

Under current law, certain manufacturers of selected wool articles are eligible for refunds of duties paid on those articles. H.R. 3009 would change the method of which those payments to manufacturers are computed and would appropriate about $36 million for the payments, which must be made by April 2003. Based on information from the Customs Service, CBO estimates that this provision would increase direct spending by about $24 million in fiscal year 2002 and by about $12 million in fiscal year 2003.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up procedures for legislation affecting receipts or direct spending. The net changes in governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars—									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in receipts	−43	−44	−49	−60	−23	0	0	0	0	0
Changes in outlays	24	12	0	0	0	0	0	0	0	0

Impact on state, local, and tribal governments: The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Previous CBO estimate: On October 10, 2001, CBO transmitted a cost estimate for H.R. 3009 as ordered reported by the House Committee on Ways and Means on October 5, 2001. This estimate reflects changes to several provisions. The alteration of the tariff-rate quota program for imports of canned tuna from ATPA countries, the inclusion of preferential treatment for imports of ceiling fans from Thailand and certain steam or vapor generating boilers, the removal of the provisions affecting the Caribbean Basin Economic Recovery Act and the African Growth and Opportunity Act, and the alteration of the wool import program would further reduce revenues, relative to the earlier version of H.R. 3009, by $2 million in 2002, would lessen the reduction of revenues by $29 million over the 2002–2006 period, and would lessen the reduction of revenues by $45 million over the 2002–2011 period. The alteration of the wool import program would increase direct spending, relative to the earlier version of H.R. 3009, by $24 million in 2002, and by $36 million over the 2002–2003 period.

Estimate prepared by: Federal Revenues: Erin Whitaker (226–2720). Wool Refund Program: Mark Grabowicz (226–2860). Impact on State, Local, and Tribal Governments: Elyse Goldman (225–3220). Impact on the Private Sector: Paige Piper/Bach (226–2940).

Estimate approved by: G. Thomas Woodward, Assistant Director for Tax Analysis. Robert A. Sunshine, Assistant Director for Budget Analysis.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred August 14, 1991, in St. Petersburg, FL. Two gay men were shot with buckshot fired from a 12-gauge shotgun. The attacker, Christopher Scott Morris, was charged with two counts of aggravated battery in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

NATIONAL DRUG CONTROL POLICY

Mr. WELLSTONE. Mr. President, I rise today to provide a perspective on the recent Senate confirmation of John Walters to the position of Director of the Office of National Drug Control Policy. In the coming months, I intend to raise certain issues with Mr. Walters regarding his stated positions about the priorities of his office as it deals with our country's domestic drug policy, and I hope my colleagues will do the same.

First, I urge President Bush and Mr. Walters to keep their public commitment to focus on the severe addiction problems faced in our own country and to significantly improve the infrastructure of private and public drug and alcohol treatment and prevention programs. On May 10, 2001, President Bush made a firm public commitment to invest an additional $1.6 billion in new funding for drug and alcohol treatment over the next five years. Investing in drug and alcohol treatment is not only a critically important public health priority that will save the lives of millions Americans across this nation, it will also save tax dollars. Research has shown that health care, child welfare, and criminal justice costs decrease, and the productivity of individuals who receive proper treatment helps improve the health and the economy of our country as they return to work, pay taxes, and care for their families.

In addition to investing in public funding, John Walters and the White House Office of National Drug Control Policy should support the passage of full addiction treatment parity legislation so that private insurance can be the first line of defense for the millions of Americans who are employed, have health care, but are struggling with the disease of addiction, and are routinely denied adequate care. By contrast, federal employees enjoy full treatment parity for addiction treatment, and it is time for the rest of Americans to have this health care benefit as well. President Bush and John Walters should continue the support for improving private insurance coverage by supporting passage of full substance abuse parity legislation.

Strengthening the drug and alcohol treatment and prevention services has taken on greater importance in the aftermath of the tragedies of September 11th. Stress and trauma associated with these event, and the ensuing international events and economic downturn will continue to strain the personal, psychological, and economic resources of individuals and families across our nation. Unfortunately many of them will turn to drugs and alcohol as a way to cope with these pressures, and may develop serious addiction disorders. In a special report issued in response to the terrorist attacks, the National Institute on Drug Abuse reviewed the research literature and reported that, "Stress is one of the most powerful triggers for relapse in addicted individuals, even after long periods of abstinence. . . . Studies have reported that individuals exposed to stress are more likely to abuse alcohol and other drugs or undergo relapse." Researchers funded by the National Institute on Drug Abuse have reported increases in the street sales of drugs in New York City after the events of September 11th. Reports from drug treatment and prevention providers across the nation have shown an increase in the need for treatment and prevention services following these recent events.

Working to destigmatize the disease of addiction so that individuals who suffer from this disease will seek treatment is imperative. Americans will be looking to the President and John Walters as the Director of the Office of National Drug Control Policy to provide the leadership and to shape this message to the country that addiction can be successfully treatment, and to support this message by providing adequate funding. I urge John Walters to find innovative ways for the Office of National Drug Control Policy to work closely with recovering communities, national organizations, state associations of treatment and prevention providers, anti-drug coalitions, families, employers, and other community leaders to reduce stigma and promote recovery, treatment, and prevention nationwide.

Finally, President Bush has nominated a highly qualified individual, Dr. Andrea Barthwell, to serve as the Deputy Director for Demand Reduction for the Office of National Drug Control Policy. Dr. Barthwell is extraordinarily qualified for this position and the Administration would be fortunate to have her expertise readily available as the lead White House advisor on domestic drug and alcohol treatment and prevention issues. In addition to being a physician who has long practiced addiction medicine, Dr. Barthwell presently serves as the President of the American Society of Addiction Medicine and is on the board of three federal advisory committees for the National Institute on Drug Abuse, the Food and Drug Administration, and the

Center for Substance Abuse Treatment. Dr. Barthwell also has worked with policy makers at the highest levels of state and federal government. I urge the Senate to confirm Dr. Barthwell's nomination as soon as possible. Her contributions will be invaluable as the White House implements the President's addiction treatment expansion initiative, one which could go a long way to help our country effectively deal with the serious domestic drug addiction problem that it faces.

DEFENSE AUTHORIZATION

Mr. THOMAS. Mr. President, I rise to commend the fiscal year 2002 Defense authorization conferees, particularly Senator LEVIN and Senator WARNER, for retaining the language adopted by the Senate with regard to reforming the Federal Prison Industries.

During consideration of the Defense authorization bill, the Senate voted 74–24 to table an amendment that would have removed the Federal Prison Industries reform provision from the bill.

Section 821 of the bill, which has now been endorsed by the conference and adopted overwhelmingly by both the House and the Senate, ends FPI's "mandatory source" status as a supplier of products to the Department of Defense, DOD. When this bill becomes law, FPI will be required to compete for future Department of Defense contracts that have been previously monopolized under FPI's "mandatory source" status dating back to 1934. Most importantly, this provision will enable the Department of Defense to determine, for itself, whether the FPI can best meet the Department's needs in terms of price, quality, and time of delivery. If the DOD determines that the FPI product is not the best one available, the Department can purchase a more competitive product to meet its needs.

I would like to point out that by eliminating the Federal Prison Industries' mandatory source status, this reform affects another controversial marketing scheme that the FPI developed in recent years. As a result of this bill, the FPI will no longer be able to require Defense contractors to use their products. Let me give an example of what this means: when the Naval Facilities Engineering Command, NAVFAC, the Corps of Engineers, Air Force, or any other Defense agency issues a contract for architect-engineer, A/E, services, the A/E firm cannot be forced to specify FPI products, such as office furniture systems, in its designs and specifications. It is my view that architects and engineers should be free to specify products, such as modular office systems, interior design, and other products, that provide the highest quality design, best value, and greatest functionality to the Federal Government. Should the FPI continue to mandate that subcontractors use FPI products it would be in direct conflict with the underlying provisions of the Defense authorization language—in effect circumventing congressional intent.

Mr. President, I also want my colleagues to know that there are still a number of issues related to the practices of the Federal Prison Industries that Congress must address in the near future. Senator LEVIN and I have introduced a broader initiative—S. 1295—that seeks to make a number of needed, government-wide reforms affecting the sales and services by FPI. We are also working with the bipartisan team of Representatives HOEKSTRA, FRANK, COLLINS, MALONEY, and SENSENBRENNER of their companion bill, H.R. 1577. It is my hope that when we return in January, Congress will take up comprehensive Federal Prison Industry reform. It is also my strong desire that the Bush administration address this issue administratively. Many of the problems we are experiencing with the FPI have not been the result of legislative action, but rather administrative expansion. I look forward to working with Senator LEVIN and Senator WARNER in oversight of the implementation of this provision in the Defense Department's acquisition regulations.

I have a long record of interest in the issue of unfair government competition with the private sector. When the government needs commercially available products and services, the government should go to the competitive, private sector market to procure those services. Such full and open competition leads to the highest quality, the most fair and reasonable price, and the overall best value for the taxpayer. I am pleased the Congress is taking another step in that direction by enacting the FPI reforms in this bill. Once again, I commend Senator LEVIN and Senator WARNER for their leadership, and I thank them for the cooperation they have extended to me in this matter.

THE PACIFIC SALMON RECOVERY ACT

Mr. CRAIG. Mr. President, Senator BOXER introduced last Thursday, December 13, 2001, the Pacific Salmon Recovery Act that will grant Federal funding for State and Tribal salmon recovery efforts in California, Idaho, Oregon, Washington, and Alaska. I would like to thank her and her staff for their hard work and for Senator BOXER's determination to have a bipartisan bill on salmon recovery. I also would like to thank my colleague from Idaho, Senator CRAPO, Senators SMITH and WYDEN from Oregon, and Senator FEINSTEIN from California, for their valuable input that clearly helped to create responsible and effective bipartisan legislation to recover salmon. I enjoyed working with all of them and their staff.

For over 20 years, California, Idaho, Oregon, Washington, and Alaska, have attempted mightily to sustain salmon runs in river basins throughout the West and, along with the Federal Government, have invested billions of dollars in that effort.

Many individual citizens in my State of Idaho and some special interest groups from around the country have quite frequently criticized justly the expenditures of these large sums of money for salmon recovery. The criticism often pointed to poor coordination among State, Federal, and Tribal fish and wildlife agencies, as well as to ineffective recovery programs developed either by those agencies or under their supervision.

The Pacific Salmon Recovery Act, S. 1825, takes aim at these infirmities and establishes a framework that will ensure better coordination and more effective recovery programs. I am convinced that we'll get better "bang for the buck" if this bill is enacted.

However, salmon recovery is complex. Recent scientific research has underscored the difficulty in finding quick solutions to salmon recovery. Scientists have been candid in stating unequivocally that there is no "silver bullet" that can cure what is causing diminishing salmon returns. The focus on dam removal during the last several years has retarded progress in recovering salmon. The majority of a salmon's life cycle is spent in the ocean. It is there that the salmon nourishes itself and prepares for the arduous journey back to spawning areas. What is becoming increasingly clear from new ocean research is that warm ocean temperature is causing a severe reduction in the ocean's salmon carrying capacity. More research in this area will provide helpful insight as to what can be done to adjust to that devastating fact. The recent change to colder Pacific Ocean temperatures is widely credited for the record salmon returns that the Pacific Northwest has experienced this year. It is my hope that a more open dialogue on ways to approach salmon recovery will ensure continued progress on effective measures that will both recover these fish and protect the economy of the West. It is my belief that this bill will enhance the prospect of achieving that goal.

There are many good provisions in this bill. For example, it authorizes $350 million a year over the next five years to be spent on salmon recovery, a sizable amount that I hope will be appropriated by Congress each of those years. But I would like to highlight the peer review provisions in particular. Those provisions require each State or Tribal science based recovery activity to undergo scientific peer review before that activity will be funded with Federal money. It is modeled on the very successful peer review requirement contained in the Northwest Power Act for State and Tribal salmon recovery programs that get Pacific Northwest ratepayer money.

Ensuring accountability for large expenditures of taxpayer money is essential to keep the trust of the American taxpayer.

The American taxpayers are entitled to a fair accounting and an objective review of the underlying science that supports many of the very expensive recovery plans, particularly the salmon supplementation and habitat restoration programs, that will be developed by the States and participating Tribes.

The peer review requirement in this bill will provide the reasonable assurances of competency for those expensive programs that the taxpayer deserves.

Again, I thank my colleagues from Idaho, California, and Oregon for their strong support and commitment to include Idaho in the quest to achieve successful salmon recovery in the West and for their tireless efforts over the last several months to draft the appropriate legislative framework in which to accomplish the complex task of recovering those marvelous and important fish.

TOP GOVERNMENT ETHICS AWARD

Mr. ROCKFELLER. Mr. President, today I am proud to highlight the recognition given to the Department of Veterans Affairs for the outstanding job they have done and the recognition they are receiving for their employee ethics programs.

The Office of Government Ethics has announced that VA's Office of General Counsel received their Outstanding Ethics Program Award. The award was presented on December 13 by Amy Comstock, the director of the ethics office.

VA has the largest centralized ethics program in the Federal Government and is the second largest Federal department with 219,000 employees scattered nationwide and hundreds of facilities. Ethics issues are administered through the Office of General Counsel, both in VA's central office and through its 23 regional counsel office, who review financial disclosure reports and conduct annual ethics training. These efforts are supported by human resources staff.

In addition, VA's ethics issues are particularly complex. VA's mission is so broad and many of its employees have outside activities. For example, many VA physicians are also on faculty at affiliated universities and conduct outside research.

It is critical that our Federal agencies live up to the expectations of the Americans people, particularly of the nation's veterans whom we serve. This award demonstrates how a centralized and proactive approach can yield tremendous results. I am pleased to see VA's efforts being recognized.

ADDITIONAL STATEMENTS

REAR ADMIRAL (SELECT) PATRICK W. DUNNE, USN

• Mr. WARNER. Mr. President, I rise today to recognize and honor Captain Patrick W. Dunne, United States Navy, as he departs the Navy's Office of Legislative Affairs and assumes command of U.S. Naval Forces in Guam. Captain Dunne is a Naval Officer of the finest caliber who has established an impeccable reputation in the Navy and with the Congress through his multiple tours as a Congressional Liaison.

A career submariner, Captain Dunne graduated from the United States Naval Academy in 1973. As a junior officer, he has served with distinction at sea, both in the fast attack submarines USS *Batish* and USS *Baton Rouge*, and the fleet ballistic missile submarine USS *Nathanael Greene*. In May 1985, Captain Dunne was selected as Naval Aide to President Reagan. In addition to his normal duties, he was responsible for the coordination of all military support for the Reykjavik Summit with President Gorbachev. Following this eventful tour, Captain Dunne assumed command of the attack submarine USS *Baltimore*, home ported in Norfolk, VA. During his command, *Baltimore* completed a deployment to the Mediterranean Sea and the operational evaluation of one of the Navy's newest submarine sonar systems.

Captain Dunne then began his first of three tours at the Navy's Office of Legislative Affairs as the Congressional Liaison Officer for Submarine Programs. Following this tour, Captain Dunne returned to sea, assuming command of the submarine tender USS *Frank Cable* home ported in Charleston, South Carolina. Under his command, *Frank Cable* was awarded the Meritorious Unit Commendation for its exceptional support of the submarines assigned to Submarine Squadron Four. Subsequent staff tours include serving as the Head, Plans and Programs for the Director, Submarine Warfare on the Chief of Naval Operation's staff, and his second tour in the Office of Legislative Affairs, this time as the Director of Naval Programs. Captain Dunne was next selected to serve as the Chief of Naval Operations' Special Assistant for Joint Matters and he then returned to the Office of Legislative Affairs for the third time as the Deputy Chief of Legislative Affairs.

The Department of the Navy, Congress, and the American people have been served well by this dedicated naval officer. Members of this Congress will not soon forget the leadership, service, and dedication of Captain Pat Dunne. He will be missed. We wish Pat, and his lovely wife Dianne, our very best as he continues his already distinguished career.•

BERNICE FOX

• Mr. DOMENICI. Mr. President, I rise to recognize a long-time New Mexican, Bernice Fox, who is retiring after an amazing record of service in the public and private sectors. Her work in these areas has spanned 63 years, a most remarkable achievement.

Bernice Fox, born in Bloomington, Illinois in 1920, has lived in New Mexico for almost 40 years. In the private sector, she owned and operated motels and apartments, and she worked as a legal secretary for several New Mexican attorneys.

In 1993, instead of enjoying the retirement that most of us would be seeking at the age of 73, Bernice Fox began still another career in support of the Department of Energy at the Waste Isolation Pilot Plant in Carlsbad, New Mexico. She was present to witness the opening of that remarkable facility, the world's only permanent repository for transuranic radioactive wastes.

Now Bernice Fox is planning to retire from the Department of Energy at the end of this year. I salute her for her long service to the citizens of New Mexico and the nation. Whether her next career involves real retirement or still another challenge, I salute Bernice Fox on her long history of contributions.

Bernice Fox is being honored with her own special day by proclamation of the Governor of New Mexico. It is only fitting that Congress further honor her with this statement today.•

TRIBUTE TO GEORGE A. BANDOUVERES

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to George Bandouveres of Rollinsford, NH, for being honored with World War II medals for acts of bravery. George, a veteran of the U.S. Army, served his country with honor during World War II.

I admire the many veterans who have served America with courage and devotion. My own father, a naval aviator, was killed in a World War II related incident days before my fourth birthday.

As a Vietnam veteran, I admire the heroism of George Bandouveres. The medals he so bravely earned while serving in the 103rd Infantry Division are a tribute to his service to our Nation.

George was active in World War II campaigns including: Sicily, Naples-Foggia, Rome-Arno, southern France, Rhineland, and Central Europe. For his services he received military medals including: Bronze Star Medal, Good Conduct Medal, World War II Victory Medal, American Campaign Medal, European-Middle Eastern Campaign

Medal with bronze and silver service stars and a bronze service arrowhead, Combat Infantryman Badge and Honorable Service Lapel Button.

I was honored to help George secure the medals he acquired while serving in the U.S. Army during World War II. His courage and devotion to America are to be commended. It is truly an honor and a privilege to represent him in the U.S. Senate.•

TRIBUTE TO STEVEN P. BARBA

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Steve Barba of Dixville Notch, NH, on being named as the Business and Industry Association Lifetime Achievement Award winner for 2001. The Business and Industry Association Lifetime Achievement Award recognizes business leaders who have demonstrated a commitment to leadership in their profession, local community and the State of New Hampshire.

Steve is the president and managing partner of the Balsams Grand Resort Hotel in Dixville Notch. Since 1971, he and his three partners have owned the operating company for the 15,000 acre resort and have restored it to its original greatness. The hotel is a four-star resort which is designated as one of the Historic Hotels of America by the National Trust for Historic Preservation.

He has been actively involved as a legendary leader in community, state and national programs and has served organizations including: director of boards for Citizens Bank-New Hampshire, New Hampshire Public Television, New Hampshire Charitable Foundation and Mary Hitchcock Memorial Hospital. Steve is also a selectman for the town of Dixville.

A graduate of Michigan State University, he holds a B.A. and also did a year of graduate study there in English and American literature.

Steve has served the citizens of New Hampshire with dedication and charity. I commend him for his success as a leader in the business community and for his countless contributions to the community at large in Dixville and the State. It is truly an honor and a privilege to represent him in the Senate.•

TRIBUTE TO SAUL GREENSPAN

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Saul Greenspan of Manchester, NH, on being named as the Business and Industry Association of New Hampshire's Lifetime Achievement Award winner for 2001. The Business and Industry Association Lifetime Achievement Award recognizes business leaders who have demonstrated a commitment to leadership in their profession, local community and the State of New Hampshire.

Saul is the former owner and founder of the Waumbec Mills, Inc. in Manchester, NH. He is a former director of Merchants National Bank, First New Hampshire Banks and past-president of the Business and Industry Association.

He has been an active contributor to community programs in New Hampshire including: Manchester Community Chest, now known as the Greater Manchester United Way, Jewish Community Center, Temple Adath Yeshurun, Colby-Sawyer College, Northern Textile Association, Manchester Industrial Council and the Service Corps of Retired Executives. He also established and serves as the president of the Greenspan Foundation, a program which provides annual grants to the arts, higher education, youth services and religious organizations.

A graduate of Columbia College, he is married to Ethel DeHaan Greenspan. Saul and his wife have two daughters, Barbara Greenspan Jacobson and Jill Greenspan Schiffman.

Saul Greenspan has served the citizens of New Hampshire with dedication and charity. As a former small business owner, I commend him for his success as a leader in the business community and for his generosity to the charitable organizations of the State. It is truly an honor and a privilege to represent him in the Senate.•

TRIBUTE TO RALPH H. FRISELLA

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Ralph Frisella of Nashua, NH, for being honored with World War II medals for acts of bravery. Ralph, a veteran of the U.S. Army; served his country with honor during World War II.

I admire the many veterans who have served America with courage and devotion. My own father, a naval aviator, was killed in a World War II related incident days before my fourth birthday.

As a Vietnam veteran, I admire the heroism of Ralph Frisella. The medals he so bravely earned while serving in the 45th Army, 180th Division in Oran, Algeria, are a tribute to his service to our Nation. He remained with the 180th Division until the end of the war and later served as an MP in Germany.

Ralph was active in World War II campaigns including: Sicily, Naples-Foggia, Anzio, Rome-Arno, southern France, Rhineland, Ardennes-Alsace and Central Europe. He served 100 days of combat duty and received military medals including: Bronze Star Medal, Good Conduct Medal, American Campaign Medal, European-Middle Eastern Campaign Medal, WWII Victory Medal, Army of Occupation Medal with German Clasp, Combat Infantryman Badge and Honorable Service Lapel Button WWII.

I was honored to help Ralph secure the medals he acquired while serving in the U.S. Army during World War II. His courage and devotion to America are to be commended. It is truly an honor and a privilege to represent him in the Senate.•

TRIBUTE TO THE ROSEWOOD COUNTRY INN OF BRADFORD, NEW HAMPSHIRE

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Innkeepers Dick and Lesley Marquis of the Rosewood Country Inn of Bradford, NH on being named as Inn of the Year for 2002 by The Complete Guide to Bed & Breakfasts, Inns & Guesthouses in the United States, Canada and Worldwide.

I applaud the Rosewood Country Inn of Bradford for also being voted as the Most Romantic Bed & Breakfast/Country Inn by readers of Arrington's Bed & Breakfast Journal receiving top honors among more than 750 completing inns.

The Inn is located on 12 hilltop acres in the town of Bradford in the Dartmouth/Lake Sunapee Region of New Hampshire. The Rosewood offers 11 guest suites and was recognized for its sunlit porches, inviting common rooms, fireplaces and whirlpool tubs. With its early Victorian style in a historic setting, the Inn offers visitors an atmosphere of warmth and relaxation.

The Inn was founded in 1896, and was originally known as Pleasant View Farm. In the early 1900s, famous celebrities including Jack London, Gloria Swanson, Mary Pickford, Charlie Chaplan and the Gish sisters were among visitors who signed the Inn's guest register.

In the past, innkeepers Dick and Lesley have won other honors for their property being selected as One of New Hampshire's Eight Most Romantic Inns by Chronicle Books and Inn of the Year by the State of New Hampshire.

As a former small business owner, I commend Dick and Lesley for their entrepreneurial excellence and success. The people of New Hampshire and the country continue to enjoy the superior ambiance and hospitality at the Rosewood Inn each year. I congratulate the Rosewood Country Inn of Bradford and Dick and Lesley for their notable achievements in the hospitality industry and wish them continued success in the future. It is truly an honor and a privilege to represent them in the Senate.•

TRIBUTE TO MSGR. JOHN MOLAN

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Msgr. John Molan of Manchester, NH, for being awarded the Catholic Leadership Award from Saint Anselm College in Manchester, NH.

Msgr. Molan graduated from Saint Anselm College in Manchester and went on to study at Saint Mary's Seminary in Baltimore, MD, where he received a master's degree in social work. In his vocational career he has served many areas of the church including: director of Catholic Charities, pastor of several parishes, and vicar general of the diocese.

A veteran of World War II, he served as chaplain of the New Hampshire National Guard and was a member of the U.S. Army Reserve. As the son of a naval aviator who was killed in a World War II incident and a Vietnam veteran, I applaud Msgr. Molan's selfless dedication to America.

Msgr. Molan has served the citizens of New Hampshire with care and concern. I commend Msgr. Molan for being recognized for his outstanding service to the church and community and thank him for making a positive difference in the lives of so many of his brothers and sisters in the State. It is truly an honor and a privilege to represent him in the Senate.●

MESSAGE FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of January 3, 2001, the Secretary of the Senate, on December 14, 2001, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 78. A joint resolution making further continuing appropriations for the fiscal year 2002, and for other purposes.

Under the authority of the order of the Senate of January 3, 2001, the enrolled joint resolution was signed by the President pro tempore (Mr. BYRD) on December 14, 2001.

MEASURE PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 1833. A bill to amend the Public Health Service Act with respect to qualified organ procurement organizations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1631: A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to direct the Director of the Federal Emergency Management Agency to conduct a study to determine the resources that are needed for development of an effective nationwide communications system for emergency response personnel. (Rept. No. 107–127).

ADDITIONAL COSPONSORS

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 1009

At the request of Mrs. HUTCHISON, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1009, a bill to require the provision of information to parents and adults concerning bacterial meningitis and the availability of a vaccination with respect to such diseases.

S. 1220

At the request of Mr. BREAUX, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1220, a bill to authorize the Secretary of Transportation to establish a grant program for the rehabilitation, preservation, or improvement of railroad track.

S. 1663

At the request of Mrs. CLINTON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1663, a bill to amend title 4, United States Code, to add National Korean War Veterans Armistice Day to the list of days on which the flag should especially be displayed.

S. 1707

At the request of Mr. JEFFORDS, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1749

At the request of Mr. KENNEDY, the names of the Senator from Wisconsin (Mr. KOHL), the Senator from Florida (Mr. GRAHAM), the Senator from Maryland (Ms. MIKULSKI), the Senator from Connecticut (Mr. DODD), and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 1750

At the request of Mr. HOLLINGS, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1750, a bill to make technical corrections to the HAZMAT provisions of the USA PATRIOT Act.

S. 1782

At the request of Mr. WARNER, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1782, a bill to authorize the burial in Arlington National Cemetery of any former Reservist who died in the September 11, 2001, terrorist attacks and would have been eligible for burial in Arlington National Cemetery but for age at time of death.

S. 1819

At the request of Mr. BIDEN, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1819, a bill to provide that members of the Armed Forces performing services in the Republic of Korea shall be entitled to tax benefits in same manner as if such services were performed in a combat zone, and for other purposes.

S. RES. 182

At the request of Mrs. FEINSTEIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. Res. 182, a resolution expressing the sense of the Senate that the United States should allocate significantly more resources to combat global poverty.

S. CON. RES. 88

At the request of Mr. BIDEN, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. Con. Res. 88, a concurrent resolution expressing solidarity with Israel in the fight against terrorism.

AMENDMENT NO. 2376

At the request of Mr. WARNER, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from Missouri (Mr. BOND), the Senator from California (Mrs. FEINSTEIN), the Senator from Maine (Ms. COLLINS), the Senator from Wisconsin (Mr. FEINGOLD), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of amendment No. 2376 proposed to H.R. 3338, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2611. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2612. Mr. KENNEDY (for Mr. LIEBERMAN (for himself and Mr. VOINOVICH)) proposed an amendment to the bill S. 1271, to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small business concerns with certain Federal paperwork requirements, to establish a task force to examine information collection and dissemination, and for other purposes.

SA 2613. Mr. KENNEDY (for Mr. KERRY) proposed an amendment to the bill S. 1271, supra.

TEXT OF AMENDMENTS

SA 2611. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 941, line 4, strike the period at the end and insert the following:

Subtitle C—Income Loss Assistance

SEC. 1021. INCOME LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this subtitle as the "Secretary") shall use $1,800,000,000 of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying income losses for the 2001 crop.

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105–277; 114 Stat. 1549A–55), including using the same loss thresholds for the quantity and economic losses as were used in administering that section.

(c) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments not for crop disasters, but for income loss to carry out the purposes of this section.

SEC. 1022. LIVESTOCK ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall use $500,000,000 of the funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2001 losses in a county that has received an emergency designation by the President or the Secretary after January 1, 2001, of which $12,000,000 shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A–51).

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105–277; 114 Stat. 1549A–51).

SEC. 1023. COMMODITY PURCHASES.

(a) IN GENERAL.—The Secretary shall use $220,000,000 of funds of the Commodity Credit Corporation to purchase agricultural commodities, especially agricultural commodities that have experienced low prices during the 2001 crop year, as determined by the Secretary.

(b) GEOGRAPHIC DIVERSITY.—The Secretary is encouraged to purchase agricultural commodities under this section in a manner that reflects the geographic diversity of agricultural production in the United States, particularly agricultural production in the Northeast and Mid-Atlantic States.

(c) OTHER PURCHASES.—The Secretary shall ensure that purchases of agricultural commodities under this section are in addition to purchases by the Secretary under any other law.

(d) TRANSPORTATION AND DISTRIBUTION COSTS.—The Secretary may use not more than $20,000,000 of the funds made available under subsection (a) to provide assistance to States to cover costs incurred by the States in transporting and distributing agricultural commodities purchased under this section.

(e) PURCHASES FOR SCHOOL NUTRITION PROGRAMS.—The Secretary shall use not less than $55,000,000 of the funds made available under subsection (a) to purchase agricultural commodities of the type distributed under section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)) for distribution to schools and service institutions in accordance with section 6(a) of that Act.

SEC. 1024. COMMODITY CREDIT CORPORATION.

The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle.

SEC. 1025. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to funds otherwise available, not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to pay the salaries and expenses of the Department of Agriculture in carrying out this subtitle $50,000,000, to remain available until expended.

(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

SEC. 1026. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this subtitle.

(b) PROCEDURE.—The promulgation of the regulations and administration of this subtitle shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 1027. EMERGENCY DESIGNATION.

The entire amount made available by each of sections 1021 through 1023—

(1) shall be available only to the extent that the President submits to Congress an official budget request for the amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.); and

(2) is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

SA 2612. Mr. KENNEDY (for Mr. LIEBERMAN (for himself and Mr. VOINOVICH)) proposed an amendment to the bill S. 1271, to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small business concerns with certain Federal paperwork requirements, to establish a task force to examine information collection and dissemination, and for other purposes; as follows:

On page 13, line 23, strike "and".

On page 14, line 3, strike the period and insert "; and".

On page 14, insert between lines 3 and 4 the following:

"(5) examine the feasibility of measures to strengthen the dissemination of information."

SA 2613. Mr. KENNEDY (for Mr. KERRY) proposed an amendment to the bill S. 1271, to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small business concerns with certain Federal paperwork requirements, to establish a task force to examine information collection and dissemination, and for other purposes; as follows:

On page 11, line 9, strike "Director" and insert "head of each applicable department or agency (and in the case of paragraph (12) by the Director)".

On page 14, line 7, insert ", including any minority views of the task force," after "(c)".

On page 14, line 8, strike "and".

On page 14, line 12, insert "and Entrepreneurship" after "Business".

On page 14, line 16, strike the period and insert "; and".

On page 14, insert between lines 16 and 17 the following:

"(3) the Small Business and Agriculture Regulatory Enforcement Ombudsman designated under section 30(b) of the Small Business Act (15 U.S.C. 657(b))."

PRIVILEGE OF THE FLOOR

Mr. DODD. Mr. President, I ask unanimous consent that Patrick Rooney, a fellow in my office, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO AMEND CHAPTER 90 OF TITLE 5, UNITED STATES CODE, RELATING TO FEDERAL LONG-TERM CARE INSURANCE

Mr. KENNEDY. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2559, Calendar No. 235.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2559) to amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance.

There being no objection, the Senate proceeded to the immediate consideration of the bill.

Mr. KENNEDY. I ask consent the bill be read the third time, passed, the motion to reconsider be laid upon the table, all with no intervening action or debate, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2559) was read the third time and passed.

SMALL BUSINESS PAPERWORK ACT OF 2001

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 234, S. 1271.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1271) to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small business concerns with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small business concerns, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Paperwork Relief Act of 2001".

SEC. 2. FACILITATION OF COMPLIANCE WITH FEDERAL PAPERWORK REQUIREMENTS.

(a) REQUIREMENTS APPLICABLE TO THE DIRECTOR OF OMB.—Section 3504(c) of title 44, United States Code (commonly referred to as the "Paperwork Reduction Act"), is amended—

(1) in paragraph (4), by striking "; and" and inserting a semicolon;

(2) in paragraph (5), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(6) publish in the Federal Register and make available on the Internet (in consultation with the Small Business Administration) on an annual basis a list of the compliance assistance resources available to small businesses, with the first such publication occurring not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001.".

(b) ESTABLISHMENT OF AGENCY POINT OF CONTACT.—Section 3506 of title 44, United States Code, is amended by adding at the end the following:

"(i)(1) In addition to the requirements described in subsection (c), each agency described under paragraph (2) shall, with respect to the collection of information and the control of paperwork, establish 1 point of contact in the agency to act as a liaison between the agency and small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)). Each such point of contact shall be established not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001.

"(2) An agency described under this paragraph is—

"(A) any agency with a head that is listed at a level I position on the Executive Schedule under section 5312 of title 5; and

"(B) the Federal Communications Commission, the Securities and Exchange Commission, and the Environmental Protection Agency.".

(c) ADDITIONAL REDUCTION OF PAPERWORK FOR CERTAIN SMALL BUSINESSES.—Section 3506(c) of title 44, United States Code, is amended—

(1) in paragraph (2)(B), by striking "; and" and inserting a semicolon;

(2) in paragraph (3)(J), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(4) in addition to the requirements of this chapter regarding the reduction of information collection burdens for small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), make efforts to—

"(A) further reduce the information collection burden for small business concerns with fewer than 25 employees; and

"(B) eliminate any unnecessary paperwork burdens.".

SEC. 3. ESTABLISHMENT OF TASK FORCE ON INFORMATION COLLECTION AND DISSEMINATION.

(a) IN GENERAL.—Chapter 35 of title 44, United States Code, is amended—

(1) by redesignating section 3520 as section 3521; and

(2) by inserting after section 3519 the following:

"§ 3520. Establishment of task force on information collection and dissemination

"(a) There is established a task force to study the feasibility of streamlining requirements with respect to small business concerns regarding collection of information and strengthening dissemination of information (in this section referred to as the 'task force').

"(b) The members of the task force shall be appointed by the Director, and include—

"(1) not less than 2 representatives of the Department of Labor, including 1 representative of the Bureau of Labor Statistics and 1 representative of the Occupational Safety and Health Administration;

"(2) not less than 1 representative of the Environmental Protection Agency;

"(3) not less than 1 representative of the Department of Transportation;

"(4) not less than 1 representative of the Office of Advocacy of the Small Business Administration;

"(5) not less than 1 representative of the Internal Revenue Service;

"(6) not less than 2 representatives of the Department of Health and Human Services, including 1 representative of the Health Care Financing Administration;

"(7) not less than 1 representative of the Department of Agriculture;

"(8) not less than 1 representative of the Department of Interior;

"(9) not less than 1 representative of the General Services Administration;

"(10) not less than 1 representative of each of 2 agencies not represented by representatives described under paragraphs (1) through (9) and (11);

"(11) 1 representative of the Director, who shall convene and chair the task force; and

"(12) not less than 3 representatives of the small business community.

"(c) The task force shall—

"(1) recommend a plan for the development of an interactive Government application, available through the Internet, to allow each small business to better understand which Federal requirements regarding collection of information (and, when possible, which other Federal regulatory requirements) apply to that particular business;

"(2) identify ways to integrate the collection of information across Federal agencies and programs and examine the feasibility of requiring each agency to consolidate requirements regarding collections of information with respect to small business concerns, within and across agencies without negatively impacting the effectiveness of underlying laws and regulations regarding such collections of information, in order that each small business concern may submit all information required by the agency—

"(A) to 1 point of contact in the agency; and

"(B) in a single format, such as a single electronic reporting system, with respect to the agency;

"(3) examine the feasibility and helpfulness to small businesses of the Director publishing a list of the collections of information applicable to small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), organized—

"(A) by North American Industrial Classification System code;

"(B) industrial/sector description; or

"(C) in another manner by which small business concerns can more easily identify requirements with which those small business concerns are expected to comply; and

"(4) examine the savings, including cost savings, for implementing a system of electronic paperwork submissions.

"(d) Not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001, the task force shall submit a report of its findings under subsection (c) to—

"(1) the Director; and

"(2) the chairpersons and ranking minority members of—

"(A) the Committee on Governmental Affairs and the Committee on Small Business of the Senate; and

"(B) the Committee on Government Reform and the Committee on Small Business of the House of Representatives.

"(e) In this section, the term 'small business concern' has the meaning given under section 3 of the Small Business Act (15 U.S.C. 632).".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 35 of title 44, United States Code, is amended by striking the item relating to section 3520 and inserting the following:

"3520. Establishment of task force on information collection and dissemination.
"3521. Authorization of appropriations.".

SEC. 4. REGULATORY ENFORCEMENT REFORMS.

Section 223 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (c) and inserting:

"(c) REPORTS.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001, and not later than every 2 years thereafter, each agency shall submit a report to the Director of the Office of Management and Budget and the chairpersons and ranking minority members of the Committee on Governmental Affairs and the Committee on Small Business of the Senate, and the Committee on the Judiciary and the Committee on Small Business of the House of Representatives, that includes information with respect to the applicable 1-year period or 2-year period covered by the report on each of the following:

"(A) The number of enforcement actions in which a civil penalty is assessed.

"(B) The number of enforcement actions in which a civil penalty is assessed against a small entity.

"(C) The number of enforcement actions described under subparagraphs (A) and (B) in which the civil penalty is reduced or waived.

"(D) The total monetary amount of the reductions or waivers referred to under subparagraph (C).

"(2) DEFINITIONS IN REPORTS.—Each report under paragraph (1) shall include definitions of the terms 'enforcement actions', 'reduction or waiver', and 'small entity' as used in the report.".

Amend the title so as to read: "A bill to amend chapter 35 of title 44, United States

Code, for the purpose of facilitating compliance by small business concerns with certain Federal paperwork requirements, to establish a task force to examine information collection and dissemination, and for other purposes.".

Mr. KENNEDY. Senator LIEBERMAN and Senator KERRY each have an amendment at the desk, and I ask unanimous consent that each amendment be considered and agreed to and the motion to reconsider be laid upon the table en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 2612 and 2613), en bloc, were agreed to, as follows:

AMENDMENT NO. 2612

(Purpose: To provide for the task force to examine the feasibility of measures to strengthen the dissemination of information)

On page 13, line 23, strike, "and".

On page 14, line 3, strike the period and insert "; and".

On page 14, insert between lines 3 and 4 the following:

"(b) examine the feasibility of measures to strengthen the dissemination of information."

AMENDMENT NO. 2613

(Purpose: To modify the appointment of members of the task force, and for other purposes)

On page 11, line 9, strike "Director" and insert "head of each applicable department or agency (and in the case of paragraph (12) by the Director)".

On page 14, line 7, insert ", including any minority views of the task force," after "(c)".

On page 14, line 8, strike "and".

On page 14, line 12, insert "and Entrepreneurship" after "Business".

On page 14, line 16, strike the period and insert "; and".

On page 14, insert between lines 16 and 17 the following:

"(3) the Small Business and Agriculture Regulatory Enforcement Ombudsman designated under section 30(b) of the Small Business Act (15 U.S.C. 657(b))."

Mr. VOINOVICH. Mr. President, I am pleased that today the Senate will pass S. 1271, the Small Business Paperwork Relief Act of 2001.

As my colleagues know, small businesses are the backbone of our economy and significantly important to the fiscal health of the United States. Small businesses constitute more than 90 percent of this Nation's employers, employ 53 percent of the private workforce, and create approximately 74 percent of this country's new jobs.

While on the whole, America's small business owners are successful, the numerous Federal paperwork requirements that they must face has, I believe, have had a negative impact on further entrepreneurial growth in the United States. There is little doubt that America's small business owners could be even more successful if they were able to devote more time and resources to their businesses instead of mountains of Federal paperwork. That is why I introduced S. 1271. This "good government" legislation continues the efforts on the part of Congress to streamline and reduce paperwork burdens on small businesses and help increase the productivity of American business.

The Office of Management and Budget—OMB—has estimated that the Federal paperwork burden is 7.2 billion hours annually, at a cost of some $190 billion per year. Small business owners are particularly hurt by regulatory and paperwork burdens. The Small Business Administration—SBA—estimates that the costs to small businesses are a staggering $5,100 per employee. While many of these requirements are important and necessary, the high costs of understanding them and complying with them can sometimes prevent small businesses from being able to expand or even stay afloat. In some cases, this burden can deter entrepreneurs from opening in the first place.

The Small Business Paperwork Relief Act of 2001 will help improve the ability of small business owners to understand and comply with Federal regulations and paperwork mandates through the following helpful provisions:

A requirement for OMB to annually publish in the Federal Register and on the Internet a list of the compliance assistance resources available to small businesses;

A requirement for each Federal agency to establish a single point of contact to help small business owners fill out forms and comply with federal regulations;

A requirement for each federal agency to make further efforts to reduce paperwork for small businesses with fewer than 25 employees;

The establishment of an interagency task force to develop an interactive government web-site to help each small business owner understand which federal paperwork requirements and regulations apply to his or her business;

An amendment to the Small Business Regulatory Enforcement Fairness Act—SBREFA—to require that each agency maintain information on the number of enforcement actions in which civil penalties are assessed, the number of such actions against small entities, the number of such actions in which civil penalties are reduced or waived, and the monetary amount of each reduction or waiver.

As the bill was introduced just this past July, I am pleased that the Senate has taken action in considering this important legislation, and I am also pleased that the bill enjoys bipartisan support. I would particularly like to thank Senator BLANCHE LINCOLN for joining me in introducing this bill, and I thank the co-sponsors of S. 1271, Senators BOND, LEAHY, JEFFORDS, CONRAD, MILLER, LIEBERMAN, CARPER, CLELAND, BUNNING, THOMPSON, COLLINS, DAYTON, and KERRY for their strong support.

I also thank the many business groups who have helped us craft a solid bill with their suggestions and those who have lent their support to this legislation, particularly: the National Federation of Independent Businesses; the U.S. Chamber of Commerce; the American Farm Bureau Federation; the Cleveland Growth Association; the Associated Builders and Contractors; the National Association of Convenience Stores; the American Feed Industry Association; the National Association of Manufacturers; the National Tooling and Machining Association; National Small Business United; the National Restaurant Association; the National Pest Management Association; the Academy of General Dentistry; the American Road and Transportation Builders Association; the Small Business Coalition for Regulatory Relief; the Small Business Legislative Council; the Small Business Survival Committee; the Agricultural Retailers Association; the Associated General Contractors; the Automotive Parts and Service Alliance; the Food Marketing Institute; the National Automobile Dealers Association; the National Business Association; the National Roofing Contractors Association; the Society of American Florists, and the North American Equipment Dealers Association.

Further, I thank public interest groups such as OMB Watch for their valuable input. I also thank the administration for their support of this bill and for the valuable input of OMB in helping to make this bill more effective in helping our nation's small business owners. And since the House of Representatives passed a similar version of S. 1271 this past March, I hope that we will have a final bill for the President's signature very soon.

Once again, I am pleased that the Senate has acted to provide relief to small business owners. This bill will help save time and money and will allow small business owners the ability to better understand and comply with Federal regulations and paperwork requirements. It is good for the country and good for our economy and I thank my colleagues for their support in passing this bill today.

Mr. KERRY. Mr. President, I speak today in support of Senator VOINOVICH's legislation, the Small Business Paperwork Relief Act of 2001, as well as my amendment to improve the legislation for the benefit on America's small businesses.

While legislation such as the Regulatory Flexibility Act, and the Small Business Regulatory Enforcement Fairness Act have made great strides in helping to ease the regulatory burden on our small businesses, more work remains to be done.

In the report prepared by the Small Business Administration's Office of Advocacy on the recommendations of the

White House Conference on Small Business in 1995, the Office of Advocacy stated that.

> Federal, state and local governments impose numerous requirements on the operation of businesses. The burdens associated with these requirements are often exacerbated by substantial paperwork and recordkeeping requirements. In addition to the cost and administrative burdens, small and growing businesses have difficulty simply keeping abreast of the various regulatory and paperwork requirements.

Six years later, this statement is still true.

While I support the Small Business Paperwork Relief Act, I think it is important to point out that I objected to an original request to pass this legislation by unanimous consent because the Committee on Small Business and Entrepreneurship, which I chair, has jurisdiction over some of the issues included in this legislation. Additionally, the expertise of the Committee on issues of importance to small businesses can only serve to enhance any legislation designed to help our Nation's small businesses. That being said, Senator VOINOVICH and I have addressed my questions about the legislation and agreed to an amendment. I believe the bill is better because of our work.

The legislation originally called for the Director of the Office of Management and Budget to appoint members to the "Task Force" created in the legislation from the various agencies listed in the bill. Although I had no objection to the Task Force being led by the OMB Director, I did have reservations about the OMB Director selecting the participants, a function that should be vested with each agency head. The amendment makes this change.

Additionally, my amendment has a provision stating that in any report issued by the Task Force, minority views must be included. This provision has been added as a result of my consultations with SBA's Office of Advocacy, who were concerned that reports issued on small business issues may not reflect the views of small business advocates. By allowing minority opinions, any report issued by the Task Force will at the very least contain concerns raised by the small business community.

My amendment also adds the National Ombudsman to the list of recipients bi-annual reporting on the number of enforcement actions taken by agencies. The National Ombudsman, located at the SBA, serves as a confidential resource to field complaints and comments from small businesses about the regulatory process and actions taken by regulatory agencies. Additionally, the National Ombudsman rates Federal regulatory agencies on their treatment of small businesses and issues a report card. Therefore, I felt it appropriate that agency information regarding regulatory enforcement be shared with the National Ombudsman.

Finally, my amendment makes a technical change in the legislation to reflect the name change of the Senate Committee on Small Business to the Committee on Small Business and Entrepreneurship, which occurred on June 29th of this year.

I believe the changes my amendment makes will provide additional support for our small businesses suffering from paperwork burdens, and I ask my colleagues to support the amendment and the underlying legislation.

Mr. KENNEDY. I ask unanimous consent that the committee-reported substitute amendment be agreed to, the bill, as amended, be read the third time, passed, and the motion to reconsider be laid upon the table, and any statements relating thereto be placed in the RECORD. The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 1271), as amended, was read the third time and passed, as follows:

S. 1271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Paperwork Relief Act of 2001".

SEC. 2. FACILITATION OF COMPLIANCE WITH FEDERAL PAPERWORK REQUIREMENTS.

(a) REQUIREMENTS APPLICABLE TO THE DIRECTOR OF OMB.—Section 3504(c) of title 44, United States Code (commonly referred to as the "Paperwork Reduction Act"), is amended—

(1) in paragraph (4), by striking "; and" and inserting a semicolon;

(2) in paragraph (5), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(6) publish in the Federal Register and make available on the Internet (in consultation with the Small Business Administration) on an annual basis a list of the compliance assistance resources available to small businesses, with the first such publication occurring not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001.".

(b) ESTABLISHMENT OF AGENCY POINT OF CONTACT.—Section 3506 of title 44, United States Code, is amended by adding at the end the following:

"(i)(1) In addition to the requirements described in subsection (c), each agency described under paragraph (2) shall, with respect to the collection of information and the control of paperwork, establish 1 point of contact in the agency to act as a liaison between the agency and small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)). Each such point of contact shall be established not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001.

"(2) An agency described under this paragraph is—

"(A) any agency with a head that is listed at a level I position on the Executive Schedule under section 5312 of title 5; and

"(B) the Federal Communications Commission, the Securities and Exchange Commission, and the Environmental Protection Agency.".

(c) ADDITIONAL REDUCTION OF PAPERWORK FOR CERTAIN SMALL BUSINESSES.—Section 3506(c) of title 44, United States Code, is amended—

(1) in paragraph (2)(B), by striking "; and" and inserting a semicolon;

(2) in paragraph (3)(J), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(4) in addition to the requirements of this chapter regarding the reduction of information collection burdens for small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), make efforts to—

"(A) further reduce the information collection burden for small business concerns with fewer than 25 employees; and

"(B) eliminate any unnecessary paperwork burdens.".

SEC. 3. ESTABLISHMENT OF TASK FORCE ON INFORMATION COLLECTION AND DISSEMINATION.

(a) IN GENERAL.—Chapter 35 of title 44, United States Code, is amended—

(1) by redesignating section 3520 as section 3521; and

(2) by inserting after section 3519 the following:

"§ 3520. Establishment of task force on information collection and dissemination

"(a) There is established a task force to study the feasibility of streamlining requirements with respect to small business concerns regarding collection of information and strengthening dissemination of information (in this section referred to as the 'task force').

"(b) The members of the task force shall be appointed by the head of each applicable department or agency (and in the case of paragraph (12) by the Director), and include—

"(1) not less than 2 representatives of the Department of Labor, including 1 representative of the Bureau of Labor Statistics and 1 representative of the Occupational Safety and Health Administration;

"(2) not less than 1 representative of the Environmental Protection Agency;

"(3) not less than 1 representative of the Department of Transportation;

"(4) not less than 1 representative of the Office of Advocacy of the Small Business Administration;

"(5) not less than 1 representative of the Internal Revenue Service;

"(6) not less than 2 representatives of the Department of Health and Human Services, including 1 representative of the Health Care Financing Administration;

"(7) not less than 1 representative of the Department of Agriculture;

"(8) not less than 1 representative of the Department of Interior;

"(9) not less than 1 representative of the General Services Administration;

"(10) not less than 1 representative of each of 2 agencies not represented by representatives described under paragraphs (1) through (9) and (11);

"(11) 1 representative of the Director, who shall convene and chair the task force; and

"(12) not less than 3 representatives of the small business community.

"(c) The task force shall—

"(1) recommend a plan for the development of an interactive Government application, available through the Internet, to allow each small business to better understand which Federal requirements regarding collection of information (and, when possible, which other Federal regulatory requirements) apply to that particular business;

"(2) identify ways to integrate the collection of information across Federal agencies and programs and examine the feasibility of requiring each agency to consolidate requirements regarding collections of information with respect to small business concerns, within and across agencies without negatively impacting the effectiveness of underlying laws and regulations regarding such collections of information, in order that each small business concern may submit all information required by the agency—

"(A) to 1 point of contact in the agency; and

"(B) in a single format, such as a single electronic reporting system, with respect to the agency;

"(3) examine the feasibility and helpfulness to small businesses of the Director publishing a list of the collections of information applicable to small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), organized—

"(A) by North American Industrial Classification System code;

"(B) industrial/sector description; or

"(C) in another manner by which small business concerns can more easily identify requirements with which those small business concerns are expected to comply;

"(4) examine the savings, including cost savings, for implementing a system of electronic paperwork submissions; and

"(5) examine the feasibility of measures to strengthen the dissemination of information.

"(d) Not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001, the task force shall submit a report of its findings under subsection (c), including any minority views of the task force, to—

"(1) the Director;

"(2) the chairpersons and ranking minority members of—

"(A) the Committee on Governmental Affairs and the Committee on Small Business and Entrepreneurship of the Senate; and

"(B) the Committee on Government Reform and the Committee on Small Business of the House of Representatives; and

"(3) the Small Business and Agriculture Regulatory Enforcement Ombudsman designated under section 30(b) of the Small Business Act (15 U.S.C. 657(b)).

"(e) In this section, the term 'small business concern' has the meaning given under section 3 of the Small Business Act (15 U.S.C. 632).".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 35 of title 44, United States Code, is amended by striking the item relating to section 3520 and inserting the following:

"3520. Establishment of task force on information collection and dissemination.

"3521. Authorization of appropriations.".

SEC. 4. REGULATORY ENFORCEMENT REFORMS.

Section 223 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (c) and inserting:

"(c) REPORTS.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Small Business Paperwork Relief Act of 2001, and not later than every 2 years thereafter, each agency shall submit a report to the Director of the Office of Management and Budget and the chairpersons and ranking minority members of the Committee on Governmental Affairs and the Committee on Small Business of the Senate, and the Committee on the Judiciary and the Committee on Small Business of the House of Representatives, that includes information with respect to the applicable 1-year period or 2-year period covered by the report on each of the following:

"(A) The number of enforcement actions in which a civil penalty is assessed.

"(B) The number of enforcement actions in which a civil penalty is assessed against a small entity.

"(C) The number of enforcement actions described under subparagraphs (A) and (B) in which the civil penalty is reduced or waived.

"(D) The total monetary amount of the reductions or waivers referred to under subparagraph (C).

"(2) DEFINITIONS IN REPORTS.—Each report under paragraph (1) shall include definitions of the terms 'enforcement actions', 'reduction or waiver', and 'small entity' as used in the report.".

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE PLAN FOR ACTION PRESIDENTIAL COMMISSION ACT OF 2001

Mr. KENNEDY. I ask unanimous consent that the Senate immediately proceed to the consideration of H.R. 3442.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3442) to establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C., and for other purposes.

There being no objection, the Senate proceeded to the immediate consideration of the bill.

Mr. KENNEDY. I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3442) was read the third time and passed.

ORDERS FOR TUESDAY, DECEMBER 18, 2001

Mr. KENNEDY. I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m., Tuesday, December 18; that immediately following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the conference report to accompany H.R. 1; that the vote on adoption of the ESEA conference report originally scheduled for 11 a.m. occur at 12 noon, with the additional 60 minutes of debate equally divided between the chairman and ranking member of the HELP Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. KENNEDY. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:46 p.m., adjourned until Tuesday, December 18, 2001, at 9:30 a.m.

EXTENSIONS OF REMARKS

HONORING JAMES MARCEL CARTIER

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. CROWLEY. Mr. Speaker, on this three-month anniversary of the September 11th terrorist attacks on the United States, I rise to honor James Marcel Cartier, a constituent of mine whose body still lies in the rubble.

James' story is one of thousands. The second youngest child of seven in a close-knit Jackson Heights family, James was deeply loved by those who knew him. Soft-spoken, with a sunny disposition, he was quick to show affection, particularly towards his mother Carmen, who he adored. A devoted son, not a day passed when he did not visit his parents and inquire about their health, or run errands on their behalf.

A die-hard New York Knicks fan, his younger brother, Michael remembers his great laugh, big dimples, and giant smile. Two years apart in age, James and Michael were inseparable. They served as alter boys together, worked side by side in a neighborhood pizzeria together, and slept in the same room in their parents' basement until two years ago, when they moved out with a friend into a three-bedroom apartment in Astoria, Queens. "The first night there, we had trouble sleeping, because we weren't next to each other," said his brother. "And even after we moved out, he still went home all the time to have dinner with my parents."

James was devoted to his nephews, Best Man at Michael's wedding, a phone call away from any family member or friend that needed him, James was as generous as he was kind.

Mr. Speaker, on September 11th, 2001 this exemplary and sweet young man was working as an apprentice electrician in Local Union 3 at the AON Corporation on the 92nd floor of Tower Two. He had been on the job for two weeks.

Despite the grave danger he was in, when news of the explosion first reached him, his first thoughts were of his sister Michele, who was in World Trade Center Tower 1. James immediately called his brother John to tell him something had happened to Tower 1 and to come right away to find their sister. John and James agreed to meet on the street, but while John found Michele amidst thousands of petrified survivors, James was never to be seen by his family again.

James Cartier managed to speak four times with his siblings before the towers collapsed. Finally at 9:15, he spoke to his sister Marie from the 105th floor for the last time.

"I want you to tell Mom and Dad I love them more than anything. Make sure you let them know that James said he loved them."

When he died his father told the local papers that "all heaven stood silent, as this beautiful young man was destroyed." His body along with thousands of others has yet to be found in the devastation that the terrorists wrought on my city that fateful day. A memorial service honored his life, while the ashes of the victims hung heavy over New York for weeks as the sky stayed dark with grief.

Mr. Cartier is survived by his mother Carmen, his father Patrick Cartier, his sisters Jenny Farrell, Marie Cartier, Michele Cartier-Granieri, and his brothers John, Michael, and Patrick Cartier, Jr. Their sorrow is deep and their solace is knowledge that their son and brother now walks with the angels.

Mr. Speaker, please join me in recognizing Mr. James M. Cartier for his service to our country. He died doing his job as did so many that fateful day. May God Bless his family and his soul. Our Nation mourns his loss.

HONORING THE MEMORY OF CAROL LYNN CREEL McDONNOLD

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. RADANOVICH. Mr. Speaker, it is with great sadness I rise today to commemorate the passing of a very dear friend yesterday, California resident and Oklahoma native, Carol Lynn Creel McDonnold. Carol Lynn was a devoted wife, daughter, sister, aunt and friend to many and her early death is a great loss. The world is a little darker today and she will be greatly missed.

We send our heartfelt condolences to her husband Steve and her entire family. Steve, Carol Lynn's dearest love, was a tremendous source of strength during difficult times and he brought her comfort unlike no other. We pray with the knowledge that Carol Lynn will not be forgotten and that the beauty, joy and grace she brought to this world will be long remembered.

A PROCLAMATION RECOGNIZING TERRY McGLADE

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. NEY. Mr. Speaker, whereas, Terry McGlade has devoted himself to serving others through his membership in the Boy Scouts of America; and

Whereas, Terry McGlade has shared his time and talent with the community in which he resides; and

Whereas, Terry McGlade has demonstrated a commitment to meet challenges with enthusiasm, confidence and outstanding service; and

Whereas, Terry McGlade must be commended for the hard work and dedication he put forth in earning the Eagle Scout Award;

Therefore, I join with the entire 18th Congressional District of Ohio in congratulating Terry McGlade for his Eagle Scount Award.

IN HONOR OF EARNEST L. RICE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to Earnest L. Rice, on the occasion of his retirement from United Parcel Service after thirty-four years of service.

Earnest L. Rice was born and raised in Georgetown, South Carolina. After graduating high school in 1962, Mr. Rice moved to New York City. In 1965 he joined the army, where he served a year of duty in Vietnam.

Upon his return to New York City, Mr. Rice began his career to United Parcel Service in 1967 as a package car driver in the Harlem area of Manhattan. After several years, he was promoted to supervisory position, before being assigned to managerial post in 1983. In 1992, Mr. Rice was appointed as the Community Relations Manager for the Metro New York District, a position he has held for the last ten years, and a position in which he has striven to provide every United Parcel customer the highest quality of service.

Throughout his lifetime, Mr. Rice has been an invaluable community leader, lending his talents and abilities to assist the community. Currently he is a member of Congressman JOSÉ E. SERRANO'S Military Advisory Board. He has served on the Board of Directors of the Harlem YMCA, and volunteers time with the American Cancer Society and City Meals-On-Wheels.

In March of this year, Mr. Rice was presented with the "Outstanding Volunteer" award by the American Cancer Society. The East Harlem Citizens Committee presented him with the "East Harlem Distinguished Service" award in June.

Mr. Speaker, I am pleased to bring to the attention of my colleagues the achievements and work of Mr. Earnest L. Rice, and I ask my fellow Members of Congress to join me in recognizing Mr. Rice's many contributions to New York City.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

A PROCLAMATION RECOGNIZING THE RETIREMENT OF ARTHUR TATE, JR.

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. NEY. Mr. Speaker, whereas, Arthur Tate, Jr. has served the Ohio Department of Rehabilitation and Correction for 31 years; and

Whereas, Arthur Tate, Jr. has been a loyal leader to his co-workers and will continue to be an admired citizen of the State of Ohio; and

Whereas, Arthur Tate, Jr. has worked to bring kindness and love to the lives of his family members and his staff; and

Whereas, Arthur Tate, Jr. has used his position as Warden of the Belmont Correction Institution to help educate the public on Rehabilitation; and

Whereas, Arthur Tate, Jr. must be commended for his professionalism and his ability to motivate those around him by establishing a superb example; and

Whereas, Arthur Tate Jr.'s dedication and service will be missed by the entire law enforcement community;

Therefore, I join with the residents of the entire 18th Congressional District of Ohio in celebrating Arthur Tate's years of service and retirement from the Ohio Department of Rehabilitation and Correction.

EDEN PRAIRIE, MN, MOURNS THE DEATH OF ITS GREAT MAYOR JEAN HARRIS

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. RAMSTAD. Mr. Speaker, the people of Eden Prairie, Minnesota, and our entire state are in mourning today because we've had a death in the family.

Minnesotans are saddened over the passing of Mayor Jean Harris—a truly gifted and extremely dedicated public servant whose visionary leadership, courage, integrity and compassion has a huge impact on Minnesota and the nation. Dr. Jean Harris represented the best in public service and she will be sorely missed by all of us.

Not allowed to enter the public library as a child because of the color of her skin, Dr. Jean Harris was a true pioneer, an African-American who broke new ground from her childhood right through to the courageous way she dealt with her terminal illness. Raised in a second-floor apartment in a segregated neighborhood in Richmond, VA, Dr. Harris was a ground-breaking worker in the civil rights movement by the power of her example and accomplishments as physician, adviser to presidents, corporate executive and beloved mayor.

I will miss Jean Harris because she was a true friend and adviser I could always count on for wise counsel and sound judgment.

Mr. Speaker, the only black student in her class at Virginia Commonwealth University's Medical College of Virginia, Jean Harris advised five U.S. Presidents as a member of health commissions and served as Virginia's Secretary of Human Resources, overseeing a $2.3 billion budget and 22,000 employees.

Dr. Harris also served with great distinction as a consultant on health issues to the U.S. Agency for International Development, the National Institutes of Health, the U.S. Department of Health and Human Services, and Congress. Jean was a valued member of my Health Care Advisory Committee and highly respected faculty member of her medical school, Howard University, Johns Hopkins University and the Drew Post-Graduate School of Medicine in California. Later, she was Director of Medical Affairs for the University of Minnesota Hospital and Clinic.

Mr. Speaker, Jean Harris' voice was never still. She spoke out against injustice at every opportunity and made a real difference on so many fronts. After moving to Minnesota to become Vice President of Control Data Corp., she became involved in our state's politics and earned a sterling reputation for her leadership and integrity. Dr. Harris served on the Eden Prairie City Council from 1987 to 1994 and was mayor from 1995 until her death. She was vice president of the Minnesota Mayors' Association and a member of the Women's Economic Roundtable and the Women's Health Leadership Trust.

In 1990, Mayor Harris was a candidate for Lt. Governor in Minnesota. Subsequently, Mayor Harris served on the Commission on Reform and Efficiency in State Government, the Judicial Selection Committee and the Minnesota Health Care Commission.

Mr. Speaker, Mayor Jean Harris never met a challenge she did not face head on, including the cancer that ultimately claimed her life. "You cannot offer me a challenge I won't take," Jean Harris said on the day she learned she had cancer.

Jean was a totally open and honest person, and that candor led to frank discussions. But she had consensus-building skills that brought people together, producing strong bonds between people, bonds which will never be forgotten. Her inclusiveness knew no bounds.

Mr. Speaker, we owe so much to Major Jean Harris' visionary, dynamic, caring leadership. She touched so many lives during her remarkable career, and she always put people first. Mayor Harris loved her City of Eden Prairie and its wonderful people who showed their great admiration at the pools each time she ran for election over her 14 years in office.

Jean Harris' pioneering voice for justice and fairness may be quieted now, but her actions will echo for time immemorial, in Eden Prairie, throughout Minnesota and across America. Jean Harris' legacy will continue to inspire all of us who knew and loved her.

Mr. Speaker, our thoughts and prayers are with Jean's wonderful family; husband Leslie Ellis, and daughters Cynthia, Soraja and Pamela. May God bless Jean Harris and her family.

A PROCLAMATION RECOGNIZING PAUL SCHRECK

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. NEY. Mr. Speaker, whereas, Paul Schreck has devoted himself to serving others through his membership in the Boy Scouts of America troop 401; and

Whereas, Paul Schreck has shared his time and talent with Steubenville by creating a website for the town; and,

Whereas, Paul Schreck has demonstrated a commitment to meet challenges with enthusiasm, confidence and outstanding service; and

Whereas, Paul Schreck must be commended for the hard work and dedication he put forth in earning the Eagle Scout Award;

Therefore, I join with the entire 18th Congressional District of Ohio in congratulating Paul Schreck for his Eagle Scout Award.

PAYING TRIBUTE TO ROBERT DOLPHIN, JR.

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Robert Dolphin, Jr. and thank him for his contributions to Ft. Lewis College and the Durango community. Bob will always be remembered as a dedicated administrator and leader of the community, and as he celebrates his retirement, let it be known that this will be a great loss for a college and town that has relied on him for his knowledge and wisdom in times of hardship and prosperity.

Bob became a member of the community when he came to the Ft. Lewis College in 1984 to become Dean of the School of Business Administration and to teach finance. His success and hard work as Dean was awarded several years later with an acting appointment as Vice President of Business and Finance, a position he served until his permanent appointment in 1988. I am especially thankful to Bob for his success in securing the funding to add several new buildings to the college, most notably the Center for Southwest Studies.

Not content with the financial responsibilities of Ft. Lewis College, Bob branched out his time to serve the community of Durango. After serving as a city councilman, he moved on to the Office of the Mayor where he served successfully and diligently for his constituents during prosperous and difficult times. Bob has also donated his leadership ability and efforts to other needful organizations throughout the community by serving as Chairman for the United Way of Southwest Colorado and President of the Durango Area Chamber Resort Association.

Mr. Speaker, I just mentioned several of the many accomplishments in Robert Dolphin, Jr.'s life, but none compare to his character and dedication to the people of Durango. Robert is a remarkable person in that he is kind and caring to others and always has an open ear to someone in need. He's not afraid to stand up for what he believes in and works tirelessly to achieve success in all of his civic and academic efforts. I would like to extend my congratulations on Robert's retirement and wish him and his lovely wife Nancy the best in their future endeavors.

ON THE SUFFOLK COUNTY POLICE DEPARTMENT'S 3RD PRECINCT GANG INTERDICTION TEAM

HON. STEVE ISRAEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. ISRAEL. Mr. Speaker, I rise today to pay tribute to the Gang interdiction Team in the Suffolk County Police Department's Third Precinct. This team has been incredibly successful and is making a real difference in the lives of the people of New York's Second District.

The Gang Interdiction Team was founded following a homicide that also involved the wounding of an innocent young child. From October 29 to December 15, 2001, the team worked rotating shifts throughout the precinct from 8 in the morning until midnight.

The Gang Interdiction Team made 154 arrests and had 290 significant contacts in that short time. The level of gang activity decreased significantly in the almost two months the team was in operation.

Mr. Speaker, throughout the 1990's police departments across New York State once again learned how effective strong police deployments can be in reducing crime. In dealing with gangs, this is even more important, for if we can keep gang activity down, we may be able to keep young people out of the sort of major trouble that gang-life ultimately brings.

I would like to note in particular that I will be working closely with Tom Spota, Suffolk County's new District Attorney and the Suffolk County Police Department in efforts to continue this program to keep the 2nd Congressional District safe for our families.

A PROCLAMATION RECOGNIZING BRIAN FEELEY

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. NEY. Mr. Speaker, whereas, Brian Feely has devoted himself to serving others through his membership in the Boy Scouts of America troop 401; and

Whereas, Brian Feeley is commended for his quick thinking and survival skills for saving his brother's life in a bicycle accident; and,

Whereas, Brian Feeley has demonstrated a commitment to meet challenges with enthusiasm, confidence and outstanding service; and

Whereas, Brian Feeley must be commended for the hard work and dedication he put forth in earning the Eagle Scout Award;

Therefore, I join with the entire 18th Congressional District of Ohio in congratulating Brian Feeley for his Eagle scout Award.

CONFERENCE REPORT ON S. 1438, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002

SPEECH OF

HON. JIM RYUN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 13, 2001

Mr. RYUN of Kansas. Mr. Speaker, as our military forces continue to confront the terrorism, we must remember the burden that is being carried by our personnel and their families. They have been called on to make even greater sacrifices to protect the freedoms of our nation. For the past several years, military personnel accounts have been stretched at the expense of those who need it most.

With the largest pay raise since 1982, S. 1438 allows every service member to receive a 5 to 10 percent raise. This bill acts to cut out-of-pocket housing costs for military personnel, with a goal to completely eliminate the expense by 2005.

There are many pressures in today's force that influence the decision of a military family of whether or not to remain in the service. This body has witnessed an ever-increasing challenge of recruiting and retaining. We have found that providing a valuable, quality health care benefit is vital to maintaining the welfare of our families.

This bill works to protect the health care choices of one important group: military spouses. I have worked hard to put women back in charge of their pregnancy-related healthcare. Provisions of this bill will eliminate burdensome red tape experienced when attempting to retain a physician of their choice. By fully funding the defense health program, we are striving to build a military healthcare system that attracts patients based on quality, not on rules & regulations.

Now, more than ever before we realize that our presence represents a stabilizing force to countries around the globe. With pace of deployments likely to be increased, the Armed Services Committee has appropriately concentrated on enhancing quality of life issues in support of our deserving personnel.

I am pleased that this bill directly addresses the quality-of-life problems of today's service members.

A PROCLAMATION RECOGNIZING JASON PAUL HUBER

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 2001

Mr. NEY. Mr. Speaker, whereas, Jason Huber has devoted himself to serving others through his membership in the Boy Scouts of America; and

Whereas, Jason Huber has shared his time and talent with the community in which he resides; and

Whereas, Jason Huber has demonstrated a commitment to meet challenges with enthusiasm, confidence and outstanding service; and

Whereas, Jason Huber must be commended for the hard work and dedication he put forth in earning the Eagle Scout Award;

Therefore, I join with the entire 18th Congressional District of Ohio in congratulating Jason Paul Huber for his Eagle Scout Award.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, December 18, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

DECEMBER 19

10:30 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine the limits of existing laws with respect to protecting against genetic discrimination.

SD–106

DECEMBER 20

10 a.m.

Judiciary

Business meeting to consider pending calendar business.

SD–226

HOUSE OF REPRESENTATIVES—*Tuesday, December 18, 2001*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. CULBERSON).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 18, 2001.

I hereby appoint the Honorable JOHN ABNEY CULBERSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2001, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

McDONALD'S NAMED RECYCLING LEADER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized during morning hour debates for 5 minutes.

Mrs. BIGGERT. Mr. Speaker, I rise to commend the McDonald's Corporation, which is headquartered in my district, for its continued leadership in environmental conservation. For over a decade, McDonald's has set the standard for corporate social responsibility. It has been a pioneer in a range of initiatives to reduce solid waste, conserve energy, and promote environmental awareness and conservation here in the United States and around the world.

For its good work, McDonald's has been honored by many, including Keep America Beautiful, the National Audubon Society and Conservation International. It also has received awards from the President's Council on Environmental Quality and the Environmental Protection Agency.

Now adding to its long track record of achievements, McDonald's has been selected by the National Recycling Coalition for another important environmental award. This award recognizes the company's vision and leadership in proving that recycling really does work.

Back in 1989, McDonald's formed a partnership with the Environmental Defense Fund or EDF, to develop a comprehensive plan for reducing waste. This cooperative effort sparked a kind of revolution in the restaurant industry. In fact, it laid the foundation for a new approach to solving environmental problems: Working partnerships between businesses and environmental organizations.

With EDF's help, McDonald's set out to assess every aspect of its business, looking for opportunities to conserve. In 1990, McDonald's established one of the first corporate "buy recycle" programs. It also initiated an ongoing series of environmentally friendly changes in packaging designs and materials. Two years later, McDonald's became a founding member of the Buy Recycled Business Alliance, a group of businesses dedicated to purchasing recycled products.

The impact of these efforts has been extraordinary. Since 1990, McDonald's has purchased, in the United States, over $3 billion worth of products made from recycled materials, eliminated 150,000 tons of packaging, and recycled 1 million tons of corrugated cardboard.

Recycling is not the only significant conservation efforts undertaken by McDonald's over the years. This company has expanded its environmental programs to include water conservation, air pollution reduction, rain forest preservation and restoration, protection of domestic natural habitats, and litter reduction. Through partnerships with its suppliers and environmental organizations, it has fostered new conservation technologies, influenced business practices, and supported environmental education in classrooms, communities, and McDonald's restaurants in the U.S. and abroad.

The National Recycling Coalition's award is a fitting recognition for such significant and successful efforts to make the world a better place.

LIVABLE COMMUNITIES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, I came to Congress dedicated to making the Federal Government a better partner with our communities, our business leaders, and our individual corporations to make sure that our communities are more livable, where our families are safe, healthy and more economically secure.

For over a century now, organized labor has been a champion of these same goals for families by defending the right to organize and represent themselves by being very active in public policy discussions and the enactment of protective legislation. Last week, in Las Vegas, the national AFL-CIO added their strong voice to achieving their goals for America's working families by promoting the principles of livable communities. It noted that the problems of both society and their members are compounded when our communities are abandoned. Cities are hollowed out by sprawl and the consequences of unmanaged growth. It is harder to travel, find decent affordable housing, it is harder for children to breathe, and even workers to organize.

Their important resolution was advanced by progressive unions like the United Food and Commercial Workers, the Amalgamated Transit Union, the good work of Jobs First, with their staff member, Greg LeRoy.

I would note three important provisions in that resolution where they point out: whereas sprawling development on urban fringes creates new jobs beyond public transit grids, leaving consumers with no choice about how to get to work and undermines transit ridership; and whereas many other central labor bodies and State federations have long advocated for policies now collectively called "smart growth," such as affordable housing, better public transit, school rehabilitation, and the reclamation of brownfields; now, therefore be it resolved, that the AFL-CIO authorize and directs its leadership to actively engage in the emerging public and political debates surrounding urban sprawl and smart growth, asserting labor's rightful role in the national debate about the future of America's cities for the benefit of all working families. Powerful words from a powerful organization dedicated to promoting America's families.

I would note the special leadership of the regional labor leaders, people like Don Turner, the President of the Chicago Federation of Labor, that has been active with the Metropolitan Metropolis 2020, an organization in Metropolitan Chicago that brings together the community organizing for their future; John Dalrymple, the executive

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

secretary-treasurer of the Contra Costa County Central Labor Council, where organized labor has been a vital force in Silicon Valley's efforts to come to grips with the livability of that fast growing area; and John Ryan, the executive secretary of the Cleveland Federation of Labor, where in Cleveland they have been part of a coalition with the Catholic Archdiocese of Cleveland, reaching out to communities around Ohio.

Mr. Speaker, these are leaders of vision, people who know that smart growth is not the same as no growth; leaders who know that dumb growth can be too expensive and choke long-term prosperity; and that in working together business, citizens, and organized labor, we can truly make our communities more livable where our families are safe, healthy, and more economically secure.

HAITI

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Florida (Mr. GOSS) is recognized during morning hour debates for 5 minutes.

Mr. GOSS. Mr. Speaker, I rise today to express some very serious concerns about events that happened yesterday not in Afghanistan, where we are fixated by the CNN optic of what is going on there in Tora Bora and elsewhere, but about events in a friendly neighboring nearby country, democratic country, Haiti.

News reports indicate that a group of individuals attacked the Haitian National Police in the early morning hours. The government of Haiti official report claims that this was some type of attempted coup against President Aristide. There is no particular evidence to support this claim, however.

We are certain of some of the aftermath by some of the initial reports we are receiving from the area. President Aristide has unleashed mobs of his political cronies against U.S. and French official installations and against the homes and offices of numerous political opposition leaders. In fact, those homes and offices were, in several instances, burned to the ground.

Also, the mobs were directed against various independent radio stations, which were forcibly shut down. And there were apparently orchestrated riots staged in cities and towns all across Haiti. Most tragically, these mobs burned to death, in a very brutal way, a number of innocent people.

Given President Aristide's lack of commitment to democratic norms we have been watching through the years, I believe he owes the international community today, and now a detailed explanation of exactly what did happen yesterday in Haiti. I call on the United States Government, the friends of Haiti, and the Organization of the American States to seek thorough, complete and verifiable information on the following issues, at a minimum:

First, whether yesterday's attack on the national palace was deliberately staged by the Aristide government, as many think; secondly, that given the officially sanctioned attacks on the U.S. Consulate, these are our people, our property in Haiti, and the French embassy's Cultural Institute, whether Haiti intends to abide by its prior commitments to protect diplomatic personnel and facilities. This is at a minimum. And, third, given Haiti's legal agreement to various U.N. and OAS human rights treaties, whether the Aristide government will cease its attack on Haiti's independent media and democratic political parties and their leaders.

Unfortunately, we have been asking for this for a number of years now and we have not been seeing much cooperation from the Aristide government. In fact, I think most observers would fairly say there has been a very noticeable and significant retreat from democracy in that country, tragically.

One of the immediate consequences for my State of Florida and for the United States is a problem we have been talking about with regard to immigration troubles and terrorism, and that is our porous borders. We are now confronted with people fleeing Haiti, as has been their want in the past, refugees exposing themselves to the treachery of the Florida straits at this time of year, coming over in unsafe boating conditions, and trying to reach the safety of the shores of the United States of America.

It is a tough proposition for us on how to treat these people humanely and not encourage more people from coming. I think most Members will recall we have had floods of people in the past, so many that we have had to create camps in Guantanamo before, and I am afraid we are on the verge of another immigrant problem of that magnitude.

I think that it is very important that we look at Haiti very directly as part of a failed legacy of the Clinton foreign policy program. I am sorry to say that. There are many of us at the time that said that the policy was misguided; that it would not work; that the kinds of sanctions the Clinton administration put against Haiti would backfire, and, indeed, they did. Haiti has not had much leadership, and what it has had seems to have been away from democracy. I think it is a spectacular failure of foreign policy.

I think that the misery level in Haiti is spectacular also, regrettably. And I think that the brutality we saw yesterday, again in the mob violence, was brutality that is spectacular and inhuman and very, very regrettable.

□ 1245

I think we have a spectacle on our hands that needs to be explained in what did happen yesterday, and in the events surrounding the further repression of democracy and the apparent actions that the Aristide Government is claiming that it now must take from yesterday's events in order to stamp out the last few remnants of decency and democracy and civilization of that wonderful country. It is time for accountability, and I think the world needs to know that.

BILLIONS OF DOLLARS IN TAX CUTS GO TO LARGEST CORPORATIONS

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 3, 2001, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, we remember following the horrific events of September 11, several gas stations around the country raised their prices to $4, $5 and $6 a gallon. Most called that war profiteering, but the overwhelming majority of Americans came together. They gave blood and put out their flags. Many went to New York and the Pentagon to help. Thousands volunteered in their communities. School children collected pennies, nickels and dimes to send to the victims and families.

Something else happened in Washington, D.C., not war profiteering in the simple sense of raising gas prices, but a more sophisticated kind of political profiteering. This Congress, lobbied hard by the President and the Republican leadership, first of all gave a huge multi-billion dollar bailout to the airlines, requiring nothing from the airline executives, providing nothing for airline security, doing nothing for airline safety. When many tried to include help in this bill for the 100,000 airline workers who had lost their jobs, Republican majority leader, the gentleman from Texas (Mr. ARMEY) told us now is not the time, that extending government assistance to laid off workers "was not commensurate with the American spirit."

Then President Bush and this Congress gave billions of dollars in tax cuts and subsidies and rebates to the largest corporations in the United States. A tax refund to IBM, for example, literally in the form of a check from the Federal Government for $1.4 billion, $1 billion to Ford, $900 million to General Motors, hundreds of millions of dollars to American and United Airlines, as if the bailout was not enough, and the list goes on and on and on.

More recently, with unemployment creeping up to the highest 2-month increase we have seen in 21 years, with the anxiety that people have about their jobs, with LTV and Republic Technologies steelworkers and other steel industry workers facing company bankruptcies, with hundreds of thousands of people losing their jobs, this Congress, at the behest of the Republican leadership, the President and America's largest corporations, this Congress passed something called Trade Promotion Authority, which simply will send more of our jobs to Latin America and more of our jobs to developing countries around the world.

My dad used to talk about World War II and shared sacrifice, about war bonds and WAVES and WACs, about victory gardens and scrap metal drives. But this Republican Congress and this President do not know much about shared sacrifice. Instead, they demand tax cuts for IBM, General Electric and American Airlines, while doing absolutely nothing for 100,000 laid-off airline workers. Instead of shared sacrifice, this Republican Congress and this President demand of Congress that we pass Trade Promotion Authority while doing little to provide public investments for broken-down schools, while doing little to help starved public health infrastructure, while doing little to help our woefully inadequate rail system.

Imagine, Mr. Speaker, if the President and the Republican Congress called on us, like FDR did in World War II, called on the Congress and the American people for shared sacrifice. Imagine if the President called on young, patriotic Americans to enlist in the Army or the Peace Corps, to enlist in the Navy or AmeriCorps, to enlist in the Air Force, or teach for America. That is what waving the American flag is all about.

Imagine if the President said to his friends in the drug industry, no more special favors. We are not going to allow drug companies to charge American consumers and America's elderly more for prescription drugs than anywhere else in the world. Imagine. That is what waving the American flag is all about.

Imagine if the President called on America to volunteer for Meals on Wheels or clean up their neighborhoods or to tutor children who are having difficulty keeping up. Imagine. That is what waving the American flag is all about.

Imagine if the President would say to his friends in the oil business, we are going to wean ourselves off Middle Eastern oil. We are going to find a way to help Americans conserve and get better gas mileage. Imagine. That is what waving the American flag is all about.

Instead of this Republican President and Republican leadership in this House bestowing tax cuts on the wealthiest Americans, imagine if we helped those who needed it the most, laid-off workers, people without health insurance, children sentenced to inferior schools. Instead of the Republican President and the leadership in this Congress bestowing tax cuts on the largest corporations in the world in this country, imagine instead if they appealed to the best in America. Imagine.

PASS ECONOMIC STIMULUS PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Indiana (Mr. PENCE) is recognized during morning hour debates for 5 minutes.

Mr. PENCE. Mr. Speaker, while Congress fiddles with the details of an economic stimulus package, the dreams of many American families burn. I rise today to urge my colleagues to move an economic stimulus package through the Congress this week.

I believe serving an agricultural and industrial district of eastern Indiana, that Americans and Hoosiers are hurting at this especially poignant time of the year. Since arriving in Congress in March, I have maintained that for my district and citizens we have been in a recession since the first of the year. Before summer of this year, nearly 3,000 Hoosiers lost their jobs in my district alone, and the events of September 11 have only exacerbated the problem.

I submit today, as someone who has in fact lost a job over the Christmas holidays myself, that it is especially burdensome on families to do so, and it is an especially grevious state of affairs. Jim and Eileen Decker of Goehring's Mens Shop in Anderson, Indiana, are closing the door of their Main Street store after 55 years of business due to downturns in the local Anderson economy. Delco Remy America, which is located in Anderson, has announced over 200 layoffs. J.J and Jodi Leever and their sons, Noah and Hunter, are part of the many families who will be gathered around the tree one week from today, not just filled with the joy of the moment, but filled with the uncertainty these economic times bring.

Yet we in Congress today continue to languish, continue to debate one with another, sometimes in demagogic tones and sometimes in legitimate ways, about whether or not we can pass an economic stimulus package this week. On behalf of J.J. and Jodi Leever, and the many families of eastern Indiana, I urge my colleagues to act, but not as the gentleman from Ohio (Mr. BROWN) just spoke moments ago, not simply in a way that is focused on the wage earner who finds themselves in dire circumstances.

Mr. Speaker, we must have, if it is to be an economic stimulus package, it must benefit not just the wage earner but the wage payer; and we must no longer tolerate the anti-capitalistic rhetoric that says that it is appropriate for leaders in this institution only to assist the wage earner once he finds himself out of gainful employment, and never to come alongside the wage payer, never to provide assistance to businesses small and large, and permit them to bring those families back to work.

Mr. Speaker, it is accurate to say the best welfare program in the world is a good job. The Republican leadership here in the Congress passed an economic stimulus package that, yes, reinforces the safety net to assist Americans through rebates and low-income benefits, assist Americans who are struggling. But we also passed tax relief to working families, small businesses, and even large corporations to say we want to reinvigorate Americans in these difficult and uncertain economic times, to bring those Hoosiers and bring those Americans back to work and back to gainful employment.

There is talk on the editorial pages and in the hallways of this institution that we are about to give birth to an economic stimulus package that has very little stimulus to it at all. It seems to be developing into a potpourri of giveaways to moderate- and low-income and unemployed Americans while turning a deaf ear and a stiff arm to the wage payer in America.

I submit today that thanks to President Bush's foresight in arguing through this institution a tax relief this summer, this economy is already improving. We will find our way out with or without an economic stimulus package from our present malaise. But the reality is that this institution should heed the advice of many who have gone before, pro-growth conservatives like Jack Kemp and others; and we should go big or go home. We should either pass an economic stimulus package that truly speeds relief and invigorates the American economy at every level, for the wage earner and the wage payer, or we should just go home and enjoy our families over Christmas and be confident that this economic ship will right itself. I urge my colleagues to move on a real bill with real substance and real stimulative effect. Let us go big, Mr. Speaker, or let us go home.

U.S. TERRITORIES IN DIRE NEED OF ECONOMIC STIMULUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, today as the House considers yet another version of the economic stimulus package, and while House and Senate negotiators continue to work out a potential agreement with the President, I would like again to speak on behalf of my home island of Guam and the U.S.

Territories in the hope that some of our colleagues would understand the dire circumstances that we find ourselves in. We need economic relief. We need it now. We need balanced economic relief. We need relief that not only speaks big, but also seeks to ameliorate the real live conditions of human beings for whom this Christmas will be a very dim one indeed. If we go home without addressing their needs and their concerns, then we would be in the position of robbing them of having a decent and hopeful Christmas.

Prior to the September 11 attacks, Guam's economy was already struggling as a result of the Asian economic crisis. During 1999 and the year 2000, Guam's unemployment rate was 15.2 and 15.3 percent respectively. For this year, Guam's unemployment rate was already over 15 percent and is anticipated to be near 20 percent by the end of this year. When Members start talking about they have a few hundred or a few thousand workers that have been displaced or unemployed as a result of the September 11 attacks, and even previous to that, I do not think that there is a single community that can match the kinds of trials and tribulations that we face in Guam. This unemployment rate that we are experiencing today is three times the national average.

Already the Government of Guam has been seeking ways to ameliorate the first phase of tax cuts earlier this year. Because of the nature of the tax system in the Territories, in Guam and the Virgin Islands, we have a mirror Tax Code. We collect the income taxes, but whatever tax cuts are delivered are anticipated to come from so-called local revenues rather than national revenues.

Mr. Speaker, we could not even afford the first level of tax cuts. No taxpayer in Guam has yet received the advanced rebates that were promised this summer. Considering all of the factors that we have to deal with, the unemployment rate, the Asian economic crisis which has affected the nature of our economy, the President's tax relief plan which hindered the collection of Government of Guam revenues, Guam's economic situation has been exacerbated by the September 11 attacks.

□ 1300

The most immediate effect has been on tourism. Tourism and international tourism drives Guam's economy. It is a $3 billion economy in which we get about 1.5 million tourists a year, of which about 80 percent come from Japan.

Guam was impacted by flight cutbacks and employee layoffs of Continental Micronesia, a subsidiary of Continental Airlines, which is Guam's largest private employer. Guam is also hindered in trying to deal with the dislocation and the misery created by this because we have caps on Medicaid. We have a 50/50 share with the Federal Government, but we are capped, we have caps on TANF and the fact that there is no unemployment insurance available to private sectors in Guam means that the between 15 and 20 percent of the working population in Guam who find themselves dislocated face a dismal future indeed.

I have worked over the last several weeks to try to tell this story and to try to work on a bipartisan basis to ensure Guam's and other territories' inclusion in this stimulus package, no matter how it may look like. Particularly, for example, the national emergency grants, the President's proposal, when it first left the White House, it did not include the territories, an oversight as it was indicated. I am very pleased to note that the gentleman from Ohio (Mr. BOEHNER), chair of the Committee on Education and the Workforce, has agreed to make the territories eligible should this be part of the final stimulus package. We are also talking about making sure that the territories are included in any payroll tax rebate which we anticipate could be part of the final package. We also want to make sure that health insurance for the unemployed again include the territories. Finally, we want to make sure that unemployment benefits which are generally available, the extension to other American citizens, are also available to American citizens in the territories.

In summary, if we are not able to get all of this and we are not able to get the stimulus package, we call on the executive branch to at least provide discretionary funding to the territories.

NATION'S CAPITAL PLAYS A ROLE IN MAINTAINING AN OPEN SOCIETY DURING TIME OF WAR

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 3, 2001, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized during morning hour debates for 5 minutes.

Ms. NORTON. Mr. Speaker, I come to the floor this afternoon to speak about a subject which may seem abstract, except that in wartime it is very real. We had a meeting with top White House officials, the Mayor, several city officials, business and labor officials and yes, some officials from here in the House to discuss maintaining an open society in a time of war.

Mr. Speaker, we have got to make sure that the words "open society" do not become cliches. We have been tested recently. The test goes on. Are we able to fight a war even in the homeland and maintain the normalcy that the President admonishes us to maintain? Or will we, little by little, close down the society so that we resemble somebody else's society, a society we try not to be?

Let us recall that this House was on the steps of this House on the evening of September 11 sending a brave message to the country and the world that we were going to keep this House open, that we could not be chased from the House and that they could not shut down democracy. It was one of the proudest moments probably in the 200 years that we have had a Congress. The importance, of course, there, was that it occurred in Washington and it occurred from the Nation's leaders. Then, of course, there was the anthrax scare, and we are still suffering from that. The House and the Senate took different paths. The House paid a price. But I think people still recognize that the leadership by example is coming from this House and the Senate and will continue to come from the Congress.

The Christmas tree lighting which took place last week was the largest I have ever seen, and I am a native Washingtonian, occur from the Congress. I thank Speaker HASTERT for his leadership in making it a bigger and better lighting and the gentleman from Michigan (Mr. STUPAK) for his work in recognizing that this year, above all, we must make little events like lighting of the Christmas tree into big deals, because everybody is looking to Washington to see whether the war has canceled Christmas and to see whether normalcy really obtains.

I want to thank the Sergeant at Arms of the House and the Senate and the Architect of the Capitol, who are called the Capitol Police Board for reopening tours of the Capitol. People stood in pouring rain on a Saturday morning when they heard by word of mouth that the tours were reopened.

What is the importance of this event after event? I can tell you one thing, I do not intend to become the event planner for Washington or any other city, but the world is looking at us to see whether or not we know how to keep on keeping on. They cannot tell. They cannot get inside our heads. They can only tell by whether or not we continue to remain normal.

The White House at first closed the Christmas tree lighting. When I called the White House and said, do you really have to do this, I appreciate that they rethought it and decided that all they had to do was bring the same glass that they used around the President at the inauguration and put that same glass out there and they could have the public come to the Christmas tree lighting.

I want to make sure that this city is not closed down. If we close down this city, we close down every city in America. The Nation will look to see whether we run to our bunkers to see whether they should run to theirs.

At the meeting last week with White House officials, I want to share with Members some of the suggestions we made that would help send a message that the Nation's capital is open and, therefore, America is open: Allowing people who were screened through their Social Security numbers to tour the White House; opening E Street which was closed down again after September 11 even though the Secret Service had agreed that E Street could be reopened once it was widened; allowing a circulator or secured bus for tourists to go right across Pennsylvania Avenue in front of the White House. If that does not send a message to those who think we are afraid. And funding the National Capital Planning Commission so that we have a citywide plan to do security compatible with our national monuments.

Mr. Speaker, I certainly hope that the White House allows District schoolchildren to be the first to see the White House Christmas tree decorations as a sign that this does remain an open and free society.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 1 o'clock and 8 minutes p.m.), the House stood in recess until 2 p.m.

☐ 1400

AFTER RECESS

The recess having expired, the House was called to order at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, King of heaven and earth, as Members of the U.S. House of Representatives gather today, let every Member know that the prayers of the great religious traditions across this Nation are with them. Guide them, sustain them, and bring them to solemn resolve for what is best for this Nation at this time.

Our Jewish brothers and sisters bring light to a dark world during Hanukkah, praying for the end of violence in the Middle East; they assure us that the lamp of faith is not diminished, but grows stronger day by day.

Our Christian brothers and sisters long for the celebration of the birth of Jesus. They pray that this assembly further the incarnation of peace, justice, and love in this world.

Our Muslim brothers and sisters, having finished their purifying fast, now with hearts and minds renewed, turn to You with greater faith that a new day of understanding, compassion, and prophetic truth is rapidly approaching.

May this House and this Nation place all their trust in You alone. Free the world of prejudice and violence in the name of religion as You manifest in us Your divine destiny now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Colorado (Mr. HEFLEY) come forward and lead the House in the Pledge of Allegiance.

Mr. HEFLEY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

DISPENSING WITH CALL OF PRIVATE CALENDAR ON TODAY

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with on today.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has been concluded on all motions to suspend the rules, but not before 6:30 p.m. today.

TREATMENT OF RECEIPTS FROM MINERAL LEASING ACTIVITIES ON CERTAIN NAVAL OIL SHALE RESERVES

Mr. HEFLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2187) to amend title 10, United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the reserves, as amended.

The Clerk read as follows:

H.R. 2187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. USE OF RECEIPTS FROM MINERAL LEASING ACTIVITIES ON CERTAIN NAVAL OIL SHALE RESERVES.

Section 7439 of title 10, United States Code, is amended—

(1) in subsection (f)(1), by striking the second sentence; and

(2) by adding at the end the following new subsection:

"(g) USE OF RECEIPTS.—(1) The Secretary of the Interior may use, without further appropriation, not more than $1,500,000 of the moneys covered into the Treasury under subsection (f)(1) to cover the cost of any additional analysis, site characterization, and geotechnical studies deemed necessary by the Secretary to support environmental restoration, waste management, or environmental compliance with respect to Oil Shale Reserve Numbered 3. Upon the completion of such studies, the Secretary of the Interior shall submit to Congress a report containing—

"(A) the results and conclusions of such studies; and

"(B) an estimate of the total cost of the Secretary's preferred alternative to address environmental restoration, waste management, and environmental compliance needs at Oil Shale Reserve Numbered 3.

"(2) If the cost estimate required by paragraph (1)(B) does not exceed the total of the moneys covered into the Treasury under subsection (f)(1) and remaining available for obligation as of the date of submission of the report under paragraph (1), the Secretary of the Interior may access such moneys, beginning 60 days after submission of the report and without further appropriation, to cover the costs of implementing the preferred alternative to address environmental restoration, waste management, and environmental compliance needs at Oil Shale Reserve Numbered 3. If the cost estimate exceeds such available moneys, the Secretary of the Interior may only access such moneys as authorized by subsequent Act of Congress.".

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the rule, the gentleman from Colorado (Mr. HEFLEY.) and' the gentleman from Guam (Mr. UNDERWOOD) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, I yield myself such time as I may consume.

I would like to thank my leadership for scheduling this bill today. It is my hope that, with the passage of this legislation, we can begin the cleanup work on certain naval oil shale reserves and proceed with the transfer we enacted on the floor 3 years ago.

I was the author of legislation which transferred these two oil shale reserves from the Department of Energy to the Bureau of Land Management in 1998. After a 10-year debate on the issue, even the Clinton administration came to agree that there was little future in using oil shale to fuel battleships and that these two reserves could be more useful to the public as BLM properties managed for multiple use and particularly for oil and gas leasing.

The State agency charged with promoting such development estimated as much as $125 million in oil and gas revenues to be generated by the two sites, to be split equally between Colorado and the Federal Government. The early returns seemed to confirm this as the first lease sale in the fall of 1999 generated $7 million, and that amount has since risen to around $8.5 million. At the same time, it was acknowledged that cleanup work needed to be done on the two sites, particularly at Anvil Point on the naval oil shale reserve number 3, which was the site of a Bureau of Mines experiment years before.

It was also acknowledged that a cost estimate for the cleanup could only come through negotiation. Strangely, whoever held the site seemed to feel it was an environmental hazard to all, while whoever no longer had the site felt it was a matter of minimal danger, perhaps of no danger at all. Because of this, it was agreed that the State Department of Public Health and the Environment could serve as the mediator between the two agencies and that the cleanup would be conducted to State standards.

All of this moved along until late 1999 when the BLM approached my office for help in funding the cleanup. As an interior solicitor had concluded, a specific authorization was needed to allow BLM to assess the leasing monies needed for the cleanup. This was further complicated by the question of just who the proper authorizing committee was. The transfer came about through the defense authorization of 1998, and the Committee on Armed Services bill. The House Committee on Resources is the normal authorizing committee for the BLM, but the Committee on Appropriations, The Subcommittee on the Interior, often handled such matters in the past, under BLM's standard authorization.

The bill before us, a Committee on Resources bill, would supply BLM with the authorization it needs to undertake the cleanup at Anvil Point and begin to realize the program first adopted in 1998. The authorization would be for 5 years, meaning the cleanup should be completed within that time.

If it were completed earlier, the two secretaries could certify as much and the distribution of revenues could begin.

About a year ago, we were talking to Colorado BLM director Ann Morgan about the problems surrounding the transfer. We thought we did this 3 years ago, we said. And she said, welcome to public lands management. Unfortunately, I think she may be right.

Mr. Speaker, at this time I will insert for the RECORD documentation in regard to this bill.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Washington, DC, December 18, 2001.
Hon. W.J. "BILLY" TAUZIN,
Chairman, Committee on Energy and Commerce, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your earlier letter in which you agreed to waive the Committee on Energy and Commerce's additional referral of H.R. 2187, to amend title 10, United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the reserves. I agree that your waiver does not affect your jurisdiction over the subject matter of the bill, and I will support your request to be presented on any conference on the bill, or a similar matter, if one should become necessary.

A copy of your letter to me regarding this bill was included in the Committee's bill report on H.R. 2187 (House Report 107-202). I will be pleased to also include your letter and my response in the Congressional Record during today's debate on the measure.

Thank you for your cooperation in this matter, and I look forward to working with you and your staff during the second session of the 107th Congress.

Sincerely,
JAMES V. HANSEN,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, July 26, 2001.
Hon. JAMES V. HANSEN,
Chairman, Committee on Resources, Longworth House Office Building, Washington, DC.

DEAR CHAIRMAN HANSEN: I am writing with regard to H.R. 2187, which was ordered reported with an amendment in the nature of a substitute by the Committee on Resources on June 27, 2001. As you know, the Committee on Energy and Commerce was named as an additional Committee of jurisdiction upon the bill's introduction.

I recognize your desire to bring this bill before the House in an expeditious manner. Accordingly, I will not exercise the Committee's right to exercise its referral. By agreeing to waive its consideration of the bill, however, the Energy and Commerce Committee does not waive its jurisdiction over H.R. 2187. In addition, the Energy and Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this or similar legislation. I ask for your commitment to support any request by the Energy and Commerce Committee for conferees on H.R. 2187 or similar legislation.

I request that you include this letter as a part of the Committee's report on H.R. 2187 and in the Congressional Record during debate on its provisions. Thank you for your attention to these matters.

Sincerely,
W.J. "BILLY" TAUZIN,
Chairman.

Mr. Speaker, with that, I ask for the support of my colleagues of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. UNDERWOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the pending matter has already been explained by the previous speaker. However, I would note that the bill enjoys very strong bipartisan support, as it is also cosponsored by the gentleman from Colorado (Mr. UDALL) and was favorably reported by the Committee on Resources by voice vote.

In its essence, the measure completes the legislative process for an initiative which began several years ago with the enactment of the fiscal year 1998 Defense Authorization Act.

Recognizing that there was no longer any need to keep what had been formerly known as the Naval Oil Shale Reserve Number 3 in Colorado, off limits to competitive Federal oil and gas leasing, this Act transferred administrative jurisdiction over to the Department of the Interior. At the same time, the Act required that receipts from preexisting federally-owned oil and gas developments, once sold, as well as any new Federal oil and gas leases within the area, be used to finance the remediation of a legacy of environmental contamination at the site. However, the release of these receipts to pay for the environmental restoration activities was subjected to a future authorization. This is what the measure before us today provides.

Mr. Speaker, this is a noncontroversial measure. I urge its passage. I congratulate the gentleman from Colorado (Mr. HEFLEY).

Mr. Speaker, seeing no further speakers, I yield back the balance of my time.

Mr. HEFLEY. Mr. Speaker, I have no further speakers. I encourage support for this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. HEFLEY) that the House suspend the rules and pass the bill, H.R. 2187, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COLD WAR INTERPRETIVE STUDY ACT

Mr. HEFLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 107) to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War, and for other purposes, as amended.

The Clerk read as follows:

H.R. 107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COLD WAR STUDY.

(a) SUBJECT OF STUDY.—The Secretary of the Interior, in consultation with the Secretary of

Defense, State historic preservation offices, State and local officials, Cold War scholars, and other interested organizations and individuals, shall conduct a National Historic Landmark theme study to identify sites and resources in the United States that are significant to the Cold War. In conducting the study, the Secretary of the Interior shall—

(1) consider the inventory of sites and resources associated with the Cold War completed by the Secretary of Defense pursuant to section 8120(b)(9) of the Department of Defense Appropriations Act, 1991 (Public Law 101–511; 104 Stat. 1906);

(2) consider historical studies and research of Cold War sites and resources such as intercontinental ballistic missiles, flight training centers, manufacturing facilities, communications and command centers (such as Cheyenne Mountain, Colorado), defensive radar networks (such as the Distant Early Warning Line), and strategic and tactical aircraft; and

(3) inventory and consider nonmilitary sites and resources associated with the people, events, and social aspects of the Cold War.

(b) CONTENTS.—The study shall include—

(1) recommendations for commemorating and interpreting sites and resources identified by the study, including—

(A) sites for which studies for potential inclusion in the National Park System should be authorized;

(B) sites for which new national historic landmarks should be nominated;

(C) recommendations on the suitability and feasibility of establishing a central repository for Cold War artifacts and information; and

(D) other appropriate designations;

(2) recommendations for cooperative arrangements with State and local governments, local historical organizations, and other entities; and

(3) cost estimates for carrying out each of those recommendations.

(c) GUIDELINES.—The study shall be—

(1) conducted with public involvement; and

(2) submitted to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate no later than 3 years after the date that funds are made available for the study.

SEC. 2. INTERPRETIVE HANDBOOK ON THE COLD WAR.

Not later than 4 years after funds are made available for that purpose, the Secretary of the Interior shall prepare and publish an interpretive handbook on the Cold War and shall disseminate information gathered through the study through appropriate means in addition to the handbook.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $300,000 to carry out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. HEFLEY) and the gentleman from Guam (Mr. UNDERWOOD) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, I yield myself such time as I may consume. I will try not to take the full 20 minutes.

Mr. Speaker, H.R. 107, which I introduced, would direct the Secretary of the Interior to conduct a National Historic Landmark theme study to identify sites and resources in the United States that are significant to the Cold War. Generally speaking, the Cold War is considered to be from 1946 to 1989.

H.R. 107 would direct the Secretary to study military and nonmilitary sites and resources associated with the people, events, and social aspects of the Cold War. The study shall include recommendations for commemorating and interpreting the sites identified by the study, including cooperative arrangements with the State and local governments and local historical organizations, as well as cost estimates for carrying out each of the recommendations. The Secretary shall submit the report to the House Committee on Resources and the Senate Committee on Energy and Natural Resources.

The legislation also requires the Secretary to prepare and publish an interpretive handbook on the Cold War and disseminate information gathered through the study.

Mr. Speaker, the bill is supported by the majority and the minority of the subcommittee, and I do not believe it is controversial. In addition, the bill is supported by the administration with the ongoing caveat that the maintenance backlog be addressed first.

☐ 1415

Mr. Speaker, I urge my colleagues to support H.R. 107, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. UNDERWOOD. I yield myself such time as I may consume.

Mr. Speaker, H.R. 107, which was introduced by our colleague, the gentleman from Colorado (Mr. HEFLEY), directs the Secretary of the Interior to conduct a study regarding the sites and resources associated with the Cold War.

The period of history known as the Cold War covered some four decades, from approximately 1945 to 1991. The tension between the United States and the former Soviet Union that marked the Cold War era had a significant impact on U.S. policy, both at home and abroad, and as such, it is a crucial element of our recent history, certainly for most of us who have lived through this time period.

Already one site identified with the Cold War, a Minuteman missile complex in South Dakota, has been designated a national historic site. There are numerous sites and resources associated with the Cold War in the United States. The study authorized by H.R. 107 will provide public agencies and private individuals and organizations with recommendations on commemorating and interpreting appropriate sites and resources associated with the Cold War.

Mr. Speaker, we support the study authorized by H.R. 107, and recommend adoption of the bill, as amended by the House.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HEFLEY. Mr. Speaker, I encourage support of the bill. I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Colorado (Mr. HEFLEY) that the House suspend the rules and pass the bill, H.R. 107, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

RICHARD J. GUADAGNO HEADQUARTERS AND VISITORS CENTER DESIGNATION ACT

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3334) to designate the Richard J. Guadagno Headquarters and Visitors Center at Humboldt Bay National Wildlife Refuge, California.

The Clerk read as follows:

H.R. 3334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF RICHARD J. GUADAGNO HEADQUARTERS AND VISITORS CENTER.

(a) DESIGNATION.—The headquarters and visitors center at Humboldt Bay National Wildlife Refuge, located at 1020 Ranch Road in Loleta, California, is designated as the Richard J. Guadagno Headquarters and Visitors Center.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to such building is deemed to be a reference to the Richard J. Guadagno Headquarters and Visitors Center.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Guam (Mr. UNDERWOOD) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3334, a bill to name the Humboldt Bay National Wildlife Refuge Visitor's Center after Mr. Richard J. Guadagno.

Mr. Guadagno was a refuge manager until his life was tragically ended on September 11 by terrorists with the crash of United Airlines Flight 93 in Pennsylvania. Mr. Guadagno was only 38 years old, and spent 17 years working for the Fish and Wildlife Service.

During his distinguished career, he was a biologist, wildlife inspector, refuge employee at five units of the system, and he became the refuge manager for the Humboldt Bay National Wildlife Refuge in March of last year. As a refuge manager, Mr. Guadagno was a dedicated, hard-working, and energetic public servant who made the completion of the visitor's center one of his highest priorities.

According to his colleagues, it was his vision that the American people should have an enhanced opportunity to see the natural wonders and the wildlife diversity of Humboldt Bay, and gain an appreciation for their beauty and importance. This refuge is home to more than 200 bird species, four endangered species, and hundreds of acres of essential wetland habitat.

This refuge, which is on the northern California coast, is a popular attraction for thousands of visitors each year. It is a fitting tribute to name the visitor's center for him in recognition of his tireless efforts to make this a place of peace, rest and learning.

Following his untimely death, Secretary of the Interior Gale Norton wrote to Mr. Guadagno's parents, to tell them that their son was a beloved colleague, a model professional, and one of our Nation's heroes.

In addition, the acting director of the U.S. Fish and Wildlife Service, Mr. Marshall Jones, wrote a letter to the 8,400 employees of the service in which he said that "Rich was proud to achieve his goal of becoming a project leader of a major refuge. He never lacked the courage to do the right thing."

Finally, his immediate supervisor, Ms. Anne Badgley, a regional director of the U.S. Fish and Wildlife Service, wrote, "Rich was one of our finest managers in the National Wildlife Refuge System, and he will be sorely missed."

The Richard J. Guadagno Visitor's Center will be more than brick and mortar. It will be an ever-regenerative repository of knowledge and hope.

Mr. Speaker, I want to compliment the author of the bill, the gentleman from California (Mr. THOMPSON) for his leadership, and I urge an aye vote on H.R. 3334.

Mr. Speaker, I reserve the balance of my time.

Mr. UNDERWOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3334 would name the headquarters and the new visitor's center of the Humboldt Bay National Wildlife Refuge in California for Richard J. Guadagno, the refuge manager who lost his life in the crash of Flight 93 on September 11.

Introduced by our colleague, the gentleman from California (Mr. THOMPSON), the bill has 135 cosponsors, including the gentleman from Utah (Chairman HANSEN) and the ranking minority member of the Committee on Resources, the gentleman from West Virginia (Mr. RAHALL).

I congratulate the gentleman from California (Mr. THOMPSON) for his efforts to honor a public servant whose life sadly ended much too soon. Regrettably, the gentleman from California (Mr. THOMPSON) is unavoidably detained today on important business in his district, and consequently he is unable to be here this afternoon to speak on his bill. I know that he sincerely appreciates the expedited consideration of this legislation, which would honor a remarkable constituent of his.

Richard Guadagno was only 38 years old, yet he had worked for the Fish and Wildlife Service for some 17 years in numerous refuges around the country, from Oregon to New Jersey. According to all who knew him well, he had a passion for wildlife management and worked tirelessly to enhance the habitat of the refuge system. He also was committed to providing public access and developing strong partnerships with other groups committed to the conservation of the refuge system.

Appointed as the refuge manager at Humboldt Bay in early 2000, he had made the completion of the visitors center there one of his top priorities, as it would enable even more people to enjoy the refuge and all that it had to offer.

While there is little we can say to ease the sorrow of the family and friends of Richard Guadagno, I am hopeful they will get some comfort from knowing that he was such a well-liked and well-respected public servant who devoted every day to a job which he clearly loved. That is something that they can be very proud of.

Naming this visitor's center and the headquarters of the Humboldt Bay National Wildlife Refuge in honor of Mr. Guadagno will ensure that his work on behalf of the wildlife and their habitat will not be forgotten.

On behalf of the gentleman from California (Mr. THOMPSON) and myself, I urge the adoption of the pending measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Guam (Mr. UNDERWOOD), the staff, and the gentleman from California (Mr. THOMPSON) for this legislation. The House salutes Mr. Guadagno and his family in their time of sorrow.

Mr. THOMPSON of California. Mr. Speaker, I rise today in strong support of H.R. 3334, the Richard J. Guadagno Headquarters and Visitors Center Designation Act. First, let me thank the distinguished gentleman from Utah, the Chairman of the Resources Committee, and the distinguished gentleman from West Virginia, the Ranking Member of the Resources Committee, for their efforts in bringing this bill to the floor. I would also like to recognize the distinguished Chairman and Ranking Member of the Fisheries, Conservation, Wildlife, and Oceans Subcommittee for their hard work in moving this important legislation forward.

I introduced this legislation to honor the memory of one of my constituents, Richard J. Guadagno, who perished aboard United Flight 93. Rich was the manager of the Humboldt Bay National Wildlife Refuge and devoted his life to the preservation of wildlife. This legislation will designate the Headquarters and Visitors Center of the Humboldt Bay National Wildlife Refuge as the Richard J. Guadagno Headquarters and Visitors Center.

As we know, the passengers aboard Flight 93 undoubtedly saved hundreds, if not thousands, of lives by thwarting the disastrous intent of the terrorists. Rich had a law enforcement background that would have aided him in his convictions and his desire to prevent an even greater tragedy. All Americans, especially those of us who work at the U.S. Capitol, have these brave individuals to thank for preventing terror on September 11th, 2001.

Rich was also a hero to all those who care about wildlife and the environment. Rich began a career in public service as a biologist at the New Jersey Fish and Game Department and the Great Swamp National Wildlife Refuge. Before joining the Humboldt Bay National Wildlife Refuge, he worked at the Prime Hook National Wildlife Refuge in Delaware, Supawna Meadows National Refuge in New Jersey, and the Baskett Slough and Ankeny National Wildlife Refuge in Oregon.

Colleagues in the Fish and Wildlife Service consistently commended his courage and dedication to conservation and protecting biological diversity. As refuge manager at the Humboldt Bay National Wildlife Refuge, he led with a vision that his colleagues embraced and admired. He always kept the best interests of the refuge at heart, and he enthusiastically worked to improve the condition of the refuge.

When Rich, 38, boarded Flight 93, he was leaving Newark, New Jersey after visiting his family and his grandmother on her 100th birthday. I urge my colleagues to pass this bill today, so that we may be assured his memory will live on, especially in the proud hearts and minds of his family and friends. All Americans will join his parents Jerry and Beatrice Guadagno, his sister Lori Guadagno, and his fiancée Diqui LaPenta in remembering Rich as a true hero.

Mr. Speaker, Richard Guadagno worked his entire life to make the world a better place for all of us. He was truly a great American. Please join me in passing this legislation, so that Rich Guadagno and his tremendous successes in life will always be remembered.

Mr. GILCHREST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 3334.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the three bills just considered, H.R. 2187, H.R. 107, as amended, and H.R. 3334.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES REGARDING ESTABLISHMENT OF A NATIONAL MOTIVATION AND INSPIRATION DAY

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 308) expressing the sense of the House of Representatives regarding the establishment of a National Motivation and Inspiration Day, as amended.

The Clerk read as follows:

H. RES. 308

Whereas motivation and inspiration have played important roles in the greatest achievements of civilized society and are characteristics common to all great leaders;

Whereas both children and adults need motivation and inspiration in order to achieve success and happiness in their lives;

Whereas the inspiration to define goals at school, home, and work and the motivation to achieve those goals is critical to achieving success and happiness;

Whereas all children and young adults need mentors to inspire them to achieve their goals and to motivate them to direct their energies toward positive and constructive activities and goals;

Whereas adults who mentor children and young adults become inspired and motivated themselves;

Whereas a renewed focus on motivation and inspiration is particularly important in the wake of the tragedies of September 11, 2001;

Whereas the beginning of the year is often a time of reflection, planning, and goal setting;

Whereas the establishment of a National Motivation and Inspiration Day would provide an opportunity for the people of the United States to focus on the importance of maintaining motivation and inspiration in their lives; and

Whereas prominent citizens of Long Island, New York, are attempting to establish January 2 as National Motivation and Inspiration Day: Now, therefore, be it

Resolved, That the House of Representatives supports the goals of a National Motivation and Inspiration Day.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on House Resolution 308, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Resolution 308, expressing the sense of the House of Representatives in support of the goals of a National Motivation and Inspiration Day.

Furthermore, I commend my distinguished colleague, the gentleman from New York (Mr. GRUCCI), for introducing this important resolution.

Mr. Speaker, motivation and inspiration have played important roles in the greatest achievements of civilized society, and are characteristics common to all great leaders.

Both children and adults need motivation and inspiration in order to achieve success and happiness in their lives. Children and young adults need mentors to inspire them to achieve their goals, and to motivate them to direct their energies toward positive and constructive activities and goals. Furthermore, the adults who mentor the children and young adults become inspired and motivated themselves.

Mr. Speaker, a renewed focus on motivation and inspiration is particularly important in the wake of September 11 tragedies. The inspiration to define goals at school, home, and work, and the motivation to achieve those goals is critical to achieving success and happiness in our current trying circumstances.

Mr. Speaker, the beginning of the year is often a time of reflection, planning, and goal-setting. For that reason, prominent citizens of Long Island, New York, are attempting to establish January 2 as National Motivation and Inspiration Day. This would set a good example for the rest of our Nation, and provide all with the focus of maintaining motivation and inspiration in their lives.

If successful, their efforts would provide an opportunity for the people of the United States to focus on the importance of maintaining motivation and inspiration in their lives.

Mr. Speaker, I urge all Members to support this important resolution, and I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great pride that I rise to endorse House Resolution 308, a resolution expressing the support of the House of Representatives of the goals of a National Motivation and Inspiration Day.

I commend my colleague, the gentleman from New York (Mr. GRUCCI), for introducing such a resolution, and call upon all Members of the House to begin to focus on the importance of motivation and inspiration, especially as we embark upon a new year, 2002.

After reading House Resolution 308, I was immediately reminded of an important passage in the Bible: First Corinthians, Chapter 13. This passage discusses the love man can have for his fellow man, and how we should not worry about ourselves, but worry about others.

The ideals embodied in the First Corinthians passage not only embrace the message contained in House Resolution 308, they also speak to two legislative proposals we will consider today: H.R. 3072 and H.R. 3379.

H.R. 3072 seeks to honor Mr. Vernon Tarlton, a man of great faith and dedication to his community, by naming a post office after him in his hometown. H.R. 3379 names a post office after New York City Fire Department Chief of Rescue Operations, Mr. Ray Downey. Chief Downey, a firefighter for 39 years, died in the World Trade Center on September 11, 2001.

These two men are and were great leaders who directed their energies towards positive and constructive activities and goals. Chief Downey led a New York fire department special unit to assist in recovery efforts at the Murrah Building in Oklahoma City. He directed rescue efforts at the 1993 attack on the World Trade Center, and helped the Federal Emergency Management Agency found a national network search and rescue team.

□ 1430

He truly motivated and inspired and led the way for his team. He did not worry about himself; rather, he directed his efforts to save others.

Mr. Tarlton spent his lifetime working on behalf of others in his community and along the way being recognized for his efforts. In a time of uncertainty in the world and here at home, at a time when we as a Nation are called upon to show greater compassion and appreciation for the diversity of our people and religious faith, we need to take stock and focus on the importance of maintaining motivation and inspiration in our lives.

As part of that, we must open our arms wide and embrace and educate our children and young adults. They too must learn the value of helping others, not for glory, but because it is the right thing to do.

Mr. Speaker, I again commend my colleague for introducing this measure and urge its swift passage.

Mr. Speaker, I reserve the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield as much time as he may consume to the gentleman from New York (Mr. GRUCCI).

Mr. GRUCCI. Mr. Speaker, I thank the gentlewoman from Virginia (Mrs. JO ANN DAVIS) for yielding me time.

Mr. Speaker, in the wake of the September 11 attacks against our Nation, it is now important than ever to live each day with a sense of renewed spirit. It is for this reason that I stand before you today in support of my bill, H.R. 308, which supports the goals of National Motivation and Inspiration Day.

Throughout history, motivation and inspiration have been vital components of all great movements. They are qualities that have played an invaluable role in the intellectual movements, the civil rights movements, the suffrage movements and many more. All great leaders from Martin Luther King, Jr., and Winston Churchill to Ronald Reagan and Mother Theresa have all shared, among other things, the ability to motivate the masses and inspire them to achieve great goals.

In our daily lives we look to our teachers, parents, coaches, and clergy to do the same, whether it is in the victory at the end of a sporting event, a record-breaking year in the sales department, making the dean's list, or earning the rank of officer in our fine military forces, progress and betterment for all people is certain to arise from motivation and inspiration.

On September 11 we were all inspired by the hundreds of firefighters, police officers, and rescue workers who ran up and into the Twin Towers to save the lives of the thousands of people while sacrificing their own. The actions of these brave men and women on September 11 have motivated each American to do something to better contribute to the good of our society. Today we need to publicly recognize the importance of motivation and inspiration in our daily lives.

House Resolution 308 supports the goals of celebrating National Motivation and Inspiration Day on January 2 of each year, a time that is traditionally used for reflection, planning, and goal setting. There is no better time to celebrate motivation and inspiration than during the season of New Year's resolutions, when we are all trying to find ways to maintain our goals throughout the year.

While this resolution does not directly designate this day, it highlights the importance of motivation and inspiration and the valuable role those qualities should play in the education of our children in the United States and around the globe.

I would like to thank the Committee on Government Reform chairman, the gentleman from Illinois (Mr. BURTON), and the majority leader, the gentleman from Texas (Mr. ARMEY), and their staff for helping me bring this measure to the floor. I would also like to thank my constituent and my friend, Kevin McCrudden, whose birthday it is today, for coming up with this idea and for working closely with me and my staff to see that this comes to fruition.

Mr. Speaker, you do not have to be inspired by the greatest things in life. It is some of the smaller things that inspire people to move to greatness. One of the things that has inspired and motivated me on this House floor is the day that I traveled to New York with the Congressional delegation to visit the infamous Ground Zero. And as I was walking down the streets and getting closer and closer and recognizing the enormity of the damage and the severity of what transpired, the pain in people's hearts as I moved closer, what inspired me most was the passion in the eyes of the firefighters and the police officers. As you can look down into their soul and see what motivated them, that is what has been motivating me on the floor to continue that fight and to help them to move and to get accomplished the things that they have set out to accomplish.

Mr. Speaker, I ask that my colleagues join me in support of this resolution.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no further speakers; and as I prepare to close, let me again congratulate the gentleman for his very thoughtful resolution and for it coming at a time of great need. Because even as we stand here today, a great shadow is being cast across America, the shadow of economic crisis, of recession. We are now in our 14th month of decline in industrial production. There are 100,000 workers losing their jobs each week. More than 1.3 million Americans have lost their jobs this year. Poverty and homelessness are on the rise. And as usual, the largest group of the poor are the children. Tens of millions of them are without affordable health care.

Suddenly thousands of people cannot pay their mortgages, cannot afford to continue college education. The hopes of millions of Americans who struggle to enter the mainstream of American economic life, to share in the American dream during the past decade, are now being dashed.

The economic crisis has been worsened by the terrorist attacks of September 11. But despite the heartfelt outpouring of support from Americans of every socio-economic group for the victims of the terrorists, there still remain masses of poor people who are finding it difficult to survive in our country.

So this resolution, this resolution calling for the inspiration and motivation that people need to dream, to believe that their lives can become whatever it is that they would endeavor to make life be, to know that no matter how dark it is at night, that there is sunshine in the morning. And so the idea of hope, of motivation, of inspiration of helping people to know that they can overcome any obstacles, overcome any fears, that they are in control of their own destinies, and they can help to make America and the world even greater than anything that we have ever experienced.

Again, I commend the gentleman and urge all of my colleagues to support this resolution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I wish to thank the chairman of the Subcommittee on Civil Service and Agency Organization, the gentleman from Florida (Mr. WELDON), and the ranking member, the gentleman from Illinois (Mr. DAVIS), along with the chairman of the Committee on Government Reform, and ranking member, the gentleman from California (Mr. WAXMAN), for expediting consideration of this resolution. I commend my colleague, the gentleman from New York (Mr. GRUCCI).

Mr. Speaker, I urge all Members to support House Resolution 308.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and agree to the resolution, H. Res. 308, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The title of the resolution was amended so as to read: "Resolution supporting the goals of a National Motivation and Inspiration Day.".

A motion to reconsider was laid on the table.

VERNON TARLTON POST OFFICE BUILDING

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3072) to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the "Vernon Tarlton Post Office Building".

The Clerk read as follows:

H.R. 3072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VERNON TARLTON POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, shall be known and designated as the "Vernon Tarlton Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Vernon Tarlton Post Office Building.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3072.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3072, and I commend the distinguished gentleman from North Carolina (Mr. TAYLOR) for introducing this bill. This measure designates the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the Vernon Tarlton Post Office Building. H.R. 3072 is supported by all members of the North Carolina delegation.

Mr. Speaker, in all corners of our great Nation we find many citizens who give so much to their communities. It is true of my own district and of each and every Member of Congress. Vernon Tarlton is one of these individuals.

A lifelong champion of Forest City in Rutherford County, North Carolina, Vernon Tarlton's list of accomplishments is long, varied, and distinguished. He served on the Forest City Board of Commissioners and was named one of the Outstanding City Councilmen in North Carolina.

He has received several awards to honor his community service. He was named the Rutherford County Volunteer of the Year. In 2000, he was honored by the Kiwanis Club as its Citizen of the Year. Furthermore, Vernon Tarlton received the North Carolina Governors Award for Outstanding Volunteer. Mr. Tarlton continues to take an active part in the Presbyterian church, serving as an elder and a trustee.

Finally, although in poor health, Vernon Tarlton worked tirelessly with property owners and postal officials to locate the site on which the new postal facility is to be built.

Mr. Speaker, it is fitting that we honor the many contributions of Vernon Tarlton by naming the post office at 125 Main Street in Forest City, North Carolina, for him.

Mr. Speaker, I urge all Members to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I am pleased to join with my colleague, the gentlewoman from Virginia (Mrs. JO ANN DAVIS), in the House consideration of H.R. 3072, which names the post office in Forest City, North Carolina, after Mr. Vernon Tarlton. This measure was introduced by the gentleman from North Carolina (Mr. TAYLOR) on October 9, 2001. H.R. 3072 has met the committee policy and is supported and cosponsored by the entire North Carolina delegation.

Mr. Tarlton is a lifelong member of the Forest City community. He has spent his time working for the betterment of his neighborhood and of the great State of North Carolina. He is a man of great faith and serves his Presbyterian church as both an elder and trustee. Last year, he was named the 2000 Citizen of the Year by the Kiwanis Club and is a recipient of the North Carolina Governors Award for Outstanding Volunteer.

Mr. Speaker, this is a man who truly cares about his community. So much so, that he has worked tirelessly on the bringing in of a new postal facility to the city. Mr. Tarlton's efforts have not been in vain. Passage of H.R. 3072 means that the new facility will be named after Mr. Tarlton. I cannot think of a better honor for one who has worked so diligently on behalf of his neighbors, friends, and other residents of his community.

I would urge passage of this postal-naming bill.

Mr. Speaker, I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself the balance of my time.

I again thank the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform, and the gentleman from California (Mr. WAXMAN), the ranking member, along with the gentleman from Florida (Mr. WELDON), the chairman of the Subcommittee on Civil Service and Agency Organization, and the gentleman from Illinois (Mr. DAVIS), the ranking member, for expediting consideration of this measure.

Again, I urge all Members to support this measure.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the bill, H.R. 3072.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RAYMOND M. DOWNEY POST OFFICE BUILDING

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3379) to designate the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the "Raymond M. Downey Post Office Building".

The Clerk read as follows:

H.R. 3379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RAYMOND M. DOWNEY POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, shall be known and designated as the "Raymond M. Downey Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Raymond M. Downey Post Office Building.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from New York (Mr. ISRAEL) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3379.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3379 introduced, by my distinguished colleague, the gentleman from New York (Mr. ISRAEL), is an important piece of legislation that designates the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the Raymond M. Downey Post Office Building. It carries the support of the entire New York congressional delegation.

Mr. Speaker, we lost many heroes in New York on September 11, but the loss of Chief Downey was an especially difficult one. A New York firefighter for 35 years, Raymond Downey's long and distinguished career is worth noting. He served with ladder and engine companies and with rescue squad companies.

He commanded Rescue Company 2 for 14 years. Chief Downey became a battalion chief in August 1994. Most recently, Chief Downey led the Special Operations Command, whose duties include rescue work, marine operations and the handling of dangerous materials.

☐ 1445

He was one of the Nation's leading experts on rescue operations at collapsed buildings.

Furthermore, Raymond Downey led a New York Fire Department special unit to assist in recovery efforts at the Murrah Federal Building in Oklahoma City, directed rescue efforts at the 1993 attack at the World Trade Center, and assisted FEMA in forming a national network search and rescue team.

Mr. Speaker, these remarkable accomplishments speak highly of Raymond Downey. Those who saw him work were awed by his abilities to bring order to even the most chaotic situations. Chief Downey achieved almost mythical status among his colleagues.

Mr. Speaker, I would just like to say on a personal note, being married to a battalion chief in the Hampton Fire Department for 30 years, I know what these firefighters go through and I know what they are like, and I can just imagine what Mr. Downey did for his men that worked for him, and I know they are all very proud of him, as I am sure all of New York is.

Since September 11, we have heard countless stories of heroic acts from members of New York's Fire Department. And yet, even in an organization filled with great men and women, Chief Raymond Downey stood out. That he would die in just the type of disaster for which he had received world acclaim was no surprise to those who knew him. For almost 40 years, he had been running into buildings as everyone else was running out.

Raymond Downey was a cornerstone of the New York Fire Department. His commitment to public service and his fellow man will forever linger in the hearts and minds of New Yorkers and all Americans.

Mr. Speaker, it is fitting that we honor the memory of this great American hero by renaming the post office at 375 Carlls Path in Deer Park New York as the Raymond M. Downey Post Office Building. He is deserving of this great tribute. I urge all Members to support this important resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. ISRAEL. Mr. Speaker, I yield myself such time as I may consume.

I rise today not simply to honor a constituent but, rather, to honor a national treasure, Raymond Downey. Heroes are known not only for their deeds but also for their rarity. New York lost many heroes on September 11, Ray Downey epitomized their courage.

At 63, he had been a New York firefighter for nearly 40 years. He led the Special Operations Command, and was probably the world's leading expert on rescues of collapsed buildings. When the World Trade Center was first attacked in 1993, Ray Downey led rescue operations at the World Trade Center. When the Murrah Federal Building in Oklahoma was bombed, Chief Downey was the natural choice to oversee the search and rescue efforts. On September 11, when planes crashed into the Twin Towers, of course Chief Downey would be there, sacrificing his own life so that thousands of others might live; giving his life doing the job he performed so nobly.

Ray Downey gave his life side-by-side hundreds of New York rescue workers, thousands of New Yorkers. Almost everyone in my district knows someone who did not make it out of the World Trade Center that day. We are all prone to a sense of why some and not others. It is a question different people with different faiths will answer in different ways, but in the case of Chief Downey, we know why: It was because while everyone was running away from danger, Ray Downey and his comrades were rushing towards danger. He had been going in that direction for 39 years as firefighter.

While everyone was running down the stairs of the Towers, Ray Downey was going into those buildings, going up the stairs, an act of heroism that allowed thousands of innocent men and women to return home to their families that night. He was an inspiration to all who saw him that morning. He will be an inspiration to all who will know him throughout history. In the words of Reverend Billy Graham, "courage is contagious. When a brave man takes a stand, the spines of others are stiffened." On September 11, Ray Downey took a noble stand.

There were over 300 firefighters who lost their lives running up the stairs, running into the very face of danger on September 11. I have been to countless memorial services for the almost 100 people in my district who have been lost. This weekend, I went to Ray Downey's. The turnout was immense, huge, commensurate to his standing in his community and his country. He was a rock of strength and courage to his fellow firefighters, to the people of New York, and his community of Deer Park.

We have come to know a lot of heroes in New York since September. Even among heroes, Ray Downey was something special, something truly extraordinary. His colleagues knew that. They called him God. He was not God. He was not immortal. And the risks he took running into a dangerous building were just as great as they were for anyone else. To give his life to save others, that is what made him a hero.

When Ray Downey and his 300 men raced up the staircases of the World Trade Center, they surely knew what the likely outcome would be. Yet they chose others' lives over their own. They chose professionalism over self-interest. They looked directly into the face of death and made us all brave. They were frightened in those last moments, of course, but they kept moving up to death, guiding people down to life. In the words of the poet, "courage is not the absence of fear, it is the conquest of it."

Ray Downey. We will not see his likes again in our lifetime, and that is why the naming of the Deer Park Post Office as the Raymond Downey Post Office is so appropriate a tribute.

Mr. Speaker, I reserve the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield 30 seconds to the gentleman from New York (Mr. KING).

Mr. KING. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I am proud to join with my colleague, the gentleman from New York (Mr. ISRAEL) this afternoon.

Ray Downey was a legend in the New York City Fire Department. He and I grew up in the same department in Queens. He is a man who dedicated his life to saving other lives. And as the gentleman from New York (Mr. ISRAEL) said, when 25,000 people were coming down the stairs, Ray Downey, at the age of 63, when he could have been sitting behind a desk, was going into a building to rescue thousands of people, and he certainly deserves whatever accolades we can give him. But more important than that, he has the accolades of all those who knew and loved him.

Mr. ISRAEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, at Raymond Downey's memorial service, his daughter Kathy recited a poem I would like to share. It is entitled Our Angel.

"On that dreadful day we huddled in prayer, hearts joined in sorrow, pain difficult to bear. Our angels climbed up, as they helped others down. The Towers may have fallen, but our bravest never touched the ground. They kept soaring up to that heavenly cloud, shining strength down on us, we are grateful and proud. So please say a prayer as a tribute to those whose love never faltered and eternally grows."

Mr. Speaker, I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself the balance of my time. I commend the distinguished gentleman from New York (Mr. ISRAEL) for introducing this legislation and working so hard to ensure its passage.

I again urge all Members to support this important resolution and to reflect upon this great American, Raymond Downey, for the tremendous devotion that he gave to all New Yorkers during his tenure with the New York Fire Department.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the bill, H.R. 3379.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ISRAEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

WATER INFRASTRUCTURE SECURITY AND RESEARCH DEVELOPMENT ACT

Mr. BOEHLERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3178) to authorize the Environmental Protection Agency to provide funding to support research, development, and demonstration projects for the security of water infrastructure, as amended.

The Clerk read as follows:

H.R. 3178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Water Infrastructure Security and Research Development Act".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(2) the term "research organization" means a public or private institution or entity, including a national laboratory, State or local agency, university, or association of water management professionals, or a consortium of such institutions or entities, that has the expertise to conduct research to improve the security of water supply systems; and

(3) the term "water supply system" means a public water system, as defined in section 1401(4) of the Safe Drinking Water Act (42 U.S.C. 300f(4)), and a treatment works, as defined in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292), that is publicly owned or principally treating municipal waste water or domestic sewage.

SEC. 3. WATER SUPPLY SYSTEM SECURITY RESEARCH ASSISTANCE.

(a) IN GENERAL.—The Administrator, in consultation and coordination with other relevant Federal agencies, shall establish a program of research and development activities to achieve short-term and long-term improvements to technologies and related processes for the security of water supply systems. In carrying out the program, the Administrator shall make grants to or enter into cooperative agreements, interagency agreements, or contracts with research organizations.

(b) PROJECTS.—Awards provided under this section shall be used by a research organization to—

(1) conduct research related to or develop vulnerability assessment technologies and related processes for water supply systems to assess physical vulnerabilities (including biological, chemical, and radiological contamination) and information systems vulnerabilities;

(2) conduct research related to or develop technologies and related processes for protecting the physical assets and information systems of water supply systems from threats;

(3) develop programs for appropriately disseminating the results of research and development to the public to increase awareness of the nature and extent of threats to water supply systems, and to managers of water supply systems to increase the use of technologies and related processes for responding to those threats;

(4) develop scientific protocols for physical and information systems security at water supply systems;

(5) conduct research related to or develop real-time monitoring systems to protect against chemical, biological, and radiological attacks;

(6) conduct research related to or develop technologies and related processes for mitigation of, response to, and recovery from biological, chemical, and radiological contamination of water supply systems; or

(7) carry out other research and development activities the Administrator considers appropriate to improve the security of water supply systems.

(c) GUIDELINES, PROCEDURES, AND CRITERIA.—

(1) REQUIREMENT.—The Administrator shall, in consultation with representatives of relevant Federal and State agencies, water supply systems, and other appropriate public and private entities, publish application and selection guidelines, procedures, and criteria for awards under this section.

(2) REPORT TO CONGRESS.—Not later than 90 days before publication under paragraph (1), the Administrator shall transmit to Congress the guidelines, procedures, and criteria proposed to be published under paragraph (1).

(3) DIVERSITY OF AWARDS.—The Administrator shall ensure that, to the maximum extent practicable, awards under this section are made for a wide variety of projects described in subsection (b) to meet the needs of water supply systems of various sizes and are provided to geographically, socially, and economically diverse recipients.

(4) SECURITY.—The Administrator shall include as a condition for receiving an award under this section requirements to ensure that the recipient has in place appropriate security measures regarding the entities and individuals who carry out research and development activities under the award.

(5) DISSEMINATION.—The Administrator shall include as a condition for receiving an award under this section requirements to ensure the appropriate dissemination of the results of activities carried out under the award.

SEC. 4. EFFECT ON OTHER AUTHORITIES.

Nothing in this Act limits or preempts authorities of the Administrator under other provisions of law (including the Safe Drinking Water Act and the Federal Water Pollution Control Act) to award grants or to enter into interagency agreements, cooperative agreements, or contracts for the types of projects and activities described in this Act.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Administrator to carry out this Act $12,000,000 for each of the fiscal years 2002, 2003, 2004, 2005, and 2006.

(b) AVAILABILITY.—Funds appropriated under subsection (a) shall remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. BOEHLERT) and the gentleman from Washington (Mr. BAIRD) will each control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BOEHLERT).

GENERAL LEAVE

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislate days in which to revise and extend their remarks and to include extraneous material in the RECORD on H.R. 3178.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3178, the Water Infrastructure Security and Research Development Act, or WISARD, as we call it, authorizes the Environmental Protection Agency to provide assistance for research and development of antiterrorism tools for water infrastructure protection. The Committee on Science has worked hard to bring forth to this House a bipartisan broadly supported bill that responds to the growing threats facing our country's drinking water and wastewater systems.

Mr. Speaker, fences, guards dogs, and bottled water are not a sustainable approach to water infrastructure security. That is why my colleagues and I, with the help and support of water management agencies, State and local officials, engineering companies, and experts in the scientific community introduced and advanced the legislation before us today. H.R. 3178 is an important first step in ensuring that we have the research and development our country needs to combat biological, chemical, physical, and cyberterrorist threats today, tomorrow, and into the future. It focuses on not just short-term research needs, but also intermediate and, importantly, long-term needs.

Just as it took the greatest scientific minds and technological advances to win World War II and the Cold War, the success of America's new war will be measured not only on the battlefield, but also in the laboratory. H.R. 3178 is a big step down that path. The WISARD bill will help us identify and assess vulnerabilities, enhance our prevention and response measures, and ensure long-term security.

The testimony we received from experts in national security, water management, and scientific research confirmed the compelling need for this bill. While there are certain immediate actions we can take to increase the security of our water supplies, we cannot lose sight of the longer-term questions and opportunities involving technologies. H.R. 3178 responds with a focused research and development program to help answer the necessary questions and develop the technological solutions in collaboration with EPA's public and private partners.

Mr. Speaker, this bill is just one example of the Committee on Science's efforts regarding terrorism since September 11, 2001. We have held hearings and moved bills relating to cyberterrorism and information technology. We have had detailed hearings on bioterrorism, exploring issues of anthrax decontamination, how clean is clean and how coordinated is coordinated in terms of the Federal response. We have also looked at the interoperability issues and the interdependence of water systems and other critical infrastructures, such as telecommunications, energy and transportation. H.R. 3178 builds upon this record.

I should also explain that the text of this bill is essentially the text of H.R. 3178 as approved by the Committee on Science on November 15, 2001. We made additional clarifications and revisions after consultation with committees expressing a jurisdictional interest in the bill.

Finally, Mr. Speaker, I want to particularly thank the gentleman from Washington (Mr. BAIRD) for his leadership, and the 46 other cosponsors who have helped shape and advance this legislation. My colleagues on the Committee on Science, including the ranking minority member the gentleman from Texas (Mr. HALL), and the chairman and ranking minority members of the Subcommittee on Environment, Technology, the gentleman from Michigan (Mr. EHLERS) and the gentleman from Michigan (Mr. BARCIA) respectively, approved H.R. 3178 unanimously on November 15.

I also want to thank the chairman of the Committee on Transportation and Infrastructure, the gentleman from Alaska (Mr. YOUNG); chairman of the Committee on Energy and Commerce, the gentleman from Louisiana (Mr. TAUZIN); and the chairman of the Committee on Resources, the gentleman from Utah (Mr. HANSEN), for their suggestions and cooperation in clarifying some of the bill's provisions.

Mr. Speaker, at this point, I enter into the RECORD background materials on H.R. 3178, including the exchange of correspondence between the Committee on Science and the Committee on Energy and Commerce, and the Committee on Transportation and Infrastructure.

PURPOSE OF THE BILL

The purpose of H.R. 3178 is to authorize the Environmental Protection Agency (EPA) to provide assistance for research and development of technologies and related processes to strengthen the security of water infrastructure systems.

BACKGROUND AND NEED FOR THE LEGISLATION

Federal, state and local governments have spent tens of billions of dollars to build the nation's drinking water and wastewater treatment infrastructure. In the coming decades, tens of billions more will be required to maintain that infrastructure and meet the needs of a growing population. What has become clear in recent years and, even more so after the September 11, 2001 attacks, is that while the nation's water infrastructure provides safe and plentiful water to more than 250 million Americans, the system was not built with security from terrorism in mind.

How can the nation respond successfully to this new and daunting challenge? Success will depend on, among other things, focused and sustained research to: (1) Assess potential physical, chemical and cyber vulnerabilities of the system, (2) develop techniques for real-time monitoring to detect threats, (3) conduct research on mitigation, response and recovery methods, and (4) develop mechanisms for widely disseminating and sharing information. H.R. 3178 directly addresses these needs by specifically authorizing water system infrastructure research and development projects and by authorizing funding to carry out this important work.

WATER INFRASTRUCTURE

Approximately 170,000 "public water systems" provide water for more than 250 million people in the United States. The Safe Drinking Water Act defines public water system as "a system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least 15 service connections or regularly serves at least 25 individuals . . . and includes collection, treatment, storage, and distribution facilities used primarily in connection with the system." Environmental Protection Agency (EPA) regulations recognize two primary types of such systems: (1) "Community water systems," which provide drinking water to the same people year-round; and (2) "non-community water systems," which serve people on a less than year round basis at such places as schools, factories or gas stations.

There are approximately 16,000 municipal sewage treatment works, servicing 73 percent of the U.S. population. Privately owned treatment systems, including septic tanks, serve the remaining population. The Federal Water Pollution Control Act (also known as the Clean Water Act) defines treatment works as "any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature . . . including intercepting sewers, outfall sewers, sewage collection systems . . . and any works that will be an integral part of the treatment process."

THREATS TO DRINKING AND WASTEWATER SYSTEMS

Physical threats to drinking water systems include chemical, biological, and radiological contaminants and disruption of flow through explosions or other destructive actions. Like wastewater treatment systems, drinking water systems may also be at risk because of on-site stockpiles of chemicals that could create fire, explosion, or other hazards. Cyber threats are an increasing concern, given the automated, remote-control nature of most drinking water treatment and distribution systems. Systems are also dependent on other critical infrastructure systems such as energy, telecommunications, and transportation. For example, a water treatment plant that depends on daily deliveries by truck of aluminum sulfate, chlorine, or other chemicals needs an emergency operations plan if such deliveries are interrupted. In recent years, most attention has focused on threats to drinking water systems, particularly to water storage reservoirs.

Wastewater treatment facilities have received increasing attention after the September 11, 2001 attacks. Like drinking water plants, they face physical and cyber threats and other vulnerabilities due to their dependence on other critical infrastructures. Particular attention has also focused on the large volume of liquid chlorine, sulfur dioxide, and other toxic chemicals that may be stored or in use at sewage facilities and the potential for an explosion to create a toxic cloud that could threaten employees and surrounding communities. In addition, some research has occurred with respect to alternative treatment systems and chemicals (such as chlorine bleach or sodium hypochorite in lieu of liquid chlorine).

SECURITY REPORTS AND ACTIONS

There has been increasing, though still limited, attention to infrastructure security in recent years. In response to a 1995 Congressional directive, President Clinton established a Commission on Critical Infrastructure Protection, which issued an October 1997 report, "Critical Foundations, Protecting America's Infrastructures." The report addressed various infrastructure systems, including water, and recommended greater cooperation and communication between government and the private sector.

In May 1998, President Clinton issued President Decision Document 63 (PDD–63), which included the goal of protecting the nation's critical infrastructure from intentional physical and cyber attacks by 2003. Plans by key federal agencies to meet this goal were to be in place by late 1998. The report identified water supply as one of eight critical infrastructure systems requiring attention, specifically focusing on the 330 largest community water systems that each serve more than 100,000 persons. PDD–63 designated EPA as the lead federal agency for interacting with the water supply sector.

EPA responded in late 1998 with a "Plan to Develop the National Infrastructure Assurance Plan: Water Supply Sector" to address water infrastructure security. In June 2001, EPA's Inspector General issued a report that credited EPA with achieving a fast start on its efforts, but criticized the agency for missing many important milestones it had set for developing critical infrastructure protections. After the report, and again after the September 11 attacks, the pace of EPA's efforts has accelerated.

To date, EPA has entered into a partnership with the Association of Metropolitan Water Agencies (AMWA) and the American Waters Works Association (AWWA) to reduce the vulnerability of water systems. AWWA's Research Foundation has contracted with the Department of Energy's Sandia National Laboratories to develop vulnerability assessment tools for water systems. EPA has also received appropriations (e.g. $2M in FY 01) for projects with Sandia to pilot test physical vulnerability assessment tools and develop a cyber vulnerability assessment tool. Additional actions (e.g. upgrading security technologies and developing real-time monitoring technologies) on a variety of important security related issues have yet to be completed.

PDD–63 also called for the Federal Bureau of Investigation (FBI) to establish a National Infrastructure Protection Center to provide information sharing and analysis and to coordinate with and encourage private sector entities to establish Information Sharing and Analysis Centers (ISACs). AMWA volunteered to be the Water ISAC coordinator. The purpose of the Water ISAC is to provide to water managers early warnings and alerts about threats to the integrity and operation of water supply and wastewater systems.

While various federal agencies are conducting research on water-related security issues, the January 2001 report of the President's Commission on Critical Infrastructure

Protection characterized ongoing water sector research efforts as relatively small with a number of gaps and shortfalls. Four major areas for further research are identified: (1) Threat/vulnerability risk assessments; (2) identification and characterization of biological and chemical agents; (3) establishment of a center of excellence to support communities in conducting vulnerability and risk assessments; and (4) application of information assurance techniques to computerized systems used by water utilities.

Various drinking water system managers and researchers have identified priority areas for research, including: (1) Assessment of physical vulnerabilities including disruption of flow and contamination by chemical, biological, or radiological agents; (2) cyber vulnerabilities including process control equipment, Supervisory Control and Data Acquisitions (SCADA) systems, and other information systems; and (3) vulnerabilities associated with interdependencies with other critical infrastructure sectors such as energy, telecommunications, transportation, and emergency services. Specific research needs include: vulnerability assessment tools; technologies and processes for protecting physical assets and information and process control systems; training, education, and awareness programs; information sharing tools; demonstration projects; real-time monitoring and detection systems; and response and recovery plans.

SUMMARY

Together, the various studies, plans and recommendations highlight significant gaps in research and development projects and shortfalls in funding for such research-related activities. More importantly, they provide a roadmap for actions in the short, medium and long term. H.R. 3178 directly addresses these gaps by providing a broad framework for water system infrastructure research and development projects and by authorizing funding to meet such needs.

SUMMARY OF HEARINGS

The Committee held a hearing on "H.R. 3178 and Developing Anti-Terrorism Tools for Water Infrastructure" on November 14, 2001. Four witnesses presented testimony: Mr. James Kallstrom, Director of the Office of Public Security, and a former official with the Federal Bureau of Investigation, described some of his experiences with terrorism and the importance of water infrastructure security. He testified on New York State's strong support for H.R. 3178 and reinforced the importance of building the technological prowess needed to anticipate, prevent, and respond to terrorist attacks.

Dr. Richard Luthy, Professor of Civil Engineering, Stanford University and Chair, Water Science and Technology Board, National Research Council, provided an overview of vulnerabilities facing water systems and areas for further research and development. In his support for H.R. 3178, he pointed out that dams, aqueducts and pumping stations are especially vulnerable to attack, including cyber attacks. He emphasized that while there are real physical threats to water systems from chemical or biological contamination, there are also important psychological and economic consequences from perceived or minor contamination. He recommended that steps be taken to enable early detection of threats or contamination, and to explore opportunities for interconnectedness or redundancies in and among water systems to address a failing in one part of the system.

Mr. Jeffrey Danneels, Department Manager, Security Systems and Technology Center at Sandia National laboratories, also provided an overview of water system vulnerabilities and described current and proposed projects by Sandia National Laboratories to increase water infrastructure security and develop vulnerability assessments. He testified first to the dramatic funding challenges faced by the nation's communities to maintain and build new drinking water and wastewater infrastructure in the coming years. In this context he described how less than one percent of the water flowing from most urban drinking water systems is consumed as drinking water. Because the remainder goes to other uses (such as fire fighting, flushing toilets, etc), he suggested that H.R. 3178 support research on prospective water system design improvements that could have profound benefits. In supporting H.R. 3178, he urged members to ensure that the bill addresses short-medium- and long-term threats and appropriate responses to them. In particular, he recommended that H.R. 3178 support the following efforts; security risk assessment methodologies, new security technologies, real-time monitoring supervisory control and data acquisition, and advanced treatment technologies.

Mr. Jerry Johnson, who oversees the District of Columbia's water distribution and wastewater treatment systems, and represented the Association of Metropolitan Waster Agencies (AMWA) and the American Water Works Association Research Foundation (AwwaRF), described the need for additional and/or improved information, technologies, and practices to strengthen the security of water systems. He conveyed the strong support of the water infrastructure community for H.R. 3178 and highlighted a variety of ongoing infrastructure security related research among federal agencies and the water infrastructure community. He also depicted numerous areas requiring further research, including: (1) An assessment of potential contaminants; (2) development of portable assessment tools, such as miniature liquid chemical laboratories and a gas chromatograph on a silicon chip; (3) nanoelectrode analysis technologies; (4) DNA chips; and (5) other technologies to assure rapid assessment and response to chemical or biological threats.

COMMITTEE ACTIONS

On October 30, Congressman Sherwood Boehlert, joined by Congressman Baird and several other members, introduced H.R. 3178. On November 14, 2001, the Science Committee held a hearing on the bill.

On November 15, 2001, the Science Committee considered the bill. Chairman Boehlert offered an en bloc amendment, which was adopted by voice vote. The amendment made the following changes: (1) Clarified that eligible research organizations include state and local entities and that entities have expertise to conduct water security research; (2) broadened the definition of water supply system to include source waters such as streams and aquifers and also aqueducts and other facilities to convey water from the water source; (3) clarified that funding arrangements include grants, cooperative agreements, interagency agreements, and contracts; (4) clarified that vulnerability assessment efforts included research, development, and demonstration; (5) specified and clarified that, to the maximum extent practicable, research projects should meet the needs of water systems of various sizes and that award recipients should be geographically, socially, and economically diverse; (6) clarified that dissemination of information and the results of research under the Act are to be on an appropriate basis, considering the sensitive nature or potentially sensitive nature of such information and research results; and (7) added a savings clause that nothing in the Act limits or preempts EPA authorities under other laws such as the State Drinking Water Act and the Clean Water Act.

The committee favorably reported the bill as amended, by voice vote, and authorized staff to make technical and conforming changes as necessary.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Provided short title.

SECTION 2

Defines the terms "Administrator," "research organization," and "water supply system." Research organizations include national laboratories, state and local agencies, universities, and water management associations. Water supply systems include drinking water and wastewater facilities.

SECTION 3

"Water Supply System Security Research Assistance"—subsection (a): Directs the EPA, in conjunction with other relevant agencies, to establish a program for the research and development of technologies and related processes to increase the security of water supply systems. In carrying out the program, EPA is to make grants or enter into cooperative agreements, interagency agreements, or contracts.

Subsection (b) Projects—provides that awards may be used to: (1) Conduct research related to or develop technologies and related processes to assess physical and information systems vulnerabilities; (2) conduct research related to or develop technologies and related processes for protecting physical assets and information systems; (3) develop programs to appropriately disseminate the results of research to increase public awareness of threats to water supply systems, and to help managers of water supply systems respond to threats; (4) develop scientific protocols for physical and information systems security at water supply systems; (5) conduct research related to or develop real-time monitoring systems related to chemical, physical, and radiological attacks; (6) conduct research related to or develop technologies for the mitigation, response to, and recovery from biological, chemical, and radiological contamination; or (7) carry out other research, development, and demonstration activities EPA considers appropriate.

Subsection (c) Guidelines, Procedures, Criteria—(1) Requires EPA to consult and coordinate with various entities, including water supply agencies, in developing guidelines, procedures, and criteria for applications and the selection of awards.

(2) Requires EPA to transmit to Congress proposed guidelines, procedures, and criteria at least 90 days before finalizing such proposals.

(3) Directs the EPA to ensure, to the maximum extent practicable, that awards are provided to a wide variety of projects to meet the needs of water systems of various sizes and to geographically, socially, and economically diverse recipients.

(4) Requires, as a condition of receiving an award, that research organizations have in place appropriate security measures regarding entities and individuals carrying out activities under the award.

(5) Requires the appropriate dissemination of the results of activities carried out under the award.

SECTION 4

"Effect on Other Authorities"—provides that nothing in the Act limits or preempts authorities of the Administrator under other provisions of law (including the Safe Drinking Water Act and the Federal Water Pollution Control Act) to award grants or to enter into interagency agreements, cooperative agreements, or contracts for the types of projects and activities described in the Act.

SECTION 5

"Authorization of Appropriations"—authorizes $12 million for each of fiscal years 2002 through 2006 for EPA to carry out the Act and requires that such funds remain available until expended.

ADDITIONAL COMMENTS

The Committee encourages the Administrator to make full use of scientific peer review procedures, the Science Advisory Board, and other appropriate entities, to help ensure the wisest, most cost-effective use of federal and non-federal funds. In carrying out this Act, which authorizes scientific, environmental, and energy-related research and development activities, the Administrator should consult and coordinate with other agencies, including the National Science Foundation, the National Institute of Standards and Technology, and the Department of Energy.

The definition of "water supply system," including the terms defined in section 1401 of the Safe Drinking Water Act and section 212 of the Clean Water Act, should be construed broadly.

In carrying out section 3(a) and (c), the Administrator should consult and coordinate with the Director of the National Institute of Standards and Technology. Such coordination is particularly important for any EPA research projects, as described in subsection (b)(4), relating to the development of scientific protocols. The purpose of subsection (b)(4) is to foster the development of scientific protocols for security-related technologies; nothing in the paragraph should be construed to affect or relate to EPA's regulatory activities or programs. Activities under subsection (b)(7) include the provision of financial and technical assistance for dissemination of research results.

The Committee directs the Administrator to ensure an appropriate balance among short-, medium,-, and long-term research and development activities. Throughout the Committee's deliberations on H.R. 3178, witnesses and Members consistently emphasized the importance of looking at more than just immediate- and short-term needs. Accordingly, this legislation emphasizes and lays the foundation for a longer-term, focused program of research that can provide answers to the most basic questions in water security.

The Administrator should ensure that awards are made for a wide variety of projects to meet the needs of large, medium, and small water supply systems. Awards should also be provided to recipients from different geographic areas and with different social or economic backgrounds. For example, where appropriate, the Administrator should consider research organizations that are historically black colleges and universities, institutions that serve Hispanic and other minority populations, and institutions that serve rural communities.

Water sources and water systems vary widely in the differing regions of the United States in how they obtain, store and deliver water. In testimony before the Committee on November 14, 2001, Dr. Richard Luthy highlighted how unique water resources and facilities (such as impoundments or dams, aqueducts, rivers, groundwater, etc.) require different solutions to protect them. It is the intent of the Committee that funds provided in this bill should be made available to researchers familiar with the challenges posed by the unique circumstances of differing regions. EPA should give serious consideration providing funds under this Act to the numerous state regional centers of excellence for water research.

The Committee believes that dissemination of research results and related information to water managers and other officials, including the public, should be only on an "as appropriate" basis. EPA should determine the appropriateness of such dissemination, in close consultation with the FBI and other agencies with expertise in national security matters. The Committee recognizes there is a difficult, but important, balance required between distributing information on infrastructure vulnerabilities and potential or developed solutions on the one hand and withholding sensitive or classified information on the other. Accordingly, the Committee directs the Administrator and recipients of awards under this Act to work together closely to ensure that potentially sensitive information is obtained, disseminated, and used only under secure situations with safeguards in place.

Among options to be considered under section 3(b)(7) should be: research and development of innovative technologies capable of reducing reliance upon the centralized purification of water to potable quality. Such innovative technologies should enable distributed or on-site water treatment or water recycling. The goal of such technologies is to make water supplies more secure from deliberate disruption or contamination by increasing redundancy while improving purity, isolation, reliability and availability.

EPA should also consider research and development projects involving the effectiveness of alternative materials, processes, and technologies for reducing the quality of toxic or hazardous materials maintained on site at facilities for use in the treatment of water and wastewater.

H.R. 3178—THE WATER INFRASTRUCTURE SECURITY AND RESEARCH DEVELOPMENT ACT (WISARD)

Supporters Include the Following: American Council of Engineering Companies; American Society of Civil Engineers; American Water Works Association; American Water Works Research Foundation; Association of California Water Agencies.

Association of Metropolitan Sewerage Agencies; Association of Metropolitan Water Agencies; National Association of Counties; National Association of Water Companies; National Society of Professional Engineers; and the Water Environment Federation, State of New York.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 16, 2001.

Hon. SHERWOOD L. BOEHLERT,
Chairman, Committee on Science, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3178, the Water Infrastructure Security and Research Development Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs), who can be reached at 226-2860, and Elyse Goldman (for the state and local impact), who can be reached at 225-3220.

Sincerely,

STEVEN M. LIEBERMAN
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, NOVEMBER 16, 2001.

H.R. 3178: WATER INFRASTRUCTURE SECURITY AND RESEARCH DEVELOPMENT ACT

[As ordered reported by the House Committee on Science on November 15, 2001]

SUMMARY

H.R. 3178 would authorize the appropriation of $60 million over the 2002–2006 period for the Environmental Protection Agency (EPA) to provide new grants to research organizations, including state and local agencies, to carry out projects aimed at improving the protection and security of water supply systems, such as protection from biological and chemical contamination. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 3178 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, and tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3178 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2002	2003	2004	2005	2006
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	12	12	12	12	12
Estimated Outlays	5	10	12	12	12

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted before the end of 2001, that the full amounts authorized will be appropriated each fiscal year, and that outlays will occur at rates similar to previous funding for EPA's Science and Technology programs. CBO estimates that implementing H.R. 3178 would increase spending subject to appropriation by $51 million over the 2002–2006 period.

Pay-as-you-go considerations: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3178 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, and tribal governments. The bill would benefit state and local governments by establishing a grant program for research institutions, including public universities and state and local agencies, to improve the protection and security of public water supply systems. Any costs associated with the grant program would be considered a condition of aid.

PREVIOUS CBO ESTIMATE

On November 16, 2001, CBO transmitted a cost estimate for S. 1593, the Water Infrastructure Security and Research Development Act, as ordered reported by the Senate Committee on Environment and Public Works on November 8, 2001. The bills are similar but our cost estimate of S. 1593 reflects additional spending provisions in that bill.

Estimate prepared by: Federal Costs: Susanne S. Mehlman (226-2860); Impact on

State, Local, and Tribal Governments: Elyse Goldman (225-3220); and Impact on the Private Sector: Jean Talarico (226-2940).

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analyis.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, December 14, 2001.

Hon. SHERWOOD L. BOEHLERT,
Chairman, Committee on Science, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BOEHLERT: I am writing with regard to H.R. 3178, the Water Infrastructure Security and Research Development Act.

As you know, Rule X of the Rules of the House of Representatives grants the Committee on Energy and Commerce jurisdiction over public health and quarantine. Under this authority, the Committee on Energy and Commerce Committee has jurisdiction over the Safe Drinking Water Act (SDWA) and the construction, operation and maintenance of "public water systems" as defined in the Act. As ordered reported, H.R. 3178 authorizes EPA to undertake certain specified activities concerning the regulation, design, and operation of public water systems (including treatment techniques used, monitoring activities, operational processes and both internal and external information systems), among other things, and therefore the bill falls within the jurisdiction of the Energy and Commerce Committee. I understand that you are making changes to H.R. 3178 as ordered reported that may lessen, though not eliminate, the jurisdictional interests of my Committee in the bill.

I recognize your desire to bring this legislation before the House in an expeditious manner. Accordingly, I will not exercise the Committee's right to a referral. By agreeing to waive its consideration of the bill, however, the Energy and Commerce Committee does not waive its jurisdiction over H.R. 3178. In addition, the Energy and Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this or similar legislation. I ask for your commitment to support any request by the Energy and Commerce Committee for conferees on H.R. 3179 or similar legislation.

I request that you include this letter as part of the Record during consideration of the legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,
W.J. "BILLY" TAUZIN,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE,
Washington, DC, December 14, 2001.

Hon. W.J. "BILLY" TAUZIN,
Chairman, Committee on Commerce, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN TAUZIN: Thank you for your letter of December 14, 2001, regarding the Commerce Committee's jurisdictional interest in H.R. 3178, the "Water Infrastructure Security and Research Development Act," with amendments.

The Science Committee appreciates you not seeking a referral of H.R. 3178 and appreciates your cooperation in moving the bill to the House floor expeditiously. I concur that your decision to forego action on the bill will not prejudice the Commerce Committee with respect to its jurisdictional prerogatives on H.R. 3178 or on similar or related legislation. Additionally, I recognize your right to request conferees on H.R. 3178 or similar legislation for those provisions that fall within the purview of the Committee on Energy and Commerce. I will include a copy of your letter and this response in the Congressional Record when the House considers the legislation.

Once again, thank you for your cooperation in this matter.

Sincerely,
SHERWOOD L. BOEHLERT,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC, December 17, 2001.

Hon. SHERWOOD L. BOEHLERT
Chairman, Committee on Science, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for the opportunity to review H.R. 3178 on behalf of the Committee on Transportation and Infrastructure before the filing of the report by the Committee on Science.

The Committee on Transportation and Infrastructure has a valid claim to jurisdiction over H.R. 3178, both as introduced and as amended. This legislation authorizes the Administrator of the Environmental Protection Agency (EPA) to award grants for the development of technologies, processes, protocols, and monitoring systems for the security for treatment works, as defined in section 212 of the Federal Water Pollution Control Act. Security measures are component of operation and maintenance. The Committee on Transportation and Infrastructure has jurisdiction over the operation and maintenance, as well as construction, of treatment works. Accordingly, the Committee on Transportation and Infrastructure has jurisdiction over EPA grants awarded to develop security measures for treatment works. As you know, this topic was a topic covered in an October 10, 2001, hearing held by the Water Resources and Environment Subcommittee on "Terrorism, Are America's Water Resources and Environment at Risk?"

The Committee on Transportation and Infrastructure recognizes the importance of this legislation. In view of your desire to move H.R. 3178 to the floor in an expeditious fashion, I do not intend to seek a sequential referral of H.R. 3178. However, this should in no way be viewed as a waiver of jurisdiction and the Transportation on Transportation and Infrastructure reserves the right to seek conferees in the event that this legislation is considered in an House-Senate conference.

I look forward to working with you on this bill.

Sincerely,
DON YOUNG,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE,
Washington, DC, December 17, 2001.

Hon. DON YOUNG,
Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.

DEAR CHAIRMAN YOUNG: Thank you for your letter of December 17, 2001, regarding the Transportation and Infrastructure Committee's jurisdictional interest in H.R. 3178, the "Water Infrastructure Security and Research Development Act," with amendments.

The Science Committee appreciates you not seeking a referral of H.R. 3178 and your cooperation in moving the bill to the House floor expeditiously. I concur that your decision to forego action on the bill will not prejudice the Committee on Transportation and Infrastructure with respect to its jurisdictional prerogatives on H.R. 3178 or on similar or related legislation. Additionally, I recognize your right to request conferees on H.R. 3178 or similar or related legislation for those provisions that fall within the purview of the Committee on Transportation and Infrastructure. I will include a copy of your letter and this response in the Congressional Record when the House considers the legislation.

Once again, thank you for your cooperation in this matter.

Sincerely,
SHERWOOD L. BOEHLERT,
Chairman.

Mr. Speaker, I reserve the balance of my time.

Mr. BAIRD. Mr. Speaker, I yield myself such time as I may consume.

I want to begin by complimenting the gentleman from New York (Mr. BOEHLERT). He has shown his commitment to our Nation's security and to a bipartisan manner of governing this committee. He has held hearings on a number of issues pertaining to terrorism, and the bill we are considering today, the water security bill. Chairman BOEHLERT has always lead our committee in a bipartisan manner, and I think it is a credit to his leadership that this bill has been so well crafted and brought to the floor in such a timely manner.

In the aftermath of September 11, our citizens have been more cognizant and more diligent than ever in trying to protect themselves and their neighbors against terrorist attack.

□ 1500

I believe it is a fundamental responsibility of our government to make sure we help those citizens in that effort. The bill we will vote on today will provide the means necessary to ensure the water we drink is safe from terrorist threats. It will also benefit the public by providing much-needed research on the various aspects of the water protection, such as endocrine disrupters and arsenic standards.

After September 11, we realized how much more we should have done to bolster airport security. Fortunately, with the legislation we are considering now, we are given a chance to protect our water supply before it is seriously threatened.

I would like to thank the gentleman from New York (Mr. BOEHLERT); the gentleman from Texas (Mr. HALL), the ranking member; the staff of the Committee on Science for their hard work on making this bill a reality, especially Ben Grumbles, who has worked tirelessly in making this a technically sound bill; Mark Harkins for his support and advice; and my own staff member, Brooke Jamison, for her hours of service to the people of my district.

Mr. Speaker, I strongly urge my colleagues to support this important piece of legislation, and I commend the chairman for his leadership.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Virginia (Mr. TOM DAVIS) is interested in ensuring that areas of particular vulnerability, such as water systems in the National Capital region, receive appropriate attention when EPA is selecting research-related projects. I appreciate the gentleman's interest, and also the interest expressed by all of the cosponsors of this legislation, but most particularly, once again, the gentleman from Washington (Mr. BAIRD). He has been there from the beginning, and I appreciate that cooperation.

Mrs. WILSON. Mr. Speaker, I rise today in support of H.R. 3178, the Water Infrastructure Security and Research Development Act.

There are approximately 170,000 "public water systems" that provide water for more than 250 million people in the United States. There are also approximately 16,000 municipal sewage treatment works, servicing 73 percent of the U.S. population. The Federal, state and local governments have spent tens of billions of dollars to build the nation's drinking water and wastewater treatment infrastructure. In the coming decades, tens of billions more will be required to maintain that infrastructure and meet the needs of a growing population. What has become clear after the September 11, 2001 attacks, is that the nation's water infrastructure system was not built with security from terrorism in mind. Physical threats to drinking water systems include chemical, biological, and radiological contaminants and disruption of flow through explosions or other destructive actions.

The Water Infrastructure Security and Research Development Act directly addresses the need to protect our nation's water supply systems. The legislation authorizes $12 million per year for the Environmental Protection Agency (EPA) from fiscal year 2002 through 2007. The money would be used to provide grants to public and private non-profit entities to conduct research, development and demonstration projects. Projects could include efforts to prevent, detect or respond to physical and cyber threats to water supply or wastewater treatment systems.

Sandia National Labs has been working on the safety and security of water supplies for several years. Sandia-developed technologies could make it possible to have real-time monitoring of water systems for chemical or biological contaminants within 3 to 5 years. We need to step up the pace and use the work developed in New Mexico to protect the 170,000 "public water systems" around the country.

Mr. FORBES. Mr. Speaker, as a member of the House Science Committee and an original cosponsor of this bill, I rise in strong support of H.R. 3178, the Water Infrastructure Security and Research Development Act.

In October, as the Anthrax scare was at its zenith, I held two town hall meetings in my district. The first question at each one revealed the serious concerns of my constituents about the safety of their water, They wanted to know if the water that they use every day to cook, to bathe, and to clean would be protected from being used to deliver chemical or biological weapons.

Each one of us relies upon the cleanliness and purity of our water supplies and upon the appropriate treatment of our sewage. But, since September 11th, we've become acutely aware that the things we take for granted could easily be threatened by terrorists who want to do us harm. Our water supplies, simply because they reach every one of us every day, top that list.

Last month, a Richmond, Virginia newspaper did a security check of its own at three area drinking water plants. What they found gave great reason for concern to Richmond City residents. A reporter and photographer were able to walk right through the front gate of the City's facility, wander around for about an hour each day for a week, and have access to the water supply. Similar surprise inspections at neighboring county facilities, Mr. Speaker, were thankfully less alarming.

The legislation we consider today will help the people of Richmond and elsewhere to ensure the long-term safety of our water. It provides $60 million in grants over the next five years to identify threats and respond to them. Similar legislation is before the Senate, and we should move quickly as a Congress to approve this initiative to give every American peace of mind when turning on the tap.

I encourage my colleagues to support this important bill.

Mrs. MORELLA. Mr. Speaker, I rise in strong support of H.R. 3178. As an original cosponsor of this legislation, I want to thank Science Committee Chairman BOEHLERT and Ranking Member HALL for bringing this issue forward and I strongly urge my colleagues to pass this important piece of legislation. H.R. 3178 authorizes $12 million per year for research and development programs related to securing the water supply funded through grants from the Environmental Protection Agency. These limited research funds are a reasonable and measured response to a pressing need.

Protection of our nation's water supply is in our vital interest. Since the attacks of September 11th, we have had to question the vulnerability of many of our critical infrastructures to deliberate attack. Fortunately, the water supply community was already at work and had established many collaborative relationships between local, state, and federal agencies as well as various national associations. However, despite the formal structures for cooperation and teamwork that already exist, there are many unanswered questions and a great need for additional resources.

Physical destruction of a water system could deprive a population of its essential water supply, as well as cause secondary effects such as the inability to ensure sanitation or provide fire protections. In addition, loss of water to manufacturers or other business could have serious consequences on local economies. Deliberate contamination is also a threat. While it is generally believed that the large volumes and treatment protocols provide some assurance, this matter still requires thoughtful analysis. Small quantities of toxic chemicals, even if not directly harmful, could cause problems. The contamination does not have to have any short term effects; a water system could be rendered unusable merely by elevating the amounts of lead, cyanide, or arsenic to unacceptable levels. Even introducing taste or odor may be sufficient to incite panic.

To combat these threats, we need to develop new technologies and rethink the way we are managing our water supply. Real time monitoring of a wide number of contaminants is something that should be considered. Changing our delivery system and increasing the interconnectedness of our supply may be in order. Separation of the water we consume from water for general purposes like washing our clothes or our car may be necessary to keep additional safeguards affordable. All these ideas will require significant changes to our infrastructure and need to be carefully considered.

In short, we have a lot of work to do. We do not fully understand all of the threats, nor do we know what the proper policy response should be. But we do know we need to address these shortcomings and answer the hard questions about how to secure our water supply. The bill puts us on the path by providing the research with the necessary support. It is an important first step and I urge my colleagues to support it.

Mr. DUNCAN. Mr. Speaker, I rise in strong support of H.R. 3178, "the Water Infrastructure Security and Research Development Act."

As Chairman of the Subcommittee on Water Resources and Environment, I am well aware of the need to improve our water infrastructure security.

I held a subcommittee hearing on this subject a month after the horrific events of September 11th. The subcommittee received testimony from representatives of drinking water and wastewater operators, as well as EPA and a security expert from Sandia National Laboratories. All the witnesses agreed that more information about terrorist threats and how to protect against them was needed.

I appreciate the interest of the Chairman of the Science Committee in promoting research in this area. I also appreciate his interest in developing additional security tools that can be used by drinking water and wastewater operators.

My subcommittee has jurisdiction over the operation of wastewater treatment works, including security measures. But, I was pleased to work with the gentleman from New York on H.R. 3178 to avoid any delay in floor consideration and I look forward to continuing these efforts in a House-Senate conference.

Mr. TOM DAVIS of Virginia. Mr. Speaker, in the wake of the attacks of September 11th, Americans have begun in earnest to critically look at the security of our nation's infrastructure. Indeed, unanticipated failures of electrical power or water supplies could have devastating and long-term effects on a region's economy, safety and security. The security of infrastructure is of particular importance in the National Capital region.

I rise today to applaud your efforts, Mr. Chairman, with regard to this important legislation. In the years to come I believe that this legislation will prove to be a significant first step in the nation's efforts to develop models for critically important water system security technologies and procedures.

However, I also rise today to direct your attention to the importance of ensuring that water systems in highly vulnerable areas, or areas that serve a large number of federal facilities, are given greater funding priority by the Environmental Protection Agency.

In response to the September 11th attacks and the heightened security in the region, the Fairfax County Water Authority in my district has had to begin developing a number of critically important physical security enhancements and practices in order to better protect the region's water supply.

The Authority is particularly sensitive to the threat of electrical power outage by potential terrorist attack. For instance, the failure of commercial power for a period of even three hours would render the public water supply for the 1.2-million users in the Fairfax County Water Authority service region virtually useless. The Fairfax County Water Authority is currently studying the feasibility of constructing an on-site state-of-the-art power generation complex capable of making the Authority self-sustaining, even during periods of reduced power or blackouts.

Staff at the Authority has a long and solid record of responding to a wide variety of operating conditions in the treatment and distribution system. These actions, however, have been in response to slowly evolving external pressures or isolated component failures. To improve staff skills in thinking through its response plan, and identifying communications, command, control and information issues during a period of sudden attack (or perceived attack) on a water system, the Authority is also developing a holistic crisis, rapid response staff training workshop.

Both the study and the workshop could be used as tools for water providers throughout the nation.

It is my fervent hope that when deciding water infrastructure security awards, the Administrator of the Environmental Protection Agency will take into account the region or service area's vulnerability of or potential for forced interruption of service. Indeed, i believe that no one would disagree with the notion that the Administrator should consider a water system's importance to national security and the operation of government.

This is especially true in my district. The Fairfax County Water Authority's service area covers many critical federal facilities. Some of the largest of these facilities include: Ft. Belvoir U.S. Ary Reservation, Ft. Belvoir Proving Grounds; Dulles International Airport; facilities of the Central Intelligence Agency; U.S. Fish and Wildlife Service (Harry Diamond Laboratories); Dulles Mail Distribution Center; U.S. Navy Family Housing; U.S. Coast Guard Information Systems Center, training facilities, and housing; Facilities of the General Services Administration; Facilities of the U.S. Department of State; and, Office space and warehouses for the U.S. Securities Exchange Commission.

It is my fervent hope that this bill will help ensure funding for the Fairfax County Water Authority next year.

Mr. BAIRD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from New York (Mr. BOEHLERT) that the House suspend the rules and pass the bill, H.R. 3178, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Environmental Protection Agency to provide funding to support research and development projects for the security of water infrastructure.".

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 289. Concurrent resolution directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1) "An Act to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind.".

TRUE AMERICAN HEROES ACT

Mr. KING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3054) to award congressional gold medals on behalf of the officers, emergency workers, and other employees of the Federal Government and any State or local government, including any interstate governmental entity, who responded to the attacks on the World Trade Center in New York City and perished in the tragic events of September 11, 2001, as amended.

The Clerk read as follows:

H.R. 3054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "True American Heroes Act".

SEC. 2. CONGRESSIONAL GOLD MEDALS FOR GOVERNMENT WORKERS WHO RESPONDED TO THE ATTACKS ON THE WORLD TRADE CENTER AND PERISHED.

(a) PRESENTATION AUTHORIZED.—In recognition of the bravery and self-sacrifice of officers, emergency workers, and other employees of State and local government agencies, including the Port Authority of New York and New Jersey, and of the United States Government, who responded to the attacks on the World Trade Center in New York City, and perished in the tragic events of September 11, 2001 (including those who are missing and presumed dead), the President is authorized to present, on behalf of the Congress, a gold medal of appropriate design for each such officer, emergency worker, or employee to the next of kin or other representative of each such officer, emergency worker, or employee.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury shall strike gold medals with suitable emblems, devices, and inscriptions to be determined by the Secretary to be emblematic of the valor and heroism of the men and women honored.

(c) DETERMINATION OF RECIPIENTS.—The Secretary of the Treasury shall determine the number of medals to be presented under this section and the appropriate recipients of the medals after consulting with appropriate representatives of Federal, State, and local officers and agencies and the Port Authority of New York and New Jersey.

(d) PRESENTMENT CEREMONY.—The President shall consult with the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the majority leader and the minority leader of the House of Representatives, and the majority leader and the minority leader of the Senate with regard to the ceremony for presenting the gold medals under subsection (a).

(e) DUPLICATIVE GOLD MEDALS FOR DEPARTMENTS AND DUTY STATIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall strike duplicates in gold of the gold medals struck pursuant to subsection (a) for presentation to each of the following:

(A) The Governor of the State of New York.

(B) The Mayor of the City of New York.

(C) The Commissioner of the New York Police Department, the Commissioner of the New York Fire Department, the head of emergency medical services for the City of New York, and the Chairman of the Board of Directors of the Port Authority of New York and New Jersey.

(D) Each precinct house, fire house, emergency response station, or other duty station or place of employment to which each person referred to in subsection (a) was assigned on September 11, 2001, for display in each such place in a manner befitting the memory of such persons.

(f) DETERMINATION OF RECIPIENTS.—The Secretary of the Treasury shall determine the number of medals to be presented under subsection (e) and the appropriate recipients of the medals after consulting with appropriate representatives of Federal, State, and local officers and agencies and the Port Authority of New York and New Jersey.

(g) DUPLICATE BRONZE MEDALS.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medal struck pursuant to subsection (a) under such regulations as the Secretary may prescribe, at a price of $50 per medal.

(h) PROCEEDS OF SALE.—Amounts received from the sales of duplicate bronze medals under subsection (g) shall be deposited in a fund to be used to erect a memorial for the fallen emergency responders.

(i) USE OF THE UNITED STATES MINT AT WEST POINT, NEW YORK.—It is the sense of the Congress that the medals authorized under this section should—

(1) be designed, struck, and presented not more than 90 days after the date of the enactment of this Act; and

(2) be struck at the United States Mint at West Point, New York, to the greatest extent possible.

SEC. 3. CONGRESSIONAL GOLD MEDALS FOR PEOPLE ABOARD UNITED AIRLINES FLIGHT 93 WHO HELPED RESIST THE HIJACKERS AND CAUSED THE PLANE TO CRASH.

(a) CONGRESSIONAL FINDINGS.—The Congress finds as follows:

(1) On September 11, 2001, United Airlines Flight 93, piloted by Captain James Dahl, departed from Newark International Airport at 8:01 a.m. on its scheduled route to San Francisco, California, with 7 crew members and 38 passengers on board.

(2) Shortly after departure, United Airlines Flight 93 was hijacked by terrorists.

(3) At 10:37 a.m. United Airlines Flight 93 crashed near Shanksville, Pennsylvania.

(4) Evidence indicates that people aboard United Airlines Flight 93 learned that other hijacked planes had been used to attack the World Trade Center in New York City and resisted the actions of the hijackers on board.

(5) The effort to resist the hijackers aboard United Airlines Flight 93 appears to have caused the plane to crash prematurely, potentially saving hundreds or thousands of lives and preventing the destruction of the White House, the Capitol, or another important symbol of freedom and democracy.

(6) The leaders of the resistance aboard United Airlines Flight 93 demonstrated exceptional bravery, valor, and patriotism, and are worthy of the appreciation of the people of the United States.

(b) PRESENTATION OF CONGRESSIONAL GOLD MEDALS AUTHORIZED.—The President is authorized to award posthumously, on behalf of Congress and in recognition of heroic service to the Nation, gold medals of appropriate design to any passengers or crew members on board United Airlines Flight 93 who are identified by the Attorney General as having aided in the effort to resist the hijackers on board the plane.

(c) DESIGN AND STRIKING.—For the purpose of the presentation referred to in subsection (b), the Secretary of the Treasury shall strike gold medals of a single design with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(d) DUPLICATE MEDALS.—Under such regulations as the Secretary of the Treasury may prescribe, the Secretary may strike and sell duplicates in bronze of the gold medals struck under subsection (b) at a price sufficient to cover the cost of the bronze medals (including labor, materials, dies, use of machinery, and overhead expenses) and the cost of the gold medals.

SEC. 4. NATIONAL MEDALS.

The medals struck under this Act are national medals for purposes of chapter 51 of title 31, United States Code.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. KING) and the gentlewoman from New York (Mrs. MALONEY) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. KING).

GENERAL LEAVE

Mr. KING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3054, and to include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today's legislation will award the Congressional Gold Medal to the brave heroes of September 11, 2001. These are the brave men and women who entered the World Trade Center in New York, and also those brave people on United Airlines Flight 93 who brought down the plane and saved countless lives.

Mr. Speaker, let me commend the gentlewoman from New York (Mrs. MALONEY), the ranking member, for the tremendous cooperation the gentlewoman has given me on this bill, and also for the incredible amount of time and effort she has put into it. The gentlewoman must have taken 20 years off her life going around and getting signatures and making phone calls. It is an example of her dedication to the men and women who laid down their lives on September 11. I also thank the gentleman from Colorado (Mr. TANCREDO), who is responsible for the language that is going in as an amendment regarding United Airlines Flight 93; and I thank the gentleman for his efforts.

Mr. Speaker, today's bill commemorates and honors in the most significant way that Congress can those men and women who laid down their lives on September 11. In New York at the World Trade Center, we had more than 300 New York City firefighters, New York City police officers, Port Authority police officers, we had emergency service workers, we had court officers, numerous government employees who went into that building that day and were responsible for the greatest, most significant rescue operation in the history of this country. Estimates are that 25,000 people were saved that day because of the heroic efforts of men and women who above and beyond the call of duty ran into a burning building while others were escaping. It was their duty to escape, and it was the duty of the firefighters and police officers to go into that building and rescue as many people as they did. In going in there, they faced almost certain death.

I think it is important to note, Mr. Speaker, that our country has responded very dramatically to the events of September 11. I firmly believe that one of the reasons why the country has responded the way it has is because of the example that was set on September 11 when the eyes of the Nation and the eyes of the world saw those people running in to save lives, saw them meeting their death. They saw nobody wavered in the face of those fires and those falling buildings. They just did what they were trained to do and what it takes incredible courage to do.

Those of us from New York, we know many who died that day. In my own district, there was the chief of the department, Peter Ganci, who had escaped from the first building and went into the second building, and was killed when that came down.

Father Judge, the chaplain to the fire department, was killed administering last rites on September 11.

Personal friends, Michael Boyle and David Arce, worked on my political campaigns. They were good friends, and they also went into that building. They were friends together, and they died together.

Neighbors of mine, the Haskell brothers, both firefighters, Tim Haskell and Tom Haskell, both of whom died that day.

Another neighbor, John Perry, a New York City police officer, who actually was at headquarters submitting his retirement papers that morning. He was retiring from the New York City Police Department that day. He was at police headquarters. He saw what happened, and he ran from the headquarters to the World Trade Center and died in the rescue operation.

So these are all heroic people, and we can multiply that by hundreds. There is nobody in the New York area who was not impacted by the death of one of those brave people.

I must say on a note of bipartisanship, just as Michael Boyle and David Arce worked for my campaigns, John Perry's mother and father were active members of the Democratic Party; and one of the most encouraging notes I have seen is that John's mother, Pat Perry, who is a Democratic Party leader in my area, is once again calling my office to tell me when she thinks I voted wrong. To me, that is what democracy is all about. I wish Pat and Jim Perry the very best, as I do the families of all who died.

Mr. Speaker, we cannot begin to give the credit to these people that they deserve, but this is one thing we can do. I strongly support this legislation, and I also want to emphasize that while we are singling out the uniformed services for the work they did and for being heroes, for every person that died in the World Trade Center, their families consider them to be heroes, and there are many acts of heroism that have not been recorded.

I think it is important to note that everyone who died in the World Trade Center is a hero. By commemorating the firefighters, police officers, emergency service workers, the court employees, and the brave people who brought down Flight 93, we are honoring the most visible aspects of that heroism. They are all heroes. The entire country is heroic in the great response we have had in carrying out this war against terrorism.

Mr. Speaker, I reserve the balance of my time.

Mrs. MALONEY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise with the gentleman from New York (Mr. KING) and congratulate him on his leadership and hard work in drafting this legislation and working to secure the proper signatures and the support of the leadership of this body.

I rise with strong support for the True American Heroes Act. This legislation honors the over 300 men and women, firefighters, EMTs and rescue workers, dozens of police officers from both the city and Port Authority, and other Federal, State and local emergency workers who charged into the World Trade Center Towers on September 11, and perished as they attempted to save the lives of workers in the building.

From the moment the planes struck the towers from all over the city and surrounding area, rescuers poured out of fire houses and precinct houses and ran into the burning towers without regard for their own personal safety.

They were men and women, cops, firefighters, EMTs, and public servants like FBI Special Agent Lenny Hatton. This legislation lets us honor those who died so others could live.

At Ground Zero on September 12, I heard estimates from people in authority from the State and city, and they estimated that as many as 20,000 people had been killed in the World Trade Center. We know now that thanks to the heroic work of the rescue workers the death toll was closer to 3,000. This rescue effort has been called the largest and most successful in our history, and it resulted in saving roughly 25,000 lives.

Thousands of families are in mourning this holiday season. But perhaps the best reason to pass this bill is that tens of thousands of families are not in mourning. They have traumatic memories of a narrow escape, but they have their whole lives ahead of them. The people died on September 11, but they did not die in vain. As New York and the world watched in horror as the planes struck and the towers were engulfed, these individuals thrust themselves towards danger.

To those with hearts of gold, we award medals of gold. They are true American heroes and heroines. The Congressional Gold Medal honors contributions to America by outstanding individuals and groups. What could anyone do that is more outstanding than saving the lives of innocent people, people who merely showed up for work. The True American Heroes Act will award Congressional Gold Medals to families and next of kin to these brave rescuers who perished in the attack. What better way to pay tribute than to award these families the most distinguished honor bestowed by Congress?

This legislation also designates that the individual station houses and fire houses that lost people in the attack will receive copies of the gold medal. One example in the district that I represent is the Roosevelt Island-based Special-ops unit of the New York Fire Department, which lost 10 people. The loss was so great because at this particular facility there was a duty change in progress. Men who would and could have gone home, grabbed their equipment and headed to the scene. As a result, the loss was twice as high as it might otherwise have been.

As we pass the fire houses and precinct houses where flowers fill the sidewalks in New York City, the emotion of the tragedy is still overpowering. This legislation will ensure that we will forever have public displays around the city to preserve the memory of these rescuers who made the ultimate sacrifice.

The offices of the Mayor and the Governor of New York and the head of the Port Authority will also be awarded copies of medals. As we all know, the head of the Port Authority, my friend, Neil Levin, was lost in the attack. Neil was serving as the executive director of the Port Authority, the agency that ran the World Trade Center for the past 28 years. He was last seen helping people get out of the building. Neil died in the brave tradition of the captain going down with the ship. It is fitting that a copy of the gold medal will be given to the Port Authority.

Mayor Giuliani himself rushed to the scene of the attack so quickly, that for a time his own safety was at risk. The copies of the medals given to the Port Authority, Mayor, and Governor are a highly appropriate honor for leaders who responded so quickly. In addition to the gold medals, the United States Mint will make bronze reproductions of the medals available to the general public. The proceeds from these sales will go toward building a memorial at Ground Zero that will serve as a lasting tribute to the fallen heroes and heroines. All around America, our citizens can purchase these medals and demonstrate their solidarity with the fallen heroes and heroines of New York.

Finally, the bill awards medals to the exceptional brave passengers who battled the hijackers of Flight 93.

□ 1515

They saved an untold number of lives and quite possibly the very building in which we are standing.

I thank my colleague and counterpart on the Subcommittee on Domestic Monetary Policy, Technology, and Economic Growth, Chairman KING, for working with me on this legislation. I would also like to acknowledge Chairman OXLEY and Ranking Member LAFALCE from the Committee on Financial Services for moving this bill to the floor so quickly. Chairman OXLEY and Ranking Member LAFALCE have shown bipartisan leadership in the immediate wake of the attacks. Working together, they worked to produce a number of important bipartisan initiatives which responded to the new threats to our financial system. New York City is thankful to them and all the Members of this House who have responded to the city in its time of greatest need.

This was an attack on our country, and New York is a symbol of our country. All New Yorkers join me in thanking my colleagues, and especially Chairman KING for his leadership on this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. KING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding the time to me on this important issue and for his leadership in crafting a resolution and as chairman of the committee. I also thank the ranking member, the gentlewoman from New York (Mrs. MALONEY), for her work on this issue. Indeed, as New Yorkers, they grieve deeply, but we all do.

We are all devastated by the scope of the tragedy on September 11, but the courage and valor shown by so many reaffirmed our belief about the character of this great Nation. For this reason, I rise in strong support of H.R. 3054, the True American Heroes Act. The bill authorizes the President to present, on behalf of the Congress, congressional gold medals to officers, emergency workers and other employees of Federal, State and local governments who responded to the attacks on the World Trade Center in New York City and perished in the tragic events of September 11. In addition, medals would be given to the families of those individuals aboard United Flight 93 who resisted the hijackers and foiled their attempts at further destruction. Unfortunately, there is no medal or plaque that can truly convey our appreciation for the heroism demonstrated by so many on September 11, but it is important for Congress to show to the rest of this country and the world how we value their bravery.

George William Curtis, the noted 19th century intellectual, stated, "Man's country is not a certain area of land, of mountains, rivers and woods, but it is a principle; and patriotism is loyalty to that principle." I repeat his words today because it is clear that all those individuals who sacrificed their lives loved this country and what it stood for. The actions of those heroes on Flight 93 was patriotism exactly as Curtis defines it, and their heroism on that flight demonstrated to the world how strongly Americans believe in the principles of this Nation.

I salute their valor and the courage of all who lost their lives, and I urge my colleagues to support this bill.

Mrs. MALONEY of New York. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. KING. Mr. Speaker, I yield myself such time as I may consume.

I know that the gentleman from Colorado (Mr. TANCREDO) intended to speak today. He cannot make it. He has been detained. I would again like to state for the record the tremendous job that he has done in working with myself and with the gentlewoman from New York.

I want to, again, thank the gentlewoman from New York for really being such a stalwart fighter on this bill and for being there and for making sure that I kept working as hard as I should have. I thank the gentlewoman from New York very much.

Also, Mr. Speaker, I would just like to conclude in following up on what the gentlewoman from New York said about the leadership that has been shown on this issue really throughout the chain of command, from President Bush, to the leadership in the Congress, in New York to Governor Pataki, Mayor Giuliani, Police Commissioner Kerik, Emergency Services Commissioner Richie Sheirer, and also the late Neil Levin, who was the chairman of the Port Authority and was killed on that day.

They provided the leadership, the men and women on the ground provided the courage and the dedication which brought about, again, the rescue of 25,000 people. To think of it is really still mind-boggling to realize the effort that went into that. That is the type of courage and they are the type of people that we are honoring with this legislation today.

I would also like to say to my friend Jimmy Boyle who is watching this and whose son Michael died on September 11, I promised Jimmy I would get the bill through. We are going to get it through.

Mr. HOLT. Mr. Speaker, I rise in strong support of H.R. 3054, legislation that would authorize Congressional Gold Medals be struck for those government workers who perished in the September 11 attacks at the Pentagon and World Trade Center, and also for the brave passengers on United Flight 93. This is an appropriated honor and entirely deserving of our support.

This legislation says that in recognition of the bravery and self-sacrifice of officers, emergency workers, and other employees of State and local government agencies, including the Port Authority of New York and New Jersey, and of the United States Government, who responded to the attacks on the World Trade Center in New York City, and perished in the tragic events of September 11, 2001, the President is authorized to present, on behalf of the Congress, a gold medal of appropriate design for each such officer, emergency worker, or employee to the next of kin or other representative of each such officer, emergency worker, or employee. The bill also makes this honor available to the passengers of Flight 93.

Earlier in the year, I joined with Representative TANCREDO and others in introducing a similar bill to authorize a Congressional Gold Medal for the brave passengers of United Flight 93, who perished fighting the terrorists and denying them their mission.

There were so many heroes on September 11. I am particularly pleased to honor Todd Beamer, the New Jerseyan who gave his life on hijacked United Airlines Flight 93 fighting the hijackers. All Americans mourn the loss of Todd Beamer and the others on that flight. Our hearts and prayers go out to Lisa Beamer, their children, and to all the other families of the people on that plane.

So many Americans perished on that day. Many central New Jerseyeans were working in the World Trade Center on September 11th when it was attacked by terrorists. Others were on board the hijacked airplanes. Since then, numerous fire, rescue, EMT and medical personnel from our area have been on the scene in New York, caring for victims and their families. I have personally toured the sites of the attacks in New York and in Washington, and words cannot adequately capture the horror of those scenes.

This is an appropriate honor for a number of very brave Americans. I urge my colleagues to join with me in supporting this bill.

Mr. PAUL. Mr. Speaker, I rise today in opposition to H.R. 3054. At the same time, I rise in great respect for the courage and compassion shown by those who gave their lives attempting to rescue their fellow citizens in the aftermath of the World Trade Center attacks. I also rise in admiration and gratitude to the passengers of Flight 93 who knowingly sacrificed their lives to prevent another terrorist attack. However, I do not believe that an unconstitutional authorization for Congressional Gold Medals is in the true spirit of these American heros. After all, this legislation purports to honor personal sacrifices and acts of heroism by forcing others to pay for these gold medals.

Mr. Speaker, money appropriated for gold medals, or any other unconstitutional purpose, is, in the words of Davy Crockett, "Not Yours to Give." It is my pleasure to attach a copy of Davy Crockett's "Not Yours to Give" speech for the record. I hope my colleagues will carefully consider its' message before voting to take money from American workers and families to spend on unconstitutional programs and projects.

Instead of abusing the taxing and spending power, I urge my colleagues to undertake to raise the money for these medals among ourselves. I would gladly donate to a Congressional Gold Medal fund whose proceeds would be used to purchase and award gold medals to those selected by Congress for this honor. Congress should also reduce the federal tax burdened on the families of those who lost their lives helping their fellow citizens on September 11. Mr. Speaker, reducing the tax burden on these Americans would be a real sacrifice for many in Washington since any reduction in taxes represents a loss of real and potential power for the federal government.

H.R. 3054 violates fundamental principles of fiscal responsibility by giving the Secretary of the Treasury almost unquestioned authority to determine who can and cannot receive a gold medal. Official estimates are that implementation of this bill will cost approximately 3.9 million dollars, however the terms of the bill suggest that the costs incurred by the United States taxpayer could be much higher. Furthermore, unlike previous legislation authorizing gold medals, H.R. 3054 does not instruct the Secretary of the Treasury to use profits generated by marketing bronze duplicates of the medal to reimburse the taxpayer for the costs of producing the medal. Unfortunately, because this bill was moved to the suspension calender without hearings or a mark-up there was no opportunity for members of the Financial Services Committee such as myself to examine these questions.

Because of my continuing and uncompromising opposition to appropriations not authorized within the enumerated powers of the Constitution, I must remain consistent in my defense of a limited government whose powers are explicitly delimited under the enumerated powers of the Constitution—a Constitution which each Member of Congress swore to uphold. Therefore, Mr. Speaker, I must oppose this legislation and respectfully suggest that perhaps we should begin a debate among us on more appropriate processes by which we spend other people's money. Honorary medals and commemorative coins, under the current process, come from other people's money. It is, of course, easier to be generous with other people's money, but using our own funds to finance these gold medal is true to the sprit of the heros of September 11.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 3054, the True American Heroes Act, authorizing the President, on behalf of the Congress, to present Congressional Gold Medals to police officers, emergency workers, and other employees of federal, state, and local governments, who lost their lives in responding to the attacks on the World Trade Center in New York City on September 11, 2001.

This measure also authorizes the President to award medals to those people on board United Airlines Flight 93 who resisted their hijackers and caused the plane to crash, preventing an additional tragedy in Washington.

On that horrible day in September, our nation witnessed the best and the worst of humanity. The despicable and cowardly terrorist acts were valiantly countered with the incredible heroism and courage of our firefighters, law enforcement officers, emergency personnel, and our fellow citizens.

Accordingly, it is incumbent upon our nation to honor those heroes who selflessly gave their lives in saving others. Bestowing the Congressional Gold Medal on those deserving men and women will be a fitting tribute to their memory and their contribution to our nation's freedom. Accordingly, I urge my fellow colleagues to support this important measure.

Mr. OXLEY. Mr. Speaker, I rise today in support of H.R. 3054, the True American Heroes Act and want to thank the gentleman from New York (Mr. KING), the gentlelady from New York (Mrs. MALONEY), and the gentleman from Colorado (Mr. TANCREDO) for their efforts in bringing this important legislation to the floor today.

Because there was no report filed by the Committee on Financial Services on this bill, I am including for the RECORD the CBO estimate for the legislation.

I urge my colleagues to support this important legislation.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 12, 2001.
Hon. MICHAEL G. OXLEY,
Chairman, Committee on Financial Services,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you requested, the Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3054, the True American Heroes Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, *Director*).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 3054—True American Heroes Act

H.R. 3054 would authorize the President to present a Congressional gold medal to the families of public safety officers, emergency workers, and other employees of state and local government agencies who perished while responding to the attacks on September 11, 2001, at the World Trade Center. The bill also would authorize duplicate medals to be presented to various officials of New York, as well as each precinct house, fire station, or other duty station that had a member perish in the attacks. H.R. 3054 would authorize the U.S. Mint to sell bronze duplicates of the medal, and allow the proceeds from those sales to be used to erect a memorial for the fallen emergency workers who responded to the attacks.

CBO estimates that enacting H.R. 3054 would cost approximately $3.8 million in 2002, mostly for the cost of gold to produce about 550 medals. CBO estimates that the first gold medal would cost about $35,500 to produce, including around $5,500 for the cost of the gold and around $30,000 for the costs to design, engrave, and manufacture the medal. Funds collected from the sale of bronze duplicate metals would be available for the cost of a memorial to emergency workers killed in the attacks. CBO estimates that $1 million to $2 million would be collected and later spent as a result of such sales. Over a few years the net budget impact would be insignificant.

Because the bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 3054 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director of Budget Analysis.

Mrs. ROUKEMA. Mr. Speaker, I rise today in strong support of the True American Heroes Act. The men and women who died on September 11th serving our country by saving lives deserve not only our immense gratitude, but also the highest of honors.

Out of tragedy, our nation has emerged stronger and prouder than ever. Our spirit is inspired by the stories of brave men and women from that day—true American heroes.

In our darkest hours on September 11, the heroes in our midst shined brighter than ever. We know some heroic endeavors that were undertaken from stories about cell phone calls and from eyewitness accounts.

On United Airlines Flight #93 passengers called loved ones alerting them that their plane had been hijacked. One of my constituents, Jeremy Glick, called his wife Lyzbeth from that flight. Jeremy was part of the fearless effort to stop the terrorists from taking the plane into the heart of Washington, D.C.

From his cell phone conversation, we know that Jeremy along with other passengers and crew chose to fight the terrorists who had commandeered the plane, At 10:37 a.m., United Flight #93 crashed in Pennsylvania, just minutes after the White House and the Capitol Building had been evacuated.

Always a hero to his wife, his family and his friends, Jeremy Glick became a hero to the nation on September 11th, 2001.

Mr. Speaker, days after the September 11 attacks, I introduced H.R. 2921 to authorize the President to award posthumously the Congressional Gold Medal to Jeremy Glick for his bravery, courage and service to his nation. We must *honor all the heroes of the United Flight 93*. Today, this House formally recognizes his contribution and all the heroes of that fateful day.

So, too, do we recognize the bravery of many Americans who died in Lower Manhattan.

Some were our neighbors.

Dana Hannon of Wyckoff, New Jersey was a 29-year old, newly-engaged member of the New York City Engine Company #28, who responded to the reports of a plane crash at the north and south towers of the World Trade Center.

Paul Laszczynski of Paramus was a Port Authority police officer who was honored for his action during the first attack on the World Trade Center. He and a colleague carried a wheelchair-bound victim down 77 floors to safety after the bombing in 1993.

Joe Navas of Paramus was a 44-year old Port Authority police officer. In his hometown of Paramus he volunteered as a Little League Coach for his two boys. His wife and family had to learn about his earlier heroic exploits by reading it in the Bergen Record.

The example set by Joe Navas is not unique. Our fire departments and emergency services are the first on the scene to fires, motor vehicle accidents, natural disasters, hazardous waste spills, and, yes, even terrorist attacks.

And they never draw attention to themselves. In their minds, they are "just doing their jobs . . ."

That Tuesday, their work and their courage brought them into the building lobbies as people flooded out into the streets. These men and women ran up the stairs while instructing people to immediately get down those same stairs and outside. They ran to help as others ran to safety. Their efforts will never be forgotten, especially by those who were saved.

Someday we may hear the story of the lives these men and women saved or the comfort they provided. But for now, we can be proud: proud of the job they were doing, proud of the heroism they showed that day, and proud of the courage they have always shown. New Jersey lost a tragic number of officers and emergency workers in lower Manhattan that day. As we wait for stories about New Jersey's finest, we will continue to share the memories of their everyday heroism and spirit.

Mr. Speaker, the men and women that we honor today died on their own terms—fighting selflessly against those who hate all that our country stands for. Our tenacious American spirit will prevail. As President Reagan said in his first Inaugural Address, "we must realize that no arsenal, or no weapon in the arsenals of the world, is so formidable as the will and moral courage of free men and women. It is a weapon our adversaries in today's world do not have. It is a weapon that we as Americans do have."

On behalf of Congress, let us now recognize the men and women who served us in our most horrific hours by awarding these heroes Congressional Gold Medals. I strongly urge my colleagues to support this legislation.

This action today is another way of saying God Bless America. Truly we are "one Nation under God."

Ms. SCHAKOWSKY. Mr. Speaker, I rise in support of H.R. 3054, a bill to award the Congressional Gold Medal to the heroes of September 11. I hope that this small token of appreciation will symbolize America's appreciation for the endless bravery that was shown on that day.

There are some, for whom there is no sacrifice too great when the call to duty sounds. There are some, in a world wrapped in a shroud of self-promotion, who see beyond the "me", the "my", the "mine" and the "I". There are some that so regard their brothers and sisters that they disregard their own safety, their own well being, and even their own lives, to lend a hand. there are some, which in a split second make a decision to forget themselves and do what it takes to save others; they are heroes.

For heroes, there is no room to think or to rationalize. It is never practical to endanger ones existence in the hope of promoting the survival of others, but they do. It goes beyond what is logical. The hero possesses an innate and instinctive ability to respond to extreme situations with others in mind. By nature, the hero defies the basic human impulse for self-preservation. The hero is selfless.

On September 11, many Americans heeded the call to action. On a beautiful morning, ordinary people awakened to start the day, to go about their normal routines with smiles, frowns, traffic, and cups of coffee. The Pentagon was still an impenetrable fortress and the skyline of New York was still intact; the morning proceeded as usual. In the moments to follow, shocked and horrified, firefighters, police officers, servicemen and women, and everyday people sprang into situations that were simply incomprehensible; they fought to save lives. They saved lives and returned to save more, and in an instant, the courageous fire that burned in their hearts was extinguished.

Above the mayhem, Flight 93 swam the skies to reach the West Coast. Aboard this flight the passengers eagerly awaited landing, waiting to meet their loved ones miles away. Nonetheless, with angry shouts the silence was broken and the passengers realized that terror's arm had reached yet another flight. The terrorists made their move and fought to carry out this horrible act. They were headed to Washington, DC to destroy the very symbols that shine as beacons for freedom throughout the world. The terrorists were trained and prepared to destroy lives and break the spirit of America. However, they were never trained to defeat the spirit of heroism.

The passengers of Flight 93, after talking to their courageous and heroic family members and learning of the attacks, decided that there would be no more death and destruction. They decided that America had suffered enough for one morning. They decided that they would trade their lives to save hundreds, maybe thousands more, quite possibly my own. For them, heroism was not the goal. They did not seek a grand prize or recognition. They sought only to prevent the destruction that was sure to come absent their intervention.

For heroes, there is no reward other than the satisfaction of knowing that their sacrifice may allow the life of others to continue. Since September 11, America has received so many lessons in heroism. We have been schooled in selflessness and courage. We have learned what it means to sacrifice. We can only honor and thank them for these lessons and for the lives that they saved, and the lives they gave.

The Congressional Gold Meal is the nation's highest civilian award. The medal recognizes outstanding achievements and unusual acts of valor and courage. Be it over a lifetime or in one instance, it recognizes that its recipients have—in their own way—changed the world for the better. The heroes of 9–11 have shown a courage that is rare to modern times. They fought the hatred and the malice of that terrible day with love, compassion, courage and selflessness. And they changed the world.

It is difficult to find good in such a tragic event. However, we can look to the many men and women who worked tirelessly and who died courageously to save life, and know that even in the face of death and terror, the good in humanity prevails. The Congressional Gold Medal is but a small token, but I hope it will symbolize the immeasurable thanks that we pay to these heroes. I urge my colleagues to support this bill.

Mr. KING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from New York (Mr. KING) that the House suspend the rules and pass the bill, H.R. 3054, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MALONEY of New York. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

ENERGY POLICY ACT OF 1992 AMENDMENTS

Mr. SHIMKUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3343) to amend title X of the Energy Policy Act of 1992, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION OF THORIUM REIMBURSEMENT.

(a) PAYMENTS TO LICENSEES.—Section 1001(b)(2)(C) of the Energy Policy Act of 1992 (42 U.S.C. 2296a(b)(2)(C)) is amended—

(1) by striking "$140,000,000" and inserting "$365,000,000"; and

(2) by adding at the end the following: "Such payments shall not exceed the following amounts:

"(i) $90,000,000 in fiscal year 2002.

"(ii) $55,000,000 in fiscal year 2003.

"(iii) $20,000,000 in fiscal year 2004.

"(iv) $20,000,000 in fiscal year 2005.

"(v) $20,000,000 in fiscal year 2006.

"(vi) $20,000,000 in fiscal year 2007.

Any amounts authorized to be paid in a fiscal year under this subparagraph that are not paid in that fiscal year may be paid in subsequent fiscal years.".

(b) AUTHORIZATION.—Section 1003(a) of such Act (42 U.S.C. 2296a–2(a)) is amended by striking "$490,000,000" and inserting "$715,000,000".

(c) DEPOSITS.—Section 1802(a) of the Atomic Energy Act of 1954 (42 U.S.C. 2297g–1(a)) is amended by striking "$488,333,333" and inserting "$518,233,333" and by inserting after "inflation" the phrase "beginning on the date of the enactment of the Energy Policy Act of 1992".

(d) PORTSMOUTH.—(1) Chapter 19 of the Atomic Energy Act of 1954 (42 U.S.C. 2015 and following) is amended by inserting the following after section 241:

"SEC. 242. COLD STANDBY.

"The Secretary is authorized to expend such funds as may be necessary for the purposes of maintaining enrichment capability at the Portsmouth, Ohio, facility.".

(2) The table of contents for such chapter is amended by inserting the following new item after the item relating to section 241:

"Sec. 242. Cold standby.".

SEC. 2. COMPTROLLER GENERAL AUDIT.

The Comptroller General shall conduct an audit on the Uranium Enrichment Decontamination and Decommissioning Fund established under section 1801 of the Atomic Energy Act of 1954 (42 U.S.C. 2297g). Not later than March 1, 2003, the Comptroller General shall transmit to the Congress a report on the results of the audit. Such report shall assess whether the Fund as currently authorized will be of sufficient size and duration for carrying out decontamination and decommissioning and remedial action activities anticipated to be paid for from the fund, and shall include recommendations for minimizing increases in such activities. In conducting the audit, the Comptroller General shall specifically address whether the deposits collected under sections 1802(c) and 1802(d) of the Atomic Energy Act of 1954 (42 U.S.C. 2297g-1(c) and 2297g-1(d)) are sufficient to—

(1) pay for decontamination and decommissioning activities pursuant to section 1803(b) of the Atomic Energy Act of 1954 (42 U.S.C. 2297g-2(b));

(2) pay for the remedial action costs pursuant to section 1803(c) of such Act (42 U.S.C. 2297g-2(c)); and

(3) pay for the remedial action costs pursuant to section 1001(b)(2)(C) and (D) of the Energy Policy Act of 1992 (42 U.S.C. 2296a(b)(2)(C) and (D)).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. SHIMKUS) and the gentleman from Virginia (Mr. BOUCHER) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. SHIMKUS).

GENERAL LEAVE

Mr. SHIMKUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHIMKUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first let me pay tribute to our former colleague on the Committee on Energy and Commerce, Speaker HASTERT, who has put much time into this legislation. His support and help is greatly appreciated.

Mr. Speaker, this legislation will authorize the Federal Government, pursuant to title X of the Energy Policy Act of 1992, to continue to pay its share of decommissioning and remediation costs for a thorium site in West Chicago, Illinois. The thorium facility was utilized extensively by the government during the development of our country's nuclear defense program, including the Manhattan Project.

Under title X of EPACT, the Department of Energy determined that the government was responsible for 55.2 percent of West Chicago cleanup costs, reflecting the portion of tailings attributable to government contracts. Remediation activities in West Chicago involve the decommissioning of the original factory site as well as remediation of certain vicinity properties. Cleanup of the original factory site is expected to conclude in 2004.

Congress has been fiscally responsible in adjusting the thorium payment limitation to match actual remediation activities. EPACT initially set this authorization ceiling at $40 million in 1992, which was a reasonable approximation of known estimated costs at that time. In 1996, as additional costs were incurred, this cap was raised to $65 million. Again in 1998 as cleanup activities proceeded, the cap was raised to its current level of $140 million. We have taken great care in the past to adjust this level only in conjunction with demonstrated needs.

The $225 million adjustment in this bill will further increase the thorium cap consistent with identified costs at the West Chicago site. It is also important to note that this increased authorization will continue to be subject to the annual appropriations process. What we are seeking to do is provide authority for the Federal Government to meet its obligations.

Today, there is already a shortfall in authorized funding for the Federal share of West Chicago cleanup cost of more than $60 million. The $225 million reauthorization requested by this bill will allow the government to begin meeting its obligation to reimburse those costs, which will be after verification and auditing by the government. Equally important, this legislation will provide the authorization necessary to fund the government's share of all West Chicago decommissioning and remediation costs.

During the committee markup, an amendment was agreed to that attempted to address issues that were raised by both Democratic and Republican members. The amendment included language directing a Comptroller General audit of the D&D fund to see if the fund is capable of meeting the expected cleanup costs of all the facilities that receive, or will receive, funding from this program. All Members of this body are supportive of cleaning up contaminated facilities. This audit will give us a better idea of just exactly what we are up against.

Mr. Speaker, I reserve the balance of my time.

Mr. BOUCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3343, legislation amending title X of the Energy Policy Act of 1992, and chapter 28 of the Atomic Energy Act to increase the authorization ceiling on the Federal share of cleanup costs at a thorium site in West Chicago, Illinois.

Section 1001 of the Energy Policy Act establishes the responsibility of licensees for bearing the costs of decontamination, decommissioning, reclamation and other remedial action at active uranium and thorium sites where by-product material has been produced. However, the section also requires the Secretary of Energy to reimburse annually a licensee for that portion of the remedial cost that the Secretary has determined is attributable to by-product material generated as the result of sales to the Federal Government. In the case of the West Chicago site, DOE has determined that 55.2 percent of the remedial cost is attributable to government contracts.

The money for the Federal Government's share of the cleanup comes from the Uranium Enrichment Decontamination and Decommissioning Fund established in Chapter 28 of the Atomic Energy Act from revenues collected from the utility industry and deposited in the fund by the Secretary of Energy. This fund also is used to pay the cleanup costs at 13 uranium mining sites and three uranium enrichment facilities. Therein lies the potential problem associated with raising the ceiling on the thorium cleanup: Competition between 17 cleanup sites for the finite, and probably insufficient, amount of money that will be deposited in the decontamination and decommissioning fund.

Fortunately, as reported by the Committee on Energy and Commerce, this legislation avoids that competition and hopefully leaves everyone at least a bit better off than they otherwise would be under current law. This compromise is the result of the dedication and hard work of a number of Members and staff on both sides of the aisle. In particular, I want to express commendation to our full committee ranking member the gentleman from Michigan (Mr. DINGELL) and to the chairman of the full Committee on Energy and Commerce the gentleman from Louisiana (Mr. TAUZIN) for crafting this compromise language in a truly bipartisan manner. I also want to commend the outstanding efforts of the gentleman from Ohio (Mr. STRICKLAND), the gentleman from Kentucky (Mr. WHITFIELD) and the bill's sponsor the gentleman from Illinois (Mr. SHIMKUS) for their fine work in arriving at the product that we are considering today. As always, I want to thank the chairman of the Subcommittee on Energy and Air Quality, the gentleman from Texas (Mr. BARTON) for his outstanding assistance in processing this measure.

I will take just a moment, Mr. Speaker, to point out the five main provisions of the compromise embodied in the bill now before the House.

First, it accomplishes the original objective of the bill, to increase the total thorium reimbursement authorization from $140 million to $365 million and increase the total authorization for appropriations for title X programs from $490 million to $715 million.

Secondly, it stipulates annual amounts to be authorized for thorium activities in each of the fiscal years 2002 through 2007. The amounts for each year are sufficient to cover the likely receipts from thorium cleanup and structured in such a way that aims to prevent competition within the cleanups at the Ohio, Kentucky and Tennessee facilities.

Third, the compromise language increases by $37.5 million the total amount currently required by law to be deposited in the uranium enrichment decontamination and decommissioning fund each year. This provision increases the size of the fund by at least the additional amount of money that will be authorized for thorium cleanup in order to hold harmless the cleanups at the Ohio, Kentucky and Tennessee facilities and at the 13 uranium mine sites.

Fourth, the substitute authorizes the Secretary of Energy to expend funds to keep the Portsmouth, Ohio uranium enrichment facility in cold standby mode. Maintaining the Portsmouth facility in this mode is wise because it allows the facility to be used again if needed to protect the continuity of domestic supply or to meet DOE's contract demands.

□ 1530

I want to be sure to note that this authorization neither expands nor contracts the current universe of activities that can be paid for with monies from the Uranium Enrichment Decontamination and Decommissioning Fund. In fact, the cold-standby authorization was drafted to amend chapter 19 of the Atomic Energy Act, rather than chapter 28, in order to help make clear that Congress expects the Department to use money other than that deposited in the Decontamination Fund for the very worthwhile purpose of keeping the Portsmouth facility in cold-standby mode.

Finally, Mr. Speaker, H.R. 3343 requires the General Accounting Office to audit the Uranium Enrichment Decontamination and Decommissioning Fund and the cleanups authorized to receive appropriations from the fund and report to us by March 1, 2003. The audit has two general purposes: first, to ensure that the fund is and will be sufficient to cover the costs of all the activities authorized, and, if not, to make legislative recommendations to maintain the adequacy of the fund: secondly, to look at the current and likely costs of cleanup activities at each site in order to project the total needs of the fund, identify the factors resulting in increased cleanup costs, and to identify potential sources of savings.

Mr. Speaker, I support this legislation. I encourage the Members to approve it.

I want to commend all of the Members who worked to craft this compromise language, which is meritorious and deserves the support of the House.

Mr. Speaker, I reserve the balance of my time.

Mr. SHIMKUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I already mentioned the gentleman from Illinois (Speaker HASTERT) and his work, but I would also be remiss if I did not mention the staff on both our side and the minority side for their great work in working out the difficulties and differences. Because of their efforts, we are able to be here on the suspension calendar and pass this bill.

I also want to mention my colleagues who were personally engaged in this. One is going to speak on the floor in a minute, the gentleman from Ohio (Mr. STRICKLAND), who is a fervent supporter of many issues, and this is one of them. I appreciate his help and friendship.

I also want to recognize the gentleman from Kentucky (Mr. WHITFIELD), who also had some vested interests involved in this, the gentlewoman from New Mexico (Mrs. WILSON), who was very engaged, and the gentleman from Oklahoma (Mr. LARGENT), who all took an active role in working with us to craft legislation that would be acceptable to the whole body.

This is a good product, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. BOUCHER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Ohio (Mr. STRICKLAND), a valuable member of the Committee on Energy and Commerce.

Mr. STRICKLAND. Mr. Speaker, first I would like to thank the chairman and the ranking member of the Committee on Energy and Commerce and especially my friend, the gentleman from Illinois (Mr. SHIMKUS), the sponsor of this bill. I would like to thank the gentleman from Illinois (Speaker HASTERT) and his staff for their work on the bill.

I am pleased that the substitute offered in committee helps to ensure that cleanup activities at the three uranium enrichment sites in our country do not suffer a setback as we increase funding available for the thorium processing site under title X of the Energy Policy Act of 1992. There is no doubt that all of these sites need to be cleaned up and these activities do not come cheaply.

It is important that we clean up the thorium processing site in West Chicago, Illinois; and I completely understand the Speaker's desire to ensure Federal funds are available to do so. However, because the funds to clean up the thorium site come from the Uranium Decommissioning and Decontamination Fund, it is important to me and my friends from Kentucky and Tennessee that the reimbursement for cleanup of the Illinois site does not shift funds from the cleanup activities at the three uranium enrichment sites. It is also important that the burden for cleaning up the thorium site does not fall on nuclear-powered ratepayers.

I know the intent of this bill is to address both of those issues by holding harmless the uranium enrichment sites' cleanup schedule and protecting our nuclear ratepayers from shouldering the additional costs of cleaning up the site in West Chicago, Illinois.

I would like to say a special thanks to the Speaker, to the gentleman from Louisiana (Chairman TAUZIN), to the ranking member, the gentleman from Michigan (Mr. DINGELL) and to the gentleman from Illinois (Mr. SHIMKUS) for their help to include a provision in the bill that authorizes the Department of Energy to carry out necessary activities at the Portsmouth, Ohio, enrichment plant so that we can maintain our country's uranium enrichment capability.

I have talked about our domestic uranium enrichment industry on numerous occasions before this Chamber, and I am pleased to see this bill includes a cold-standby provision for the Portsmouth site.

I would also like to make clear that this cold-standby authority for the Department is not intended to compete for funds from the Department's cleanup Uranium Enrichment D&D Fund. Instead, this important energy security objective should be met by expending funds from the USEC Privatization Fund or from other discretionary funds.

Mr. Speaker, I support this bill; and I urge my colleagues to support it as well.

Mr. SHIMKUS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to follow up on my colleagues' thank-you's to thank the chairman, the gentleman from Louisiana (Chairman TAUZIN); the ranking member, the gentleman from Michigan (Mr. DINGELL); the subcommittee chairman, the gentleman from Texas (Mr. BARTON); and, of course, managing on the minority side, the gentleman from Virginia (Mr. BOUCHER), for their great work in helping us move this bill expeditiously.

Mr. DINGELL. Mr. Speaker, I rise in strong support of H.R. 3343.

H.R. 3343 would amend Title X of the Energy Policy Act of 1992 (EPACT) and Chapter 28 of the Atomic Energy Act to increase the authorization ceiling on the Federal share of cleanup costs at a thorium site in West Chicago, Illinois.

The Committee on Energy and Commerce reported this bill unanimously last week. The reason for that was the development of compromise language that avoids competition for money between cleanup sites and leaves everyone at least a little bit better off than they would otherwise be under current law.

As reported, the bill not only increases the total thorium reimbursement authorization so that Federal contribution to the cleanup effort can continue, but it accomplishes that goal without robbing Peter to pay Paul. By establishing annual amounts to be authorized for thorium activities in each of the fiscal years 2002–2007, it ensures there will be adequate funds remaining for cleanups at the Ohio, Kentucky, and Tennessee facilities. The bill also increase the sizes of the Uranium Enrichment Decontamination and Decommissioning Fund in order to hold harmless the cleanups at the other facilities and mine sites, without raising the fees currently assessed on utility ratepayers. In addition the bill requires the General Accounting Office to audit the Fund to ensure it is, and will be, sufficient to cover the costs of all the activities authorized and to look at the current and likely costs of the cleanup activity at the various sites.

Last but not least, the bill contains language authored by the gentleman from Ohio, Representative STRICKLAND, that provides specific authorization for the Secretary of Energy to expend funds to keep the Portsmouth, Ohio, uranium enrichment facility in "cold-standby" mode. I believe this to be wise, for it allows the Secretary to use the facility again if needed to protect the continuity of domestic supply or to meet the contract demands of the Department.

I want to again thank my good friend, Chairman TAUZIN, and commend all the Members who worked with us to craft this compromise language, including Representatives STRICKLAND and WHITFIELD, Chairman BARTON and Ranking Member BOUCHER, of course the sponsor of the bill, representative SHIMKUS. I also want to thank Speaker HASTERT, with whom I have worked many times on legislation to ensure the cleanup of thorium wastes, for his assistance in moving this bill forward with bipartisan support.

H.R. 3343 is good legislation and deserves the support of all Members.

Mr. BOUCHER. Mr. Speaker, I have no further requests for time. I urge support for this measure, and I yield back the balance of my time.

Mr. SHIMKUS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from Illinois (Mr. SHIMKUS) that the House suspend the rules and pass the bill, H.R. 3343, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

BEST PHARMACEUTICALS FOR CHILDREN ACT

Mr. TAUZIN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1789) to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children.

The Clerk read as follows:

S. 1789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Best Pharmaceuticals for Children Act".

SEC. 2. PEDIATRIC STUDIES OF ALREADY-MARKETED DRUGS.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended—

(1) by striking subsection (b); and

(2) in subsection (c)—

(A) by inserting after "the Secretary" the following: "determines that information relating to the use of an approved drug in the pediatric population may produce health benefits in that population and"; and

(B) by striking "concerning a drug identified in the list described in subsection (b)".

SEC. 3. RESEARCH FUND FOR THE STUDY OF DRUGS.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended—

(1) by redesignating the second section 409C, relating to clinical research (42 U.S.C. 284k), as section 409G;

(2) by redesignating the second section 409D, relating to enhancement awards (42 U.S.C. 2841), as section 409H; and

(3) by adding at the end the following:

"SEC. 409I. PROGRAM FOR PEDIATRIC STUDIES OF DRUGS.

"(a) LIST OF DRUGS FOR WHICH PEDIATRIC STUDIES ARE NEEDED.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary, acting through the Director of the National Institutes of Health and in consultation with the Commissioner of Food and Drugs and experts in pediatric research, shall develop, prioritize, and publish an annual list of approved drugs for which—

"(A)(i) there is an approved application under section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j));

"(ii) there is a submitted application that could be approved under the criteria of section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j));

"(iii) there is no patent protection or market exclusivity protection under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.); or

"(iv) there is a referral for inclusion on the list under section 505A(d)(4)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)(4)(C)); and

"(B) in the case of a drug referred to in clause (i), (ii), or (iii) of subparagraph (A), additional studies are needed to assess the safety and effectiveness of the use of the drug in the pediatric population.

"(2) Consideration of available information.—In developing and prioritizing the list under paragraph (1), the Secretary shall consider, for each drug on the list—

"(A) the availability of information concerning the safe and effective use of the drug in the pediatric population;

"(B) whether additional information is needed;

"(C) whether new pediatric studies concerning the drug may produce health benefits in the pediatric population; and

"(D) whether reformulation of the drug is necessary.

"(b) Contracts for Pediatric Studies.—The Secretary shall award contracts to entities that have the expertise to conduct pediatric clinical trials (including qualified universities, hospitals, laboratories, contract research organizations, federally funded programs such as pediatric pharmacology research units, other public or private institutions, or individuals) to enable the entities to conduct pediatric studies concerning one or more drugs identified in the list described in subsection (a).

"(c) Process for Contracts and Labeling Changes.—

"(1) Written request to holders of approved applications for drugs lacking exclusivity.—The Commissioner of Food and Drugs, in consultation with the Director of the National Institutes of Health, may issue a written request (which shall include a timeframe for negotiations for an agreement) for pediatric studies concerning a drug identified in the list described in subsection (a)(1)(A) (except clause (iv)) to all holders of an approved application for the drug under section 505 of the Federal Food, Drug, and Cosmetic Act. Such a written request shall be made in a manner equivalent to the manner in which a written request is made under subsection (a) or (b) of section 505A of the Federal Food, Drug, and Cosmetic Act, including with respect to information provided on the pediatric studies to be conducted pursuant to the request.

"(2) Requests for contract proposals.—If the Commissioner of Food and Drugs does not receive a response to a written request issued under paragraph (1) within 30 days of the date on which a request was issued, or if a referral described in subsection (a)(1)(A)(iv) is made, the Secretary, acting through the Director of the National Institutes of Health and in consultation with the Commissioner of Food and Drugs, shall publish a request for contract proposals to conduct the pediatric studies described in the written request.

"(3) Disqualification.—A holder that receives a first right of refusal shall not be entitled to respond to a request for contract proposals under paragraph (2).

"(4) Guidance.—Not later than 270 days after the date of enactment of this section, the Commissioner of Food and Drugs shall promulgate guidance to establish the process for the submission of responses to written requests under paragraph (1).

"(5) Contracts.—A contract under this section may be awarded only if a proposal for the contract is submitted to the Secretary in such form and manner, and containing such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(6) Reporting of studies.—

"(A) In general.—On completion of a pediatric study in accordance with a contract awarded under this section, a report concerning the study shall be submitted to the Director of the National Institutes of Health and the Commissioner of Food and Drugs. The report shall include all data generated in connection with the study.

"(B) Availability of reports.—Each report submitted under subparagraph (A) shall be considered to be in the public domain (subject to section 505A(d)(4)(D) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)(4)(D)) and shall be assigned a docket number by the Commissioner of Food and Drugs. An interested person may submit written comments concerning such pediatric studies to the Commissioner of Food and Drugs, and the written comments shall become part of the docket file with respect to each of the drugs.

"(C) Action by commissioner.—The Commissioner of Food and Drugs shall take appropriate action in response to the reports submitted under subparagraph (A) in accordance with paragraph (7).

"(7) Requests for labeling change.—During the 180-day period after the date on which a report is submitted under paragraph (6)(A), the Commissioner of Food and Drugs shall—

"(A) review the report and such other data as are available concerning the safe and effective use in the pediatric population of the drug studied;

"(B) negotiate with the holders of approved applications for the drug studied for any labeling changes that the Commissioner of Food and Drugs determines to be appropriate and requests the holders to make; and

"(C)(i) place in the public docket file a copy of the report and of any requested labeling changes; and

"(ii) publish in the Federal Register a summary of the report and a copy of any requested labeling changes.

"(8) Dispute resolution.—

"(A) Referral to pediatric advisory subcommittee of the anti-infective drugs advisory committee.—If, not later than the end of the 180-day period specified in paragraph (7), the holder of an approved application for the drug involved does not agree to any labeling change requested by the Commissioner of Food and Drugs under that paragraph, the Commissioner of Food and Drugs shall refer the request to the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee.

"(B) Action by the pediatric advisory subcommittee of the anti-infective drugs advisory committee.—Not later than 90 days after receiving a referral under subparagraph (A), the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee shall—

"(i) review the available information on the safe and effective use of the drug in the pediatric population, including study reports submitted under this section; and

"(ii) make a recommendation to the Commissioner of Food and Drugs as to appropriate labeling changes, if any.

"(9) FDA determination.—Not later than 30 days after receiving a recommendation from the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee under paragraph (8)(B)(ii) with respect to a drug, the Commissioner of Food and Drugs shall consider the recommendation and, if appropriate, make a request to the holders of approved applications for the drug to make any labeling change that the Commissioner of Food and Drugs determines to be appropriate.

"(10) Failure to agree.—If a holder of an approved application for a drug, within 30 days after receiving a request to make a labeling change under paragraph (9), does not agree to make a requested labeling change, the Commissioner may deem the drug to be misbranded under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

"(11) No effect on authority.—Nothing in this subsection limits the authority of the United States to bring an enforcement action under the Federal Food, Drug, and Cosmetic Act when a drug lacks appropriate pediatric labeling. Neither course of action (the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee process or an enforcement action referred to in the preceding sentence) shall preclude, delay, or serve as the basis to stay the other course of action.

"(12) Recommendation for formulation changes.—If a pediatric study completed under public contract indicates that a formulation change is necessary and the Secretary agrees, the Secretary shall send a nonbinding letter of recommendation regarding that change to each holder of an approved application.

"(d) Authorization of Appropriations.—

"(1) In general.—There are authorized to be appropriated to carry out this section—

"(A) $200,000,000 for fiscal year 2002; and

"(B) such sums as are necessary for each of the 5 succeeding fiscal years.

"(2) Availability.—Any amount appropriated under paragraph (1) shall remain available to carry out this section until expended.".

SEC. 4. WRITTEN REQUEST TO HOLDERS OF APPROVED APPLICATIONS FOR DRUGS THAT HAVE MARKET EXCLUSIVITY.

Section 505A(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)) is amended by adding at the end the following:

"(4) Written request to holders of approved applications for drugs that have market exclusivity.—

"(A) Request and response.—If the Secretary makes a written request for pediatric studies (including neonates, as appropriate) under subsection (c) to the holder of an application approved under section 505(b)(1), the holder, not later than 180 days after receiving the written request, shall respond to the Secretary as to the intention of the holder to act on the request by—

"(i) indicating when the pediatric studies will be initiated, if the holder agrees to the request; or

"(ii) indicating that the holder does not agree to the request.

"(B) No agreement to request.—

"(i) Referral.—If the holder does not agree to a written request within the time period specified in subparagraph (A), and if the Secretary determines that there is a continuing need for information relating to the use of the drug in the pediatric population (including neonates, as appropriate), the Secretary shall refer the drug to the Foundation for the National Institutes of Health established under section 499 of the Public Health Service Act (42 U.S.C. 290b) (referred to in this paragraph as the ‘Foundation’) for the conduct of the pediatric studies described in the written request.

“(ii) Public notice.—The Secretary shall give public notice of the name of the drug, the name of the manufacturer, and the indications to be studied made in a referral under clause (i).

“(C) Lack of funds.—On referral of a drug under subparagraph (B)(i), the Foundation shall issue a proposal to award a grant to conduct the requested studies unless the Foundation certifies to the Secretary, within a timeframe that the Secretary determines is appropriate through guidance, that the Foundation does not have funds available under section 499(j)(9)(B)(i) to conduct the requested studies. If the Foundation so certifies, the Secretary shall refer the drug for inclusion on the list established under section 409I of the Public Health Service Act for the conduct of the studies.

“(D) Effect of subsection.—Nothing in this subsection (including with respect to referrals from the Secretary to the Foundation) alters or amends section 301(j) of this Act or section 552 of title 5 or section 1905 of title 18, United States Code.

“(E) No requirement to refer.—Nothing in this subsection shall be construed to require that every declined written request shall be referred to the Foundation.

“(F) Written requests under subsection (b).—For drugs under subsection (b) for which written requests have not been accepted, if the Secretary determines that there is a continuing need for information relating to the use of the drug in the pediatric population (including neonates, as appropriate), the Secretary shall issue a written request under subsection (c) after the date of approval of the drug.”.

SEC. 5. TIMELY LABELING CHANGES FOR DRUGS GRANTED EXCLUSIVITY; DRUG FEES.

(a) Elimination of User Fee Waiver for Pediatric Supplements.—Section 736(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379h(a)(1)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraph (G) as subparagraph (F).

(b) Labeling Changes.—

(1) Definition of priority supplement.—Section 201 of the Federal Food Drug, and Cosmetic Act (21 U.S.C. 321) is amended by adding at the end the following:

“(kk) Priority supplement.—The term ‘priority supplement’ means a drug application referred to in section 101(4) of the Food and Drug Administration Modernization Act of 1997 (111 Stat. 2298).”.

(2) Treatment as priority supplements.—Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by adding at the end the following:

“(l) Labeling Supplements.—

“(1) Priority status for pediatric supplements.—Any supplement to an application under section 505 proposing a labeling change pursuant to a report on a pediatric study under this section—

“(A) shall be considered to be a priority supplement; and

“(B) shall be subject to the performance goals established by the Commissioner for priority drugs.

“(2) Dispute resolution.—

“(A) Request for labeling change and failure to agree.—If the Commissioner determines that an application with respect to which a pediatric study is conducted under this section is approvable and that the only open issue for final action on the application is the reaching of an agreement between the sponsor of the application and the Commissioner on appropriate changes to the labeling for the drug that is the subject of the application, not later than 180 days after the date of submission of the application—

“(i) the Commissioner shall request that the sponsor of the application make any labeling change that the Commissioner determines to be appropriate; and

“(ii) if the sponsor of the application does not agree to make a labeling change requested by the Commissioner, the Commissioner shall refer the matter to the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee.

“(B) Action by the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee.—Not later than 90 days after receiving a referral under subparagraph (A)(ii), the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee shall—

“(i) review the pediatric study reports; and

“(ii) make a recommendation to the Commissioner concerning appropriate labeling changes, if any.

“(C) Consideration of recommendations.—The Commissioner shall consider the recommendations of the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee and, if appropriate, not later than 30 days after receiving the recommendation, make a request to the sponsor of the application to make any labeling change that the Commissioner determines to be appropriate.

“(D) Misbranding.—If the sponsor of the application, within 30 days after receiving a request under subparagraph (C), does not agree to make a labeling change requested by the Commissioner, the Commissioner may deem the drug that is the subject of the application to be misbranded.

“(E) No effect on authority.—Nothing in this subsection limits the authority of the United States to bring an enforcement action under this Act when a drug lacks appropriate pediatric labeling. Neither course of action (the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee process or an enforcement action referred to in the preceding sentence) shall preclude, delay, or serve as the basis to stay the other course of action.”.

SEC. 6. OFFICE OF PEDIATRIC THERAPEUTICS.

(a) Establishment.—The Secretary of Health and Human Services shall establish an Office of Pediatric Therapeutics within the Food and Drug Administration.

(b) Duties.—The Office of Pediatric Therapeutics shall be responsible for coordination and facilitation of all activities of the Food and Drug Administration that may have any effect on a pediatric population or the practice of pediatrics or may in any other way involve pediatric issues.

(c) Staff.—The staff of the Office of Pediatric Therapeutics shall coordinate with employees of the Department of Health and Human Services who exercise responsibilities relating to pediatric therapeutics and shall include—

(1) 1 or more additional individuals with expertise concerning ethical issues presented by the conduct of clinical research in the pediatric population; and

(2) 1 or more additional individuals with expertise in pediatrics as may be necessary to perform the activities described in subsection (b).

SEC. 7. NEONATES.

Section 505A(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(g)) is amended by inserting “(including neonates in appropriate cases)” after “pediatric age groups”.

SEC. 8. SUNSET.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by striking subsection (j) and inserting the following:

“(j) Sunset.—A drug may not receive any 6-month period under subsection (a) or (c) unless—

“(1) on or before October 1, 2007, the Secretary makes a written request for pediatric studies of the drug;

“(2) on or before October 1, 2007, an application for the drug is accepted for filing under section 505(b); and

“(3) all requirements of this section are met.”.

SEC. 9. DISSEMINATION OF PEDIATRIC INFORMATION.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) (as amended by section 5(b)(2)) is amended by adding at the end the following:

“(m) Dissemination of Pediatric Information.—

“(1) In general.—Not later than 180 days after the date of submission of a report on a pediatric study under this section, the Commissioner shall make available to the public a summary of the medical and clinical pharmacology reviews of pediatric studies conducted for the supplement, including by publication in the Federal Register.

“(2) Effect of subsection.—Nothing in this subsection alters or amends section 301(j) of this Act or section 552 of title 5 or section 1905 of title 18, United States Code.”.

SEC. 10. CLARIFICATION OF INTERACTION OF PEDIATRIC EXCLUSIVITY UNDER SECTION 505A OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT AND 180-DAY EXCLUSIVITY AWARDED TO AN APPLICANT FOR APPROVAL OF A DRUG UNDER SECTION 505(j) OF THAT ACT.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) (as amended by section 9) is amended by adding at the end the following:

“(n) Clarification of Interaction of Market Exclusivity Under This Section and Market Exclusivity Awarded to an Applicant for Approval of a Drug Under Section 505(j).—If a 180-day period under section 505(j)(5)(B)(iv) overlaps with a 6-month exclusivity period under this section, so that the applicant for approval of a drug under section 505(j) entitled to the 180-day period under that section loses a portion of the 180-day period to which the applicant is entitled for the drug, the 180-day period shall be extended from—

“(1) the date on which the 180-day period would have expired by the number of days of the overlap, if the 180-day period would, but for the application of this subsection, expire after the 6-month exclusivity period; or

“(2) the date on which the 6-month exclusivity period expires, by the number of days of the overlap if the 180-day period would, but for the application of this subsection, expire during the 6 month exclusivity period.”.

SEC. 11. PROMPT APPROVAL OF DRUGS UNDER SECTION 505(j) WHEN PEDIATRIC INFORMATION IS ADDED TO LABELING.

(a) In General.—Section 505A of the Federal Food, Drug, and Cosmetics Act (21 U.S.C. 355a) (as amended by section 10) is amended by adding at the end the following:

"(o) Prompt Approval of Drugs Under Section 505(j) When Pediatric Information Is Added to Labeling.—

"(1) General rule.—A drug for which an application has been submitted or approved under section 505(j) shall not be considered ineligible for approval under that section or misbranded under section 502 on the basis that the labeling of the drug omits a pediatric indication or any other aspect of labeling pertaining to pediatric use when the omitted indication or other aspect is protected by patent or by exclusivity under clause (iii) or (iv) of section 505(j)(5)(D).

"(2) Labeling.—Notwithstanding clauses (iii) and (iv) of section 505(j)(5)(D), the Secretary may require that the labeling of a drug approved under section 505(j) that omits a pediatric indication or other aspect of labeling as described in paragraph (1) include—

"(A) a statement that, because of marketing exclusivity for a manufacturer—

"(i) the drug is not labeled for pediatric use; or

"(ii) in the case of a drug for which there is an additional pediatric use not referred to in paragraph (1), the drug is not labeled for the pediatric use under paragraph (1); and

"(B) a statement of any appropriate pediatric contraindications, warnings, or precautions that the Secretary considers necessary.

"(3) Preservation of pediatric exclusivity and other provisions.—This subsection does not affect—

"(A) the availability or scope of exclusivity under this section;

"(B) the availability or scope of exclusivity under section 505 for pediatric formulations;

"(C) the question of the eligibility for approval of any application under section 505(j) that omits any other conditions of approval entitled to exclusivity under clause (iii) or (iv) of section 505(j)(5)(D); or

"(D) except as expressly provided in paragraphs (1) and (2), the operation of section 505.".

(b) Effective Date.—The amendment made by subsection (a) takes effect on the date of enactment of this Act, including with respect to applications under section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)) that are approved or pending on that date.

SEC. 12. STUDY CONCERNING RESEARCH INVOLVING CHILDREN.

(a) Contract With Institute of Medicine.—The Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for—

(1) the conduct, in accordance with subsection (b), of a review of—

(A) Federal regulations in effect on the date of the enactment of this Act relating to research involving children;

(B) federally prepared or supported reports relating to research involving children; and

(C) federally supported evidence-based research involving children; and

(2) the submission to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives, not later than 2 years after the date of enactment of this Act, of a report concerning the review conducted under paragraph (1) that includes recommendations on best practices relating to research involving children.

(b) Areas of Review.—In conducting the review under subsection (a)(1), the Institute of Medicine shall consider the following:

(1) The written and oral process of obtaining and defining "assent", "permission" and "informed consent" with respect to child clinical research participants and the parents, guardians, and the individuals who may serve as the legally authorized representatives of such children (as defined in subpart A of part 46 of title 45, Code of Federal Regulations).

(2) The expectations and comprehension of child research participants and the parents, guardians, or legally authorized representatives of such children, for the direct benefits and risks of the child's research involvement, particularly in terms of research versus therapeutic treatment.

(3) The definition of "minimal risk" with respect to a healthy child or a child with an illness.

(4) The appropriateness of the regulations applicable to children of differing ages and maturity levels, including regulations relating to legal status.

(5) Whether payment (financial or otherwise) may be provided to a child or his or her parent, guardian, or legally authorized representative for the participation of the child in research, and if so, the amount and type of payment that may be made.

(6) Compliance with the regulations referred to in subsection (a)(1)(A), the monitoring of such compliance (including the role of institutional review boards), and the enforcement actions taken for violations of such regulations.

(7) The unique roles and responsibilities of institutional review boards in reviewing research involving children, including composition of membership on institutional review boards.

(c) Requirements of Expertise.—The Institute of Medicine shall conduct the review under subsection (a)(1) and make recommendations under subsection (a)(2) in conjunction with experts in pediatric medicine, pediatric research, and the ethical conduct of research involving children.

SEC. 13. FOUNDATION FOR THE NATIONAL INSTITUTES OF HEALTH.

Section 499 of the Public Health Service Act (42 U.S.C. 290b) is amended—

(1) in subsection (b), by inserting "(including collection of funds for pediatric pharmacologic research)" after "mission";

(2) in subsection (c)(1)—

(A) by redesignating subparagraph (C) as subparagraph (D); and

(B) by inserting after subparagraph (B) the following:

"(C) A program to collect funds for pediatric pharmacologic research and studies listed by the Secretary pursuant to section 409I(a)(1)(A) of this Act and referred under section 505A(d)(4)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)(4)(C)).";

(3) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (ii), by striking "and" at the end;

(II) in clause (iii), by striking the period and inserting "; and"; and

(III) by adding at the end the following:

"(iv) the Commissioner of Food and Drugs."; and

(ii) by striking subparagraph (C) and inserting the following:

"(C) The ex officio members of the Board under subparagraph (B) shall appoint to the Board individuals from among a list of candidates to be provided by the National Academy of Science. Such appointed members shall include—

"(i) representatives of the general biomedical field;

"(ii) representatives of experts in pediatric medicine and research;

"(iii) representatives of the general biobehavioral field, which may include experts in biomedical ethics; and

"(iv) representatives of the general public, which may include representatives of affected industries."; and

(B) in paragraph (2), by realigning the margin of subparagraph (B) to align with subparagraph (A);

(4) in subsection (k)(9)—

(A) by striking "The Foundation" and inserting the following:

"(A) In general.—The Foundation"; and

(B) by adding at the end the following:

"(B) Gifts, grants, and other donations.—

"(i) In general.—Gifts, grants, and other donations to the Foundation may be designated for pediatric research and studies on drugs, and funds so designated shall be used solely for grants for research and studies under subsection (c)(1)(C).

"(ii) Other gifts.—Other gifts, grants, or donations received by the Foundation and not described in clause (i) may also be used to support such pediatric research and studies.

"(iii) Report.—The recipient of a grant for research and studies shall agree to provide the Director of the National Institutes of Health and the Commissioner of Food and Drugs, at the conclusion of the research and studies—

"(I) a report describing the results of the research and studies; and

"(II) all data generated in connection with the research and studies.

"(iv) Action by the Commissioner of Food and Drugs.—The Commissioner of Food and Drugs shall take appropriate action in response to a report received under clause (iii) in accordance with paragraphs (7) through (12) of section 409I(c), including negotiating with the holders of approved applications for the drugs studied for any labeling changes that the Commissioner determines to be appropriate and requests the holders to make.

"(C) Applicability.—Subparagraph (A) does not apply to the program described in subsection (c)(1)(C).";

(5) by redesignating subsections (f) through (m) as subsections (e) through (l), respectively;

(6) in subsection (h)(11) (as so redesignated), by striking "solicit" and inserting "solicit,"; and

(7) in paragraphs (1) and (2) of subsection (j) (as so redesignated), by striking "(including those developed under subsection (d)(2)(B)(i)(II))" each place it appears.

SEC. 14. PEDIATRIC PHARMACOLOGY ADVISORY COMMITTEE.

(a) In General.—The Secretary of Health and Human Services shall, under section 222 of the Public Health Service Act (42 U.S.C. 217a), convene and consult an advisory committee on pediatric pharmacology (referred to in this section as the "advisory committee").

(b) Purpose.—

(1) In general.—The advisory committee shall advise and make recommendations to the Secretary, through the Commissioner of Food and Drugs and in consultation with the Director of the National Institutes of Health, on matters relating to pediatric pharmacology.

(2) MATTERS INCLUDED.—The matters referred to in paragraph (1) include—

(A) pediatric research conducted under sections 351, 409I, and 499 of the Public Health Service Act and sections 501, 502, 505, and 505A of the Federal Food, Drug, and Cosmetic Act;

(B) identification of research priorities related to pediatric pharmacology and the need for additional treatments of specific pediatric diseases or conditions; and

(C) the ethics, design, and analysis of clinical trials related to pediatric pharmacology.

(c) COMPOSITION.—The advisory committee shall include representatives of pediatric health organizations, pediatric researchers, relevant patient and patient-family organizations, and other experts selected by the Secretary.

SEC. 15. PEDIATRIC SUBCOMMITTEE OF THE ONCOLOGIC DRUGS ADVISORY COMMITTEE.

(a) CLARIFICATION OF AUTHORITIES.—

(1) IN GENERAL.—The Pediatric Subcommittee of the Oncologic Drugs Advisory Committee (referred to in this section as the "Subcommittee"), in carrying out the mission of reviewing and evaluating the data concerning the safety and effectiveness of marketed and investigational human drug products for use in the treatment of pediatric cancers, shall—

(A) evaluate and, to the extent practicable, prioritize new and emerging therapeutic alternatives available to treat pediatric cancer;

(B) provide recommendations and guidance to help ensure that children with cancer have timely access to the most promising new cancer therapies; and

(C) advise on ways to improve consistency in the availability of new therapeutic agents.

(2) MEMBERSHIP.—

(A) IN GENERAL.—The Secretary shall appoint not more than 11 voting members to the Pediatric Subcommittee from the membership of the Pediatric Pharmacology Advisory Committee and the Oncologic Drugs Advisory Committee.

(B) REQUEST FOR PARTICIPATION.—The Subcommittee shall request participation of the following members in the scientific and ethical consideration of topics of pediatric cancer, as necessary:

(i) At least 2 pediatric oncology specialists from the National Cancer Institute.

(ii) At least 4 pediatric oncology specialists from—

(I) the Children's Oncology Group;

(II) other pediatric experts with an established history of conducting clinical trials in children; or

(III) consortia sponsored by the National Cancer Institute, such as the Pediatric Brain Tumor Consortium, the New Approaches to Neuroblastoma Therapy or other pediatric oncology consortia.

(iii) At least 2 representatives of the pediatric cancer patient and patient-family community.

(iv) 1 representative of the nursing community.

(v) At least 1 statistician.

(vi) At least 1 representative of the pharmaceutical industry.

(b) PRE-CLINICAL MODELS TO EVALUATE PROMISING PEDIATRIC CANCER THERAPIES.—Section 413 of the Public Health Service Act (42 U.S.C. 285a-2) is amended by adding at the end the following:

"(c) PRE-CLINICAL MODELS TO EVALUATE PROMISING PEDIATRIC CANCER THERAPIES.—

"(1) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the National Cancer Institute shall expand, intensify, and coordinate the activities of the Institute with respect to research on the development of preclinical models to evaluate which therapies are likely to be effective for treating pediatric cancer.

"(2) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities under paragraph (1) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that those Institutes and agencies have responsibilities that are related to pediatric cancer.".

(c) CLARIFICATION OF AVAILABILITY OF INVESTIGATIONAL NEW DRUGS FOR PEDIATRIC STUDY AND USE.—

(1) AMENDMENT OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.—Section 505(i)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)(1)) is amended—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) the submission to the Secretary by the manufacturer or the sponsor of the investigation of a new drug of a statement of intent regarding whether the manufacturer or sponsor has plans for assessing pediatric safety and efficacy.".

(2) AMENDMENT OF THE PUBLIC HEALTH SERVICE ACT.—Section 402(j)(3)(A) of the Public Health Service Act (42 U.S.C. 282(j)(3)(A)) is amended in the first sentence—

(A) by striking "trial sites, and" and inserting "trial sites,"; and

(B) by striking "in the trial," and inserting "in the trial, and a description of whether, and through what procedure, the manufacturer or sponsor of the investigation of a new drug will respond to requests for protocol exception, with appropriate safeguards, for single-patient and expanded protocol use of the new drug, particularly in children,".

(d) REPORT.—Not later than January 31, 2003, the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs and in consultation with the Director of the National Institutes of Health, shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on patient access to new therapeutic agents for pediatric cancer, including access to single patient use of new therapeutic agents.

SEC. 16. REPORT ON PEDIATRIC EXCLUSIVITY PROGRAM.

Not later than October 1, 2006, the Comptroller General of the United States, in consultation with the Secretary of Health and Human Services, shall submit to Congress a report that addresses the following issues, using publicly available data or data otherwise available to the Government that may be used and disclosed under applicable law:

(1) The effectiveness of section 505A of the Federal Food, Drug, and Cosmetic Act and section 409I of the Public Health Service Act (as added by this Act) in ensuring that medicines used by children are tested and properly labeled, including—

(A) the number and importance of drugs for children that are being tested as a result of this legislation and the importance for children, health care providers, parents, and others of labeling changes made as a result of such testing;

(B) the number and importance of drugs for children that are not being tested for their use notwithstanding the provisions of this legislation, and possible reasons for the lack of testing; and

(C) the number of drugs for which testing is being done, exclusivity granted, and labeling changes required, including the date pediatric exclusivity is granted and the date labeling changes are made and which labeling changes required the use of the dispute resolution process established pursuant to the amendments made by this Act, together with a description of the outcomes of such process, including a description of the disputes and the recommendations of the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee.

(2) The economic impact of section 505A of the Federal Food, Drug, and Cosmetic Act and section 409I of the Public Health Service Act (as added by this Act), including an estimate of—

(A) the costs to taxpayers in the form of higher expenditures by medicaid and other Government programs;

(B) sales for each drug during the 6-month period for which exclusivity is granted, as attributable to such exclusivity;

(C) costs to consumers and private insurers as a result of any delay in the availability of lower cost generic equivalents of drugs tested and granted exclusivity under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), and loss of revenue by the generic drug industry and retail pharmacies as a result of any such delay; and

(D) the benefits to the government, to private insurers, and to consumers resulting from decreased health care costs, including—

(i) decreased hospitalizations and fewer medical errors, due to more appropriate and more effective use of medications in children as a result of testing and re-labeling because of the amendments made by this Act;

(ii) direct and indirect benefits associated with fewer physician visits not related to hospitalization;

(iii) benefits to children from missing less time at school and being less affected by chronic illnesses, thereby allowing a better quality of life;

(iv) benefits to consumers from lower health insurance premiums due to lower treatment costs and hospitalization rates; and

(v) benefits to employers from reduced need for employees to care for family members.

(3) The nature and type of studies in children for each drug granted exclusivity under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), including—

(A) a description of the complexity of the studies;

(B) the number of study sites necessary to obtain appropriate data;

(C) the numbers of children involved in any clinical studies; and

(D) the estimated cost of each of the studies.

(4) Any recommendations for modifications to the programs established under section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) and section 409I of the Public Health Service Act (as added by section 3) that the Secretary determines to be appropriate, including a detailed rationale for each recommendation.

(5) The increased private and Government-funded pediatric research capability associated with this Act and the amendments made by this Act.

(6) The number of written requests and additional letters of recommendation that the Secretary issues.

(7) The prioritized list of off-patent drugs for which the Secretary issues written requests.

(8)(A) The efforts made by Secretary to increase the number of studies conducted in the neonate population; and

(B) the results of those efforts, including efforts made to encourage the conduct of appropriate studies in neonates by companies with products that have sufficient safety and other information to make the conduct of studies ethical and safe.

SEC. 17. ADVERSE-EVENT REPORTING.

(a) TOLL-FREE NUMBER IN LABELING.—Not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall promulgate a final rule requiring that the labeling of each drug for which an application is approved under section 505 of the Federal Food, Drug, and Cosmetic Act (regardless of the date on which approved) include the toll-free number maintained by the Secretary for the purpose of receiving reports of adverse events regarding drugs and a statement that such number is to be used for reporting purposes only, not to receive medical advice. With respect to the final rule:

(1) The rule shall provide for the implementation of such labeling requirement in a manner that the Secretary considers to be most likely to reach the broadest consumer audience.

(2) In promulgating the rule, the Secretary shall seek to minimize the cost of the rule on the pharmacy profession.

(3) The rule shall take effect not later than 60 days after the date on which the rule is promulgated.

(b) DRUGS WITH PEDIATRIC MARKET EXCLUSIVITY.—

(1) IN GENERAL.—During the one-year beginning on the date on which a drug receives a period of market exclusivity under 505A of the Federal Food, Drug, and Cosmetic Act, any report of an adverse event regarding the drug that the Secretary of Health and Human Services receives shall be referred to the Office of Pediatric Therapeutics established under section 6 of this Act. In considering the report, the Director of such Office shall provide for the review of the report by the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee, including obtaining any recommendations of such Subcommittee regarding whether the Secretary should take action under the Federal Food, Drug, and Cosmetic Act in response to the report.

(2) RULE OF CONSTRUCTION.—Paragraph (1) may not be construed as restricting the authority of the Secretary of Health and Human Services to continue carrying out the activities described in such paragraph regarding a drug after the one-year period described in such paragraph regarding the drug has expired.

SEC. 18. MINORITY CHILDREN AND PEDIATRIC-EXCLUSIVITY PROGRAM.

(a) PROTOCOLS FOR PEDIATRIC STUDIES.—Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended in subsection (d)(2) by inserting after the first sentence the following: "In reaching an agreement regarding written protocols, the Secretary shall take into account adequate representation of children of ethnic and racial minorities.".

(b) STUDY BY GENERAL ACCOUNTING OFFICE.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study for the purpose of determining the following:

(A) The extent to which children of ethnic and racial minorities are adequately represented in studies under section 505A of the Federal Food, Drug, and Cosmetic Act; and to the extent ethnic and racial minorities are not adequately represented, the reasons for such under representation and recommendations to increase such representation.

(B) Whether the Food and Drug Administration has appropriate management systems to monitor the representation of the children of ethnic and racial minorities in such studies.

(C) Whether drugs used to address diseases that disproportionately affect racial and ethnic minorities are being studied for their safety and effectiveness under section 505A of the Federal Food, Drug, and Cosmetic Act.

(2) DATE CERTAIN FOR COMPLETING STUDY.—Not later than January 10, 2003, the Comptroller General shall complete the study required in paragraph (1) and submit to the Congress a report describing the findings of the study.

SEC. 19. TECHNICAL AND CONFORMING AMENDMENTS.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) (as amended by sections 2(1), 5(b)(2), 9, 10, 11, and 17) is amended—

(1)(A) by striking "(j)(4)(D)(ii)" each place it appears and inserting "(j)(5)(D)(ii)";

(B) by striking "(j)(4)(D)" each place it appears and inserting "(j)(5)(D)"; and

(C) by striking "505(j)(4)(D)" each place it appears and inserting "505(j)(5)(D)";

(2) by redesignating subsections (a), (g), (h), (i), (j), (k), (l), (m), (n), and (o) as subsections (b), (a), (g), (h), (n), (m), (i), (j), (k), and (l) respectively;

(3) by moving the subsections so as to appear in alphabetical order;

(4) in paragraphs (1), (2), and (3) of subsection (d), subsection (e), and subsection (m) (as redesignated by paragraph (2)), by striking "subsection (a) or (c)" and inserting "subsection (b) or (c)"; and

(5) in subsection (g) (as redesignated by paragraph (2)), by striking "subsection (a) or (b)" and inserting "subsection (b) or (c)".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1789.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of S. 1789, the Best Pharmaceuticals for Children Act. I wish to commend the hard work of the House sponsors of this legislation, the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentlewoman from California (Ms. ESHOO), two extraordinarily valuable members of the Committee on Energy and Commerce, and urge swift passage of this bipartisan bill.

The bill before us today represents a product of bipartisan and bicameral negotiation. This is strikingly similar to the legislation that already passed this House on November 15 by a vote of 338 to 86. Because the bill passed by the other body differed slightly from the House-passed bills, the bills had to be reconciled. S. 1789 is a product of those negotiations. The Senate recently approved the bill without a single dissenting vote.

For years, drugs used in children were not tested for children. To address this situation, the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentleman from California (Mr. WAXMAN) worked together in 1997 to provide manufacturers with an incentive to test these drugs specifically for children. The incentive adopted then was an additional 6 months of exclusivity under the patents added to the existing exclusivity of patent protection for testing these drugs at the request of the FDA.

The incentive has worked extraordinarily well. According to the FDA: "The pediatric exclusivity provision has done more to generate clinical studies and useful prescribing information for the pediatric population than any other regulatory or legislative process to date." According to the American Academy of Pediatrics, the incentive "has advanced therapeutics for infants, children and adolescents, in a way that has not been possible in several decades prior to the passage of this law."

Every children's group in America supports this reauthorization. This is why the Committee on Energy and Commerce reported the bill by a strong bipartisan vote of 41 to 6. The differences between the bill that passed the Committee on Energy and Commerce and the bill before us today are minimal. The main difference is that the Greenwood-Eshoo regulation created a new Foundation for Pediatric Research, while S. 1789 subsumes that foundation within the existing NIH Foundation.

A few Members may oppose the reauthorization by saying that pediatric exclusivity has provided a windfall to industry and increased costs to consumers. Well, truth be told, while some companies have indeed benefited financially for testing their drugs in children, the GAO notes that "while there has been some concern that exclusivity may be sought and granted primarily for drugs that generate substantial revenue, most of the drugs studied are not top sellers." In fact, 20 of the 37 drugs which have been granted exclusivity fall outside the top 200 in terms of drug-sale revenues. Further, the FDA estimates that the cost of this provision adds about one-half of one percent to the Nation's pharmaceutical bill.

Importantly, because the FDA has failed to act, this legislation contains a provision which will result in generic drugs being approved when their labeling omits the pediatric indication or other aspect of labeling which is protected by the patent exclusivity.

While one drug has been prominently mentioned in this debate, the FDA has informed the committee that a number of drugs have received 3 years of additional exclusivity for pediatric use under Hatch-Waxman. It is my strong belief that in implementing this provision, the Secretary will apply it comprehensively and uniformly to all affected drugs; and to ensure that all interested parties have their voices heard, the Secretary should provide for public notice and comment in implementing this important provision.

Pediatric exclusivity has resulted in drugs which are used in children being tested on children and for children; and due to this law, drug labels are being changed to contain pediatric labeling. Now, because of the work of the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentlewoman from California (Ms. ESHOO), the law will also ensure that generic drugs used in children will also have their labels changed.

The American Academy of Pediatrics, the Coalition for Children's Health, the National Association of Children's Hospitals, and the Elizabeth Glaser Pediatric AIDS Foundation are all telling us to pass the Greenwood-Eshoo legislation now. If this program is not reauthorized this year, it expires. Do not be in a position of having to explain to your children's hospitals or to the Academy of Pediatrics and the Pediatric AIDS Foundation why you killed their top priority.

My recommendation to this House is to vote yes on this worthy bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, unfortunately, the legislation we are considering today, named the Best Pharmaceuticals for Children Act, is not about children; it is about money. It is about the most influential industry on Capitol Hill coopting an emotional issue to lock in another 5 years of unjustifiable, unearned revenues.

It is about reauthorizing a program that pays drug companies literally tens of billions of dollars, straight out of the pockets of consumers who will pay higher prices, for tests that cost relatively only a few million dollars to conduct. Again, it is about reauthorizing a program that pays drug companies tens of billions of dollars in higher prices for consumers for tests that cost a few million dollars to conduct.

No one disputes the need for pediatric drug testing. In a health care system as advanced as ours, it is unfathomable that our children are still being prescribed medicines on a hit-or-miss basis. But this bill does not ensure that medicines are first tested for use in children before they are sold for that purpose. It does not ensure that prescription drugs already on the market, already being used in children, are tested.

If we pass this legislation, we are guaranteeing one thing and one thing only: we are guaranteeing consumers an additional 6 months of grossly inflated prices for some of the most widely used prescription drugs on the market.

Five years ago, Mr. Speaker, Congress passed legislation offering 6 months of market exclusivity to drug companies if they conduct pediatric tests. Five years later, we know that the cost to consumers of this 6-month provision is astronomical, while the cost of testing is minimal. We could pay drug companies twice the cost of testing, three times the cost of testing, even four times the cost of testing. We would still save a fortune on behalf of consumers.

☐ 1545

For drugs like Prilosec and Prozac and Zocor and Neurontin, the exclusivity provisions add $50 to $70 for every prescription that every American gets. Again, it is maybe 2 percent industry-wide, as the gentleman from Louisiana mentions, but these provisions, for those drugs, Prilosec, Prozac, Zocor, Neurontin, add $50 to $70 for each prescription. For those of us who have constituents that take Prilosec and Prozac and Zocor and Neurontin, a "yes" vote will mean they will pay, every time, $50 to $70 more for each prescription.

The manufacturer of these drugs will take home an additional $500 million to $1.6 billion for conducting tests that cost about $4 million each. Quite a return on their investment, Mr. Speaker.

I hoped committee deliberations on this legislation would have produced some legitimate arguments and reasonable justification for extending this 6-month exclusivity provision, but it did not happen. Proponents argue that we should sustain this program because, they say, 6 months exclusivity works. Giving the drug industry the keys to the Federal Treasury would also work. Does that mean it is a good idea? They say pediatric exclusivity is the most successful program ever when it comes to increasing the number of pediatric tests. It is also the only incentive program that Congress has ever tried. Previous attempts relied on subtle persuasion, not rewards, not mandates, not any kinds of big money incentives as this gets.

Proponents say pediatric exclusivity uses marketplace incentives. It is a "free market" solution, they tell us. Pediatric exclusivity is not a free market solution, and it does not use marketplace incentives. In free markets, competition and demand drive behavior. When it comes to pediatric exclusivity, the prospect that the Federal Government will step in and block generic competition is what drives behavior. Monopolies are anathema to free markets.

Proponents say that when we factor in lower children's health care costs, pediatric exclusivity actually saves money. I wonder if the authors of this research factored in the health care costs that accrue when seniors who cannot afford this $50 or $70 increase, as this bill allows, who cannot afford these prescriptions, I wonder what happens when they remain ill, when children whose parents cannot afford inflated drug prices remain ill.

Why do I oppose this legislation? Simply because Congress did not give serious consideration to less costly alternatives. Because this bill, frankly, Mr. Speaker, uses children as bait to capture another windfall for the drug industry. It uses children as bait to capture another windfall for the drug industry. I oppose this bill because it promotes bad policy and consumers throughout the country will pay for it.

Before closing, Mr. Speaker, I want to speak for a moment about a provision in this legislation that is in the public's best interests. It is the clarification amendments set forth in section 10, which is intended to make absolutely sure that an important incentive for generic competition is, in fact, preserved. This section clarifies that the grant of pediatric exclusivity does not diminish the generic exclusivity period awarded to the first genetic firm to file a paragraph IV certification. Obviously, this clarifying amendment applies to pediatric exclusivity periods that have already been granted as well as those that will be granted in the future. That good language in section 10 of the bill notwithstanding, Mr. Speaker, this is bad legislation. We should vote "no."

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 3½ minutes to the distinguished gentleman from Indiana (Mr. BURTON), the distinguished chairman of the Committee on Government Reform.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding me this time.

I think this is probably a very good bill and I support it. However, there are a few things I would like to say to the members of the Committee on Energy and Commerce, because I think it is very important, and I have not had an opportunity to do it before.

One of the things that is not widely known is many of the children's vaccinations contain a substance called thimerosal, and thimerosal is a substance that is put in there as a preservative when they put many vaccinations in one vial. Thimerosal contains Mercury. Mercury is a toxic substance that should not be put in anybody's body, let alone children. Children get as many as 25 to 30 vaccinations by the time they go to school. Children get sometimes as much as 45 to 50 times the amount of Mercury in their systems that is tolerable in an adult and, as a result, many children suffer mental disorders because of this, according to some leading scientists.

The number of children in America that are autistic has gone from 1 in 10,000 to 1 in 500. We have an absolute epidemic of autism in this country. Many scientists around the world believe one of the major contributing factors is these toxic substances that are being used as preservatives in these vaccinations; in particular, mercury.

Now, we have taken mercury out of all topical dressings. One cannot get a topical dressing now that has mercury in it, and yet there are a lot of substances such as eye drops, vaccinations and a whole host of things that contain mercury. I have talked to the FDA. We have had them before my committee many times. Two years ago we talked to them about the DPT shot. We asked them about mercury and we asked them about the other shots that have mercury in them, and they said they were going to try to get that substance out. They have not done so. I think it is, in large part, because many of the pharmaceutical companies want to use this because it does help enhance profits. But mercury should not be injected into any child.

I would like to say to my colleagues who are maybe here in the Chamber or back in their offices, and I hope the chairman will listen to this, because we have been told that we should all get a flu shot because of the anthrax scare. Do Members know that the flu shots that we are getting at the doctor's office here in the Capitol contain mercury? Many scientists believe that mercury is a contributing factor to Alzheimer's as well as other children's diseases like autism.

So I would just like to say to the chairman, I hope he will consider holding hearings as we have in our committee, because his committee is the committee of jurisdiction, to force the FDA to get toxic substances like mercury out of those vaccinations for children and adults, because it is not necessary. If they go to single shot vials, they do not need that in there. But they put 10 shots in one vial, and because they put the needle continually in there, they say they need to have mercury in there as a preservative.

For the sake of our children, 1 in 500, in some parts of the country it is 1 in 180 are autistic now, it is an absolute epidemic, I suggest that anything that might be a contributing factor ought to be extricated from these vaccinations, and I hope the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Pennsylvania (Mr. GREENWOOD) will take a look at this problem.

Mr. TAUZIN. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Speaker, I certainly want to thank the chairman and ensure him that our committee is anxious to work with his Committee on Government Reform. If he will be kind enough to share the documentation and the results of his hearings with our committee, we will be more than happy to work with him.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman, and we will have it to him right away.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume to comment on the comments of the gentleman from Indiana (Mr. BURTON) about mercury and to thank him for raising the call about mercury. It is a substance banned in almost every country in the world and I appreciate the work that he has done in raising the public knowledge of that toxic substance.

Mr. Speaker, I yield 2½ minutes to the gentlewoman from California (Ms. HARMAN), a member of the Committee on Commerce.

Ms. HARMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and also say that though I support this legislation, I very much respect his views and his leadership on competition issues.

Mr. Speaker, I want to alert this body that one of the principal sponsors of this legislation, the gentlewoman from California (Ms. ESHOO), is on her way in from the airport. Sadly, she may miss this debate. I stand here to salute her leadership on this issue, along with the gentleman from Pennsylvania (Mr. GREENWOOD), and to say that even if she does miss this debate, she will not miss the fact that through her contribution, we today will overwhelmingly, I predict, pass this legislation.

Notwithstanding the importance of competition, Mr. Speaker, this legislation is about harnessing the promise of the most advanced pharmaceuticals for the most vulnerable members of our society, our children. Dr. Jay Lieberman, a pediatric disease specialist from my district, has told me that literally every day he sees children with serious, sometimes life-threatening infections on whom he must use the antibiotics and other drugs that have not been tested to determine how safe they are for kids.

We must do all we can to end this lack of knowledge, and the extension of patent exclusivity for companies that test their pharmaceuticals for children is the proven way to help kids. Over the past 4 years, pharmaceutical companies have dramatically increased the number of pediatric trials for new prescription drugs. More products are being labeled with proper dosage for children and potentially harmful interactions, and more companies are conducting research into special drug formulations for children.

What we are doing today, Mr. Speaker, is not enacting a new law; we are renewing good law that has brought about better treatments for children. We also clarify that drug companies cannot draw more than 6 months exclusivity for conducting pediatric trials. We must do all we can to improve the safety of pharmaceuticals for kids. This bill is the narrowest way to do this, consistent with protecting competition and consistent with assuring that drug companies already doing this work will continue to do it.

I want to salute the bipartisan sponsorship of the bill, our chairman, the gentleman from Louisiana (Mr. TAUZIN) who is standing here and the gentleman from Pennsylvania (Mr. GREENWOOD), and to say that the gentlewoman from California (Ms. ESHOO), were she here, would be saying the same things. I thank the chairman for his leadership. I urge passage of this bill.

Mr. TAUZIN. Mr. Speaker, I yield myself 30 seconds, first of all, to thank the gentlewoman from California (Ms. HARMAN) and particularly the gentlewoman from California (Ms. ESHOO) who could not be here today for her handling of the bill and for her excellent work with the gentleman from Pennsylvania (Mr. GREENWOOD) on this legislation.

Finally, I would mention that while there are some costs to this exclusivity, Tufts University has estimated that while it costs Americans about $700 million for this 6 months of extra exclusivity, that we gain $7 billion of savings each year in medical costs for children. It is a 10 to 1 savings. That is worth doing.

Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Pennsylvania (Mr. GREENWOOD), the chairman of the Subcommittee on Oversight and Investigations of the Committee on Commerce and the author of the legislation.

Mr. GREENWOOD. Mr. Speaker, I thank the gentleman from Louisiana (Mr. TAUZIN), the chairman of the full committee for yielding me this time and I also thank him for his support throughout this progress on this important piece of legislation.

Mr. Speaker, this bill, as has been mentioned by the chairman, passed just about a month ago by the overwhelming margin of 338 to 86 in this House and, in fact, it passed in the Senate unanimously. So today we pass the Senate version of this bill so we can get it to the President so we can continue to provide these health benefits for children. It passed by that overwhelming majority because there is wide agreement on just about every facet of this issue. There is universal agreement, no one debates the question, that for decades; in fact, for all of the health history of this country, we have had a serious problem in trying to get pharmaceutical companies to test their products on children so that pediatricians and other doctors and specialists can prescribe these medications in ways that benefit children particularly and take into consideration of the different physiology and the different size and weight of children. Everyone agrees to that.

Everyone agrees that since 1997 when we enacted this Better Pharmaceuticals for Children bill, there has been a dramatic and unanticipated flurry of these studies, about 400 of them, which the pediatric community and all of these organizations, the American Academy of Pediatrics, the National Association of Children's Hospitals, the Elizabeth Glazier Pediatric AIDS Foundation, the March of Dimes, the American Academy of Child and Adolescent Psychiatry, and on and on, all of these groups universally acknowledge and agree that this has been a saviour in providing good medical information to physicians.

There has been one area of dispute, and that area of dispute is what is the proper incentive to give the pharmaceutical companies in order to get them to provide these studies. What we say in the bill is if the Food and Drug Administration, the FDA, asks a pharmaceutical company, please provide clinical trials for children for your product, and the company does that study, and we have that information available, we have a clean, simple, neat incentive, and that is, you will gain 6 months of additional exclusivity; when the 6 months is over, in comes generic competition and the prices go down.

Now the opponents of this bill have suggested a series of rather Rube Goldberg complicated, unworkable and unfair alternatives to this plan.

□ 1600

We have looked at them; and overwhelmingly, the Food and Drug Administration has said to us, we do not want to get involved in those kinds of complicated schemes that are unworkable and unmanageable for us.

What we have is working; it is working well. Let us not fix something that is not broken. Let us not quarrel with success. Let us provide another overwhelming vote in support of this legislation for children.

Today, Mr. Speaker, I am happy that the House is considering S. 1789, the Best Pharmaceuticals for Children Act.

This bill is the essence of bipartisan policy. It originally passed the House by a vote of 338–86 on November 15, and the Senate passed it by unanimous consent yesterday.

Chairman TAUZIN, and Chairman BILIRAKIS, thank you for your leadership and hard work in moving this bill from committee to the floor and for achieving a unified bill with the Senate.

Mr. Speaker, I am also pleased to have worked with Ms. ESHOO and the 16 other members of the minority who have cosponsored this legislation.

Mr. Speaker, this is public policy at its best. Over 400 studies are currently underway to fulfill 200 study requests from FDA. Contrast this with the change that from the prior 6 years, when only 11 studies had been done.

As the Food and Drug Administration itself said in its report to Congress, the Better Pharmaceuticals for Children Act has had "unprecedented success," and "the pediatric exclusivity provision has done more to generate clinical studies and useful prescribing information than any other regulatory or legislative process to date."

This Act has helped get drugs to kids who need them, let us better understand how drugs work in kids, and also know when we should and should not be giving kids certain drugs. Or as Linda Suydam, the FDA representative who testified in front of the Health subcommittee earlier this year pointed out, "The results speak for themselves."

Let me give you an example of how this has worked.

Take Lodine, which treats Juvenile rheumatoid arthritis. This drug did not have safety and effectiveness in children prior to this program. With the studies, we have determined a new indication for children 6–16 years in age and recommended a higher dosage in younger children.

Contrast this with the traditional mindset of just "taking the pill and breaking it in half" to determine the dosage for children.

This has been a fantastic law. And we can do better.

Six of the 10 most used drugs by children have not been studies because they are off-patent. This bill provide the funds for the studies to be completed on those off-patent drugs that are used so often to treat our children. Furthermore, we have developed a foundation to provide resources for the completion of these studies that will have so much value.

Some will argue that this is a Republican bill, helping drug companies. Nothing could be further from the truth. This bill, which I am proud to work on with Ms. ESHOO, is the very essence of bipartisanship. It passed out of the Energy and Commerce Committee by a vote of 41–6. And this bill has had more Democrat cosponsors than Republican, including several members of the committee.

Some of my colleagues on the opposite side of the aisle will try to suggest that this bill is both costly and helps blockbuster drugs stay-off competition. This provision is not about blockbuster drugs. Over half of the 38 drugs that have been granted exclusivity do not even make the list of top 200 selling drugs.

Simply put, this bill is good policy. It is sound, it is tested. It is tried. It works.

We need to reauthorize pediatric exclusivity. We need to send the bill to the President for his signature. America's kid's are counting on it.

I urge my colleagues to vote "yes" on S. 1789

I would like to clarify a point regarding a provision in this legislation. It is my understanding regarding section 15 that the eleven voting members of the pediatric subcommittee of the Oncologic Drugs Advisory Committee, cited in section 15(2)(A) shall be drawn from the pediatric oncology specialists listed in (2)(B) of the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I hear the gentleman from Pennsylvania (Mr. GREENWOOD), who does outstanding work on the Subcommittee on Health on a variety of issues, say that opponents to this bill offered a Rube Goldberg collection of responses or fixes, if you will, to this problem that we believe exists, this problem of paying the drug companies in many cases tens, sometimes hundreds of millions, of dollars, and in one case over $1 billion to do a study that costs simply $4 million.

Our proposals to fix this are not at all Rube Goldberg. One was to reduce the 6-month exclusivity to 3 months so a drug company, by investing $4 million, would then only make tens of millions of dollars, or $100 million instead of $200 million. That was a very simple, straightforward solution.

Another was simply to reimburse the drug company for the study they did. If they paid $4 million for the study, then reimburse them $4 million; or we were generous enough to say reimburse them $8 million or $12 million. We said, give them 100 percent or 200 percent return on investment, but do not raise the price, as this legislation does, do not raise the price of Prilosec, Prozac, Zocor, and Neurontin $50 to $70 per prescription.

Remember, Mr. Speaker, everyone that votes for this legislation is saying to her constituents or his constituents, yes, I am signing off on increasing for at least 6 months the price of Prilosec and Prozac and Zocor and Neurontin $50 to $70 per prescription. It is not the 2 percent that the gentleman from Louisiana (Mr. TAUZIN) talks about industry-wide. That may be true; I do not dispute his numbers. But for those four drugs and for some others, the cost of Prilosec will go up $50 to $70 for that 6-months for consumers, for our constituents. So will the cost of Prozac, Zocor, and Neurontin.

In times of recession, when people are losing their jobs, when the economy seems to be going downward, is that what we want to do is say to our constituents it is okay, pay $50 or $60 or $70 per prescription, it is for the good of some other cause?

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the chairman of the Committee on Commerce for yielding time to me, and for his leadership in bringing this bill, which I think is an important one, to the floor.

Mr. Speaker, I am in strong support of S. 1789, the Best Pharmaceuticals for Children Act; and I want to congratulate the sponsor of the bill, the gentleman from Pennsylvania (Mr. GREENWOOD), and the gentlewoman from California (Ms. ESHOO) for working on crafting this legislation, which is important. It is a much-needed piece of legislation. It creates an incentive for pharmaceutical companies to conduct pediatric studies to increase pediatric information.

Children are subject to many of the same diseases as adults and, by necessity, are often treated with the same drugs. According to the American Academy of Pediatrics, only a small fraction of all drugs marketed in the United States has been studied in pediatric patients; and a majority of marketed drugs are not labeled or are insufficiently labeled for use in pediatric patients.

Safety and effectiveness information for the youngest pediatric age groups is particularly difficult to find in product labeling. The absence of pediatric testing and labeling may also expose pediatric patients to ineffective treatment through underdosing, or may deny pediatric patients the ability to benefit from therapeutic advances because physicians choose to prescribe existing, less-effective medications in the face of insufficient pediatric information about a new medication.

In addition, pharmaceutical companies have little incentive to perform pediatric studies on drugs marketed primarily for adults; and FDA efforts to increase pediatric testing and labeling of certain drugs have failed. As a result, the FDA issued a report in January of this year, 2001, that the pediatric exclusivity provision was "highly effective in generating pediatric studies on many drugs, and in providing useful new information in product labeling."

I urge my colleagues to support this bill, as there is no greater job that Congress can undertake than to improve and enhance the health of children.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, a study from the Department of Health and Human Services in a January, 2001, "Status Report to Congress," the Food and Drug Administration, within Health and Human Services, wrote that "the impact of the lack of lower-cost generic drugs on some patients, especially those without health insurance and the elderly, may be significant."

This government report from the Food and Drug Administration concluded that "the greatest burden of this increase will fall on consumers with no private or public insurance support, which may disproportionately affect lower-income purchasers, and the pediatric exclusivity provision imposes substantial costs on consumers and on taxpayers."

Mr. Speaker, I sit here amazed that this Congress today is about to pass legislation to increase the cost of drugs, of prescription drugs, to America's elderly and to consumers of these prescription drugs, when this Congress has done nothing for unemployed workers, has done nothing for health insurance for people that are unemployed, has done nothing in terms of an economic stimulus package.

We will not pass a stimulus package, we will not do anything for 125,000 laid-off airline workers, we will not do anything for the millions of newly laid-off workers in this country, we will not do anything about 45 million uninsured Americans, one-fourth of whom are children. Yet in the name of a children's bill, which is very misnamed, in the name of that legislation, of that group, we are going to raise prescription drug prices.

I repeat, Mr. Speaker, that for certain drugs, like Prilosec and Prozac and Zocor and Neurontin, a vote for this bill is saying yes to the drug companies adding $50 to $70 per cost of prescriptions.

So people watching this should understand, as we all go home and talk to our constituents, we just might get asked, Why did you vote for this pediatric exclusivity provision, which adds to the cost of my Prozac, Zocor, Neurontin, or Prilosec?

Mr. Speaker, in the midst of a recession, this makes no sense to add to the cost of prescription drugs for America's elderly and for the consumers of these drugs.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is not about the stimulus package, it is not about the airlines, it is not about drilling in ANWR. It is about children. It is about whether or not we are going to continue a law that is working; not pass a new law, but simply continue a law that is working, and that everyone who has looked at it says it is working not just well, but exceptionally well.

Let me point out a couple of things: One, the bill does not raise drug costs to anybody. It simply extends pediatric exclusivity, exclusivity of patents, for 6 months. It does not do it because the drug company wants that. It does it because the FDA decides that a certain drug that is being given to adults may have serious consequences if given to children without a special study done on the effects of the drug on the young mind and body of a young child to make sure in fact that a drug that is very potent and helpful for adults may not have the same effect on children.

The FDA decides to ask the drug company to do special testing for children, and then if they find out that this drug has special effects on children, to make sure that the label on the drug indicates that to the doctor before he prescribes it to a child.

Now, I ask Members, does this extra 6 months of patent protection help the drug company? Of course it does. They get 6 more months of protection under their patent if they agree to do this testing that the FDA requests, and if in fact they do it and the tests are run and children, we find out, should not be getting a half-dose or quarter-dose but maybe an eighth of a dose, and under special kinds of treatments and circumstances, then we end up protecting children in a very special way.

How much so? We are told that this extra 6 months of exclusivity may add about one-half of 1 percent to the drug costs in America during that 6 months of extra exclusivity under the patent. What do we get back for it? According to the study, we save $7 billion a year in health care costs for our children, and so we are not crippling them and hurting them with drugs that could hurt and cripple them instead of helping them.

Seven billion dollars, ten-to-one benefits for the most vulnerable, the most sacred of all the charges that God has ever presented us with on this Earth, the protection of our own children and their health. That is what we are talking about.

It is not about the stimulus plan or drilling in Alaska or airline workers. It is about whether or not we are going to continue a law that is about to expire; that protects children in this country; that works exceptionally well; that was designed by a Democrat, the gentleman from California (Mr. WAXMAN), together with the gentleman from Pennsylvania (Mr. GREENWOOD) in 1997 and has proven itself out.

So today we cast a vote along with the Senate, which did not cast a dissenting vote against this bill. We cast a vote today to continue this good law in effect. Is that worth doing? Yes. And I hope this House joins me in passing this bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I stand in support of the Best Pharmaceuticals for Children Act (S. 1789). Until 1997, American children were at substantial risk due to the lack of instructions in most prescription drug labels on how to use those drugs in children. Since the pediatric exclusivity incentive was enacted in 1997, there have been numerous studies of drugs in children, and drug labels are finally starting to carry this critical pediatric dosing information. It would be shameful for Congress to shut down the investment in pediatric studies by failing to reauthorize the pediatric exclusivity incentive. The Congress should pass the Best Pharmaceuticals for Children Act so that all drugs, present and future, contain the dosing information so critical to proper pediatric care.

The only flaw in the bill is Section 11, which would actually permit the FDA to approve drugs that omit critical pediatric dosing information. Such omissions could cripple the very purpose—complete, accurate pediatric labeling—of the Best Pharmaceuticals for Children Act. Consequently, FDA cannot implement Section 11 without engaging in notice-and-comment rulemaking under the Administrative Procedure Act. This will ensure that if FDA does assert the discretion it is granted under Section 11, it will not do so in a way that would allow approval of any drug without complete, accurate and up-to-date pediatric labeling.

Memorandum to the Untied States Congress Re: Proposed Amendment to the Hatch-Waxman Act (H.R. 2887)

Section 11 of H.R. 2887 has the effect of amending the Hatch-Waxman Act to abolish retroactively an existing exclusive marketing period for Glucophage, a pioneer drug manufactured and marketed by Bristol-Myers Squibb ("BMS") for treatment of Type 2 diabetes. An exclusive marketing period, whether derived from a government grant of a patent or other similar governmental action, is a valuable property. Any legislative effort to terminate such an existing right without compensation raises obvious constitutional problems.

In the case of Glucophage, the proposed legislative action is particularly egregious since the marketing exclusivity came as a result of extensive studies welcomed by the government and successfully performed by BMS with respect to pediatric use of Glucophage. The FDA authorized and agreed to the studies pursuant to legislation and regulations designed to encourage pediatric testing to maximize health benefits to children. BMS agreed to do the extensive—and expensive—testing of this pioneer drug. The results were positive, and accordingly, BMS in the spring of 2000 submitted a supplemental new drug application ("sNDA") to add pediatric use information to its Glucophage label.

The FDA approved such labeling and granted BMS three years of pediatric labeling exclusivity as provided under the law. Under existing law and regulations, the grant of labeling exclusivity amounted to a grant of marketing exclusivity for Glucophage for all users, not simply children, because all prescription drugs (including generics) were required by FDA regulations promulgated in 1994 to include pediatric information in their labels. That this broader exclusivity would result from the pediatric labeling was relied upon by BMS when it undertook to conduct the testing. It is this broader exclusivity that Section II of the proposed legislation seeks to eliminate retroactively.

There is, of course, no question of Congress' constitutional power to change legislative standards for the exercise of regulations prospectively; to do so may raise questions of legislative policy but no legal or constitutional questions. The constitutional problem arises only when the power is exercised to make such changes retroactively—to take away an existing valuable right already vested with respect to an existing product. The Congressional power is broad; the constitutional limitation on that power, narrow. In legislative encouragement of the arts and sciences, Congress is free to expand or contract the period of marketing exclusivity with respect to future creations and inventions. But it is not free to take away grants of existing exclusivity without compensation.

The fact that the marketing exclusivity is achieved indirectly through labeling exclusivity rather than through a direct marketing grant is of no moment from either a policy or a constitutional perspective. There is no question that the FDA had the authority to do what it did both in granting labeling exclusivity and in regulating the requirements with respect to labeling. That since 1994 labeling exclusivity amounted to marketing exclusivity was well known and served as a means to promote research and testing for pediatric use as well as promoting safety and efficiency.

Section 355a (Pediatric studies of drugs) was enacted in 1997, three years after the FDA regulation requiring pediatric use information be included in all labeling. It provides for a six month extension of marketing exclusivity for a drug where its manufacturer agrees to a request by the FDA for pediatric research and testing and performs the required tests in a timely fashion. This extension is granted whether or not the drug is approved for pediatric use. But if an application for pediatric use is made and a sNDA granted, the use becomes subject to the FDA's labeling requirements.

Without some period of exclusivity there would be little or not incentive to apply for the sNDA. If labeling exclusivity did not include marketing exclusivity it would have little value. Generic manufacturers producing bio-equivalent drug could not include pediatric use on the labels, but the medical profession (especially HMO's) would be aware of the use and would prescribe the generic rather than the labeled drug.

As a policy matter one can agree or disagree with the FDA's 1994 regulation that pediatric information must, for reasons of safety and effective use, be included in every prescription drug. The proposed legislation disagrees with any such requirement. Whatever the impact of this change on future pediatric research and testing, Congress is obviously free to make such a policy choice. But with respect to products already marketed under an exclusive pediatric label, the effect of such a change is to destroy a valuable property right. The government should not engage in such an act, and the constitution requires that such a taking be compensated.

The attached memo discusses the constitutional question. As a policy matter, there is little to be gained by engaging in almost certain litigation where there is no important principle to be established. Glucophage may be the only drug involved (or at least one of a small number), and it is easy to make the legislation prospective only. Even in the unlikely event that the government would prevail, that victory would almost certainly be hedged with a variety of technical requirements which would create future legislative problems. A loss could be costly in monetary terms. And either a victory or a loss almost certainly would involve language problematic in terms of governmental fairness.

Constitutionality of Proposed Amendment to the Hatch-Waxman Act (H.R. 2887)

This memorandum respectfully addresses the constitutional infirmity of H.R. 2887 sec. 11.

The underlying statute regarding new drug approvals, the Hatch-Waxman Act, provides an initial period of marketing exclusivity for a pioneer drug manufacturer that holds an approved new drug application ("NDA"). See 21 U.S.C. §355(j)(5)(D)(ii). It also provides an additional period of labeling exclusivity for a pioneer that holds an approved supplemental new drug application ("sNDA") based on a new use indication developed after the basic drug had been approved. See id, at §355(j)(5)(D)(iv).

Once the initial exclusivity expires, a generic drug maker is entitled to seek approval for an abbreviated new drug application ("ANDA") based on a demonstration of bioequivalence with the pioneer drug. See id at §355(j)(2)(A)(iv). The FDA may not approve an ANDA unless the labeling is the "same as the labeling approved for the listed drug". See 21 U.S.C. §355(j)(2)(A)(v), although pursuant to 1992 FDA regulations, a generic drug label may differ from the label of the pioneer drug by "omission of an indication or other aspect of labeling protected by patent or accorded exclusivity under [Hatch-Waxman]" (see 21 C.F.R. §314.94(a)(8)(iv)), omissions may be approved only if they "do not render the proposed drug product less safe or effective than the listed drug for all remaining, nonprotected conditions of use". 21 C.F.R. §314.127(a)(7)(emphasis added).

In 1994, the FDA created an exception to the above regulation, concerning acceptable label omissions, affording pioneer drug manufacturers extended total marketing exclusivity based on the development of new pediatric use indications. In particular, the FDA adopted regulations requiring that pediatric information be included in the labeling of every prescription drug. See 21 C.F.R. §201.57(f)(9)(ii). The FDA based the new regulations on its finding that "[t]his action promotes safer and more effective use of prescription drugs in the pediatric population". 59 Fed. Reg. 64,240 (Dec. 13, 1994). With this regulation, the FDA noted that "a drug product that is not in compliance with revised §201.57(f)(9) would be considered to be misbranded and an unapproved new drug under the act". 57 Fed. Reg 47,423, 47,425 (Oct. 16, 1992).

Further, in 1997, Congress enacted legislation providing pioneer drug manufactures a six-month period of marketing exclusivity in return for performing pediatric studies on already approved drugs, even if the studies do not yield results permitting pediatric labeling. See 21 U.S.C. §355a.

These statutes and regulations collectively were designed to encourage drug manufacturers to invest in pediatric testing in an effort to maximize the health benefits to children. A review of the record plainly reveals this intent as well as the benefits achieved. For example:

The FDA described its 1992 proposed pediatric labeling regulation as an initiative to "stimulate development of sufficient information for labeling to allow the safe and effective use of drugs in children". 57 Fed. Reg. 47,423, 47,424 (Oct. 16, 1992).

In its 1994 Unified Agenda, the FDA explained that its then forthcoming final regulation was created in response to a concern that prescription labeling did not contain adequate information about pediatric drug use. 59 Fed. Reg. 57,572 57,577 (Nov. 14, 1994).

In its mandated 2001 status report to Congress, the FDA reported that pediatric exclusivity has "done more to generate clinical studies and useful prescribing information for the pediatric population that any other regulatory or legislative process to date" S. Rep. No. 107–79 (2001).

Linda Suydam, Senior Associate FDA Commissioner, testified at a House hearing that the "purpose of encouraging pediatric studies is to provide needed pediatric efficacy, safety and dosing information to physicians in product labeling". Food and Drug Administration Modernization: Hearing Before the House Comm. on Energy and Commerce, 107th Cong. (May 3, 2001) (statement of Linda A. Suydam).

At a May 2001 Senate hearing, Senator Chris Dodd wanted that the absence of pediatric labeling poses significant risks to children describing it as "playing Russian roulette with their health". Pediatric Drug Testing: Hearing Before the Senate Comm. on Health, Educ., Labor and Pensions, 107th Cong. (May 8, 2001) (statement of Senator Dodd).

In the context, the FDA, in 1998 and 1999, issued "Written Requests" to Briston-Myers Squibb ("BMS") for the performance of extensive pediatric studes on Glucophage, a pioneer drug initially approved in 1995 for the treatment of type 2 diabetes. At that time, no oral type 2 diabetes treatment had been approved for pediatric use. BMS completed the studies as agreed. IN the spring of 2000, BMS submitted an sNDA seeking approval to add pediatric use informaiton to the Glucophage label based on the findings of its studies. As expected, the FDA approved the sNDA, authorized BMS to add pediatric use informaiton to the Glucophage label, and granted three years of Hatch-Waxman labeling exclusivity pursuant to 21 U.S.C. §355(j)(5)(D)(iv). Under existing law, that grant resulted in total marketing exclusivity with respect to Glucophage for the applicable period because BMS has acquired exclusive rights to the only pediatric use indication that applied under the pediatric labeling requirements. See 21 C.F.R. §201.57(f)(9)(iv).

H.R. 2887 sec. 11, which is apparently widely referred to as the "Anti-Glucophage Bill", proposes to revise the Hatch-Waxman Act to override the current requirement that generic versions of pioneer drugs bear labeling for pediatric indications. Accordingly, the proposed legislation would eliminate the marketing exclusivity that BMS currently enjoys as a result of its exclusive right to the pediatric use labeling for Glucophage.

The retroactive impact of such a government action offends notions of basic fairness and has long been frowned upon by our courts. "[R]etro-spective laws are, indeed, generally unjust; and as has been forcibly said, neither accord with sound legislation nor with the fundamental principles of the social compact". Eastern Enters v. Apfel, 524 U.S. 498, 533 (1998) (quoting 2 J. Story, Commentaries on the Constitution §1398 (5th ed. 1891)). If H.R. 2887 is signed into law, it would effect an unconstitutional taking. See U.S. Const. amend. V ("private property [shall not] be taken for public use without just compensation").

BMS, pursuant to Written Requests from the FDA, went to great lengths to perform pediatric studies on Glucophage. The fruits of BMS's research and development effort—including data relating to, among other things, the drug's indication and use, clinical pharmacology, adverse reactions, and dosage and administration—constitute intellectual property and qualify as trade secrets under state law. See Restatement (First) of Torts §757 cmt. b (1939) (trade secret may consist of "any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it.") (cited with approval in Ashland Mgmt. Inc. v. Janien, 624 N.E.2d 1007, 1012–13 (N.Y. 1993)). Such intangible property is subject to the protections of the Takings Clause of the Constitution. See e.g., Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1003–04 (1984) (trade secrets in pesticide testing data); Patlex Corp. v. Mossinghoff, 758 F.2d 594, 599–600 (Fed. Cir. 1985), modified on reh'g on other grounds, 771 F.2d 480 (Fed. Cir. 1985) (laster technology patents); Tri-Bio Labs., Inc. v. United States, 836 F.2d 135, 142 (3d Cir. 1987) (trade secrets in animal drug testing data).

Moreover, similar to a patent, the marketing exclusivity that BMS was granted in exchange for the dedication of its intellectual property constitutes a valid property interest. See Patlex Corp., 758 F.2d at 599 ("The encouragement of investment-based risk is the fundamental purpose of the patent grant, and is based directly on the right to exclude."). Our legal system makes plain that the right to exclude is "essential" to the concept of private property. See Kaiser Aetna v. United States, 444 U.S. 164, 176 (1979).

In determining whether a taking of property has occurred, courts will consider the following factors: (1) the government action's interference with reasonable investment backed expectations; (2) the character of the action; and (3) the economic impact of the action. See Ruckelshaus, 467 U.S. at 1005.

With respect to Glucophage, there can be little question that H.R. 2887 sec. 11 would turn BMS's reasonable investment-backed expectation on its head. The Supreme Court's opinion in Ruckelshaus is instructive. Monsanto, a pioneer manufacturer of pesticides, successfully challenged legislation that would have permitted the Environmental Protection Agency to disclose and/or use trade secret data from Monsanto's pesticide approval applications filed after a 1972 amendment guaranteeing that no such use or disclosure would occur and prior to a 1978 amendment repealing that protection. The Court found the interference with reasonable investment backed expectations "so overwhelming . . . that it dispose[d] of the taking question". Ruckelshaus, 467 U.S. at 1005 (emphasis added).

Similarly, BMS has developed intellectual property necessary to support its Glucophage sNDA for pediatric use. BMS submitted that intellectual property to the FDA in exchange for what BMS understood to be a promise of marketing exclusivity. Although the proposed legislation here nominally would preserve BMS's use of pediatric data by making that portion of the label exclusive, the taking would be effected through off-label sales, i.e., the lack of any given indication in a generic's label will not prevent a generic drug from being prescribed or substituted for the branded drug for that indication. In 1994, well before the Written Requests issued for pediatric testing of Glucophage, the FDA adopted regulations precluding such off-label sales from undermining the exclusivity granted with regard to pediatric use indications. BMS invested accordingly. Now that Congress has secured the desired benefits from BMS, it is refusing to follow through on its promise. Such action plainly interferes with reasonable investment-backed expectations.

Although the character of the government action here is not the same as that of the traditional physical invasion of property, the effect is the same. The proposed legislation would nullify, not just diminish the value of BMS's property interest. See Ruckelshaus, 467 U.S. at 1012 (change in regulation "destroy[ed]" value of trade secrets). The "Anti-Glucophage Bill", as designed, completely would deprive BMS of its intellectual property and its corresponding entitlement to market the drug on an exclusive basis for the remainder of the applicable period.

With respect to the economic impact of the proposed legislation, there is little question that it would be severe. See Eastern Enters., 524 U.S. at 534 (plurality) (finding a taking based on retroactive liability that was "substantial and particularly far reaching"); United States Fid. & Guar. Co. v. McKeithen, 226 F.3d 412, 416 (5th Cir. 2000) (finding a taking based on "considerable, novel financial burden"). Indeed, the action would deprive BMS of Glucophage's market value to the extent of billions of dollars. If the proposed legislation were enacted, and assuming the courts did not block its implementation, the appropriate measure of BMS's injury would be extremely high. See United States v. W.G. Reynolds, 397 U.S. 14, 16 (1970) ("just compensation' means the full monetary equivalent of the property taken . . . the owner is entitled to the fair market value of the property"). BMS would have to be put in "as good position pecuniarily as [it] would have occupied if [its] property had not been taken". See United States v. Miller, 317 U.S. 369, 373 (1943)..

For these reasons, the enactment of H.R. 2887 sec. 11 would constitute an unconstitutional taking of BMS's property for which it would be entitled to just compensation. I respectfully urge Congress to reconsider the constitutional implications of this provision of the proposed legislation.

Ms. ESHOO. Mr. Speaker, I rise in support of the Best Pharmaceuticals for Children Act, which I'm proud to sponsor with Mr. GREENWOOD of Pennsylvania.

This bill is the conferenced version of legislation that passed the House a month ago on the suspension calendar 338–86.

Importantly the bill we will vote on today and send to the President closes the "Glucophage loophole" which allowed one company to get an additional 3 years of marketing exclusivity. This bill ensures that no company will be able to take advantage of the exclusivity granted by this very important legislation.

This legislation extends the pediatric exclusivity provision, one of the most successful programs created by Congress to inspire medical therapeutic advances for children.

Prior to its enactment, 80 percent of all medications had never been tested for use by children, even though most are widely used by pediatricians to treat them.

Many of these drugs carried disclaimers stating that they were not approved for children. Pediatricians cut pills in half or even in fourths for children.

Throughout this period, we were basically experimenting on children, forcing doctors to rely on anecdotal information or guesswork. This was not acceptable for our nation's children.

In 1997 the Congress passed the pediatric exclusivity provision as part of the FDA Modernization Act, which Congressman BARTON and I sponsored.

This provision has made a dramatic change in the way pediatricians are practicing and administering medicine to children. Now, pediatricians have the necessary dosage guidance on drug labels to administer drugs safely to children.

But there are many more drugs that can and should be used in the pediatric population. This bill ensures that those drugs will also be studied and information on safe use will be provided to pediatricians.

Because previous attempts to address drug studies for children had failed, this provision was given a four-year lifespan. It expires January 1, 2002, which is why we're here today.

The pediatric exclusivity provision provides pharmaceutical companies with an incentive to study drugs for children . . . six months of additional market exclusivity.

This incentive has made a dramatic difference.

Since the law has been in place, the FDA has received close to 250 proposed pediatric study requests from pharmaceutical companies and has issued nearly 200 requests to conduct over 400 pediatric studies.

By comparison, in the seven years prior to enactment of this provision, only 11 studies were completed.

The FDA has granted market exclusivity extensions for 33 products. 20 products include new labeling information for pediatricians and parents.

What this means is that doctors are now making better-informed decisions when administering medicine to children.

During our Committee deliberations a number of proposals by my colleagues Representatives PALLONE and DEGETTE were adopted and are part of the underlying bill we will vote on today.

The bill before us also makes some significant improvements to the original pediatric exclusivity provisions by creating an off-patent drug fund within NIH and setting up a public-private foundation to support the research necessary for these important drugs.

The bill also addresses some concerns that were raised by both the FDA and GAO with regard to labeling. Our bill enhances the labeling process and provides the FDA Commissioner the authority to misbrand a drug if companies drag their heels.

28 National Children's health advocacy groups support this bill's passage . . . among them are the American Academy of Pediatrics, the March of Dimes, and the National Association of Children's Hospitals. They're requesting that Congress not delay in passing this legislation.

Our colleagues in the Senate have acted . . . last week, the Senate unanimously passed the same bill sponsored by Senators DODD and DEWINE.

As I said during the initial House consideration of this bill, many of my colleagues have concerns, valid concerns with the cost of drugs.

I continue to share these concerns, and I shall continue to work for a legislative solution to provide prescription drug coverage for our seniors.

This bill should not have to bear the burden of what Congress has failed to address. The FDA, the GAO, and one of the largest groups of children's health advocacy groups say this is the best way to provide safe and effective drugs for children.

The benefits of this program are clear and bear repeating—in the seven years prior to enactment of this provision only 11 studies on drugs for children were completed; since its enactment four years ago the FDA has received close to 250 proposed pediatric studies.

Since September 11th the entire Congress has legitimately been addressing national security concerns. Today, we can ensure the health security of our children by passing this bill overwhelming and sending it to the President for his signature.

Mr. TOWNS. Mr. Speaker, I am very pleased that the Congress will act today to preserve the gains that we have made in the development of pediatric drugs. I want to congratulate my colleagues, the gentleman from Pennsylvania, Mr. GREENWOOD, and the gentlelady from California, Ms. ESHOO, on their hard work in promoting the reauthorization of pediatric exclusivity. Before the passage of "The Better Pharmaceuticals for Children's Act in 1997", many children were denied access to medicines because drugs were not produced in dosable forms that could be used by pediatric patients. It was not very encouraging to be a pediatrician prescribing medicine to children. It was mostly guesswork.

This legislation provided an incentive for research-based pharmaceutical companies to conduct studies on pediatric indications for medicines. The Act included additional market exclusivity for pediatric studies on new and existing pharmaceuticals. The January 2001 Status Report to Congress from the Food and Drug Administration stated that, "the pediatric exclusivity provision has done more to generate clinical studies and useful prescribing information for the pediatric population than any other regulatory or legislative process to date."

We should not return to pediatric medicine as it was practiced before 1997. By renewing this law, which will now include a fund to conduct studies on off-patent drugs and reduce the time by which the labeling information reaches consumers, we will ensure that we can continue innovations in the practice of pediatrics and the development of new drug therapies for our children. I know our doctors and their young patients and their parents are pleased that we are moving forward rather than backward in terms of pediatric medications. The March of Dimes, The National Association of Children's Hospitals and the American Academy of Pediatrics all support this legislation and I would urge my colleagues to join them by voting for S. 1789.

Mr. BURTON of Indiana. Mr. Speaker, today we are voting on the passage of the Best Pharmaceuticals for Children Act. Everyone in Congress wants to see better and safer pharmaceuticals for children.

As Chairman of the Committee on Government Reform, I have made oversight of health care issues a priority. In particular, I have been greatly concerned with the safety and efficacy of children's vaccines and drugs given to children with cancer. I am greatly concerned that we continue to inject babies and young children with vaccines that contain mercury—a known neurotoxin. I hope that through the passage of this bill that the Food and Drug Administration (FDA) takes seriously the concerns of the public and Congress that all products given to children need to be adequately and appropriately tested in children to take the guess work out of safety and efficacy issues as well as dosing.

I hope that the Department will make a priority of reviewing products that contain hazardous ingredients such as mercury. All products, including vaccines need to be safe and effective. Ingredients that have been banned in other forms of medication the way that thimerosal has, should certainly be high on the list for review and consideration of removal from the marketplace. Thimerosal, which has been used since the 1930's, is not routinely tested for safety and efficacy in new products. It was grandfathered in and the FDA and manufacturers presume it to be safe. We know a lot more about the neurotoxic affects of mercury today than we did in 1930. This mercury derivative may be a contributing factor in the dramatic rise in rates of autism, pervasive developmental disorders, and speech and language delays. While the FDA continues to state there is no proof of harm, they are making that presumption in the absence of scientific evidence. I continue to feel that these products pose an unacceptable risk to our nation's children and should be recalled. Every time the Institute of Medicine conducts a review of vaccine research, they have recommended research to look at the long-term effects of vaccines. To date the research funding in this area has been woefully inadequate. There is a paucity of data in the safety of children's vaccines. I hope that the Director of the National Institutes of Health will review the numerous research recommendations offered in several Institute of Medicine reports published in the last ten years and quickly move to develop a Request Agenda, including funding, and a Request for Proposal to be issued and funded next year. I will remain vigilant on this issue.

I am also concerned that many of the drugs used in pediatric oncology are being used "off-label". While I support the option of using a drug off-label, I have been concerned that chemotherapy agents that are routinely given to children have not been evaluated by the Food and Drug Administration and found to be safe and effective for children and their specific type of cancer. We need to do a better job in pediatric cancers. We need safer, less toxic cancer treatments that do cure cancer and do not adversely affect a child's IQ, their hearing, speech, sight, their gait, and that do not generate secondary cancers.

In this Bill there are provisions, which call for referral to the Advisory Committees disputes on labeling changes. As part of a Committee on Government Reform oversight investigation, we learned that many individuals who sit on FDA advisory committees have been granted waivers for their conflict of interests—financial ties to the companies or organizations affected by Committee on which they are serving. Stock ownership in affected or competing companies, research grants from affected or competing companies, or research grants or personal/financial interests in affected and competing products needs to be very carefully scrutinized. The FDA needs to be more cautious in the granting of waivers to financial conflicts of interest to its advisory committee members, especially those reviewing products that affect children. We must not have even the appearance of a conflict of interest in the review of safety and efficacy of products that will be given to our nation's children.

I remain committed to improving our health care system. We as a government need to embrace the role of nutrition, lifestyle and behavior, traditional healing systems from other cultures, complementary and alternative medicine and work to gather the existing science in these and conventional medicines. We need to identify areas were there is a gap in the scientific evidence, and work aggressively to fill this research gap. We also need to provide accurate and balanced information to the public and allow Americans to make their own medical decisions. Additionally, we need to work to extend assess to therapies that are both safe and effective in government-funded programs where feasible.

Mr. FORBES. Mr. Speaker, I rise in support of the Best Pharmaceuticals for Children Act, to ensure that our children get the medicines that are best suited to their growing bodies.

Four years ago, Congress authorized incentives for pharmaceutical manufacturers to do pediatric research for their products and to provide pediatric labeling information. That legislation has been an extraordinary success for our children. In the six years prior to enactment of that change in law, only 11 pediatric studies were conducted by the pharmaceutical industry. But, in the four years since its enactment, the industry has agreed to more than 400 such studies.

Mr. Speaker, children are not simply small adults. They have special needs for nutrition and medical care, and the pharmaceutical products we develop should reflect these needs. The pediatric exclusivity provision Congress passed in 1997 ensures that they do. Today's legislation simply reauthorizes that expiring provision through Fiscal Year 2007.

I appreciate the bipartisan effort of the Energy and Commerce Committee to move this bill so swiftly through the legislative process, and I encourage my colleagues to support it.

Mr. DINGELL. Mr. Speaker, I rise to oppose passage of S. 1789, a bill that would continue a program that grants drug companies an additional six month period of market exclusivity, if they conduct tests on the use of their drugs for children. This bill is a slight improvement on H.R. 2887 that passed this House last month. We all agree that improved testing and labeling of prescription drugs for use in children is a good thing. The only question for debate is how to accomplish that important public health objective.

The bill does close a potential loophole by instructing the FDA to approve generic drugs without proprietary pediatric labeling awarded to product sponsors under the Hatch-Waxman Act. But I continue to oppose the bill because its central feature, exclusivity, is about further increasing the profits of an already bloated industry—an industry that does not seem to be able to moderate its pricing practices even as it increasingly burdens its customers, American consumers, and taxpayers.

The impact of pediatric exclusivity falls directly on those who consume the drugs that get the exclusivity. Who are these people? They include seniors, many that cannot afford the prescription drugs they need. And, ironically, pediatric exclusivity can hurt the very people it is intended to help because many unemployed, uninsured, and working poor cannot afford the expensive drugs needed by their children.

What benefit have consumers and taxpayers received for this multi-billion dollar extension of monopoly prices? Of the 38 drugs that have been granted pediatric exclusivity, less than 20 of them now have pediatric labeling. The Committee and the Senate rejected, unwisely in my view, an amendment by Representative Stupak that would have closed this dangerous loophole in the law by conditioning the grant of exclusivity to actual pediatric labeling.

This bill forces our citizens to overpay drug companies for pediatric testing that should simply be required by law. I oppose it.

Mr. BILIRAKIS. Mr. Speaker I rise today in support of S. 1789, The Best Pharmaceuticals for Children Act. If it's not broken—don't fix it. By all accounts Mr. Speaker, this program is a resounding success. According to the Food and Drug Administration, "the pediatric exclusivity provision has been highly effective in generating pediatric studies on many drugs and in providing useful new information in product labeling." The American Academy of Pediatrics states that they "can not overstate how important this legislation has been in advancing children's therapeutics."

The legislation before us today is virtually identical to H.R. 2887, which passed the House on November 15, 2001 by a 338–86 vote. Moreover, this legislation has recently passed the Senate unanimously.

The legislation reauthorizes the pediatric exclusivity program for an additional six years. It keeps the present incentive in place, and makes important improvements. The legislation ensures that off-patent generic drugs are studied, and tightens the timeline for making labeling changes.

The bill retains the improvements that were in both the Senate and House versions to ensure timely labeling changes occur. First, we make pediatric supplements "priority supplements," which will dramatically speed up the process for getting new labels. Second, by giving the Secretary authority to deem drugs misbranded we guarantee that label changes will be made. We believe, and children's groups agree, that the changes we make are the right compromises to maintain the incentives and get labels changed.

I would also like to acknowledge the hard work of my colleagues Representatives Jim Greenwood and Anna Eshoo. These two Members have worked tirelessly to bring this process to a conclusion, and it has been a pleasure working with them. I again would also like to thank the staff that worked so long and hard on this legislation, including John Ford, David Nelson, Eric Olson, Brent Del Monte, Alan Eisenberg, and Steve Tilton. And, yet again a special thanks to Pete Goodloe our legislative counsel. We are so thankful for all of this help.

Mr. Speaker, this is great legislation that the Subcommittee and Full Committee put a lot of thought and effort into. It does wonders for children's health and is widely supported. I urge all Members to support its swift passage.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Simpson). The question is on the motion offered by the gentleman from Louisiana (Mr. Tauzin) that the House suspend the rules and pass the Senate bill, S. 1789.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o'clock and 10 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1837

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LaTourette) at 6 o'clock and 37 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H.R. 3379, by the yeas and nays;

H.R. 3054, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

RAYMOND M. DOWNEY POST OFFICE BUILDING

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3379.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Virginia (Mrs. Jo Ann Davis) that the House suspend the rules and pass the bill, H.R. 3379, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 393, nays 0, not voting 40, as follows:

[Roll No. 499]

YEAS—393

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement

Clyburn
Coble
Collins
Combest
Condit
Conyers
Costello
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-
McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Young (FL)

NOT VOTING—40

Baker
Barr
Becerra
Blunt
Boozman
Callahan
Cantor
Clay
Cooksey
Cox
Cubin
Cummings
Delahunt
Ehrlich
Ferguson
Gibbons
Hall (OH)
Hill
Kaptur
Largent
Lipinski
Luther
McInnis
McIntyre
Meek (FL)
Murtha
Ortiz
Payne
Pombo
Radanovich
Riley
Schakowsky
Souder
Stark
Sweeney
Terry
Wamp
Wexler
Wynn
Young (AK)

□ 1901

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the remaining motion to suspend the rules on which the Chair has postponed proceedings.

TRUE AMERICAN HEROES ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3054, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. KING) that the House suspend the rules and pass the bill, H.R. 3054, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ETHERIDGE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 392, nays 2, not voting 39, as follows:

[Roll No. 500]

YEAS—392

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Costello
Coyne
Cramer
Crane
Crenshaw
Crowley
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-
McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps

Pickering
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Young (FL)

NAYS—2

Houghton
Paul

NOT VOTING—39

Baker
Barr
Becerra
Blunt
Boozman
Callahan
Cantor
Clay
Cooksey
Cox
Cubin
Cummings
Delahunt
Ehrlich
Ferguson
Gibbons
Hall (OH)
Hill
LaFalce
Largent
Lipinski
Luther
McInnis
McIntyre
Meek (FL)
Murtha
Ortiz
Payne
Pombo
Radanovich
Riley
Souder
Stark
Sweeney
Terry
Wamp
Wexler
Wynn
Young (AK)

☐ 1912

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to award congressional gold medals on behalf of government workers who responded to the attacks on the World Trade Center and perished and on behalf of people aboard United Airlines Flight 93 who helped resist the hijackers and caused the plane to crash.".

A motion to reconsider was laid on the table.

PERMISSION TO HAVE UNTIL 6 A.M. DECEMBER 19, 2001, TO FILE CONFERENCE REPORT ON H.R. 3061, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until 6 a.m., December 19, 2001, to file a conference report on the bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

MAKING IN ORDER AFTER 1 P.M. ON WEDNESDAY, DECEMBER 19, 2001, CONSIDERATION OF CONFERENCE REPORT ON H.R. 3061, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that it shall be in order at any time after 1 p.m. on Wednesday, December 19, 2001, to consider the conference report to accompany the bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes; that all points of order against the conference report and against its consideration are waived; and the conference report shall be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken tomorrow.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3427

Mr. ROHRABACHER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 3427.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

☐ 1915

HOMESTAKE MINE CONVEYANCE ACT OF 2001

Mr. CANNON. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1389) to provide for the conveyance of certain real property in South Dakota to the State of South Dakota with indemnification by the United States Government, and for other purposes, as amended.

The Clerk read as follows:

S. 1389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—CONVEYANCE OF HOMESTAKE MINE

SEC. 101. SHORT TITLE.

This title may be cited as the "Homestake Mine Conveyance Act of 2001".

SEC. 102. FINDINGS.

Congress finds the following:

(1) The United States is among the leading nations in the world in conducting basic scientific research.

(2) That leadership position strengthens the economy and national defense of the United States and provides other important benefits.

(3) The Homestake Mine in Lead, South Dakota, owned by the Homestake Mining Company of California, is approximately 8,000 feet deep and is situated in a unique physical setting that is ideal for carrying out certain types of particle physics and other research.

(4) The Mine has been selected by the National Underground Science Laboratory Committee, an independent panel of distinguished scientists, as the preferred site for the construction of the National Underground Science Laboratory.

(5) Such a laboratory would be used to conduct scientific research that would be funded and recognized as significant by the United States.

(6) The establishment of the laboratory is in the national interest and would substantially improve the capability of the United States to conduct important scientific research.

(7) For economic reasons, Homestake intends to cease operations at the Mine in 2001.

(8) On cessation of operations of the Mine, Homestake intends to implement reclamation actions that would preclude the establishment of a laboratory at the Mine.

(9) Homestake has advised the State that, after cessation of operations at the Mine, instead of closing the entire Mine, Homestake is willing to donate the underground portion of the Mine and certain other real and personal property of substantial value at the Mine for use as the National Underground Science Laboratory.

(10) Use of the Mine as the site for the laboratory, instead of other locations under consideration, would result in a savings of millions of dollars for the Federal Government.

(11) If the Mine is selected as the site for the laboratory, it is essential that closure of the Mine not preclude the location of the laboratory at the Mine.

(12) Homestake is unwilling to donate, and the State is unwilling to accept, the property at the Mine for the laboratory if Homestake and the State would continue to have potential liability with respect to the transferred property.

(13) To secure the use of the Mine as the location for the laboratory and to realize the benefits of the proposed laboratory it is necessary for the United States to—

(A) assume a portion of any potential future liability of Homestake concerning the Mine; and

(B) address potential liability associated with the operation of the laboratory.

SEC. 103. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) AFFILIATE.—

(A) IN GENERAL.—The term "affiliate" means any corporation or other person that controls, is controlled by, or is under common control with Homestake.

(B) INCLUSIONS.—The term "affiliate" includes a director, officer, or employee of an affiliate.

(3) CONVEYANCE.—The term "conveyance" means the conveyance of the Mine to the State under section 104(a).

(4) FUND.—The term "Fund" means the Environment and Project Trust Fund established under section 108.

(5) HOMESTAKE.—

(A) IN GENERAL.—The term "Homestake" means the Homestake Mining Company of California, a California corporation.

(B) INCLUSION.—The term "Homestake" includes—

(i) a director, officer, or employee of Homestake;

(ii) an affiliate of Homestake; and

(iii) any successor of Homestake or successor to the interest of Homestake in the Mine.

(6) INDEPENDENT ENTITY.—The term "independent entity" means an independent entity selected jointly by Homestake, the South Dakota Department of Environment and Natural Resources, and the Administrator—

(A) to conduct a due diligence inspection under section 104(b)(2)(A); and

(B) to determine the fair value of the Mine under section 105(a).

(7) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(8) LABORATORY.—

(A) IN GENERAL.—The term "laboratory" means the national underground science laboratory proposed to be established at the Mine after the conveyance.

(B) INCLUSION.—The term "laboratory" includes operating and support facilities of the laboratory.

(9) MINE.—

(A) IN GENERAL.—The term "Mine" means the portion of the Homestake Mine in Lawrence County, South Dakota, proposed to be conveyed to the State for the establishment and operation of the laboratory.

(B) INCLUSIONS.—The term "Mine" includes—

(i) real property, mineral and oil and gas rights, shafts, tunnels, structures, backfill, broken rock, fixtures, facilities, and personal property to be conveyed for establishment and operation of the laboratory, as agreed upon by Homestake and the State; and

(ii) any water that flows into the Mine from any source.

(C) EXCLUSIONS.—The term "Mine" does not include—

(i) the feature known as the "Open Cut";

(ii) any tailings or tailings storage facility (other than backfill in the portion of the Mine described in subparagraph (A)); or

(iii) any waste rock or any site used for the dumping of waste rock (other than broken rock in the portion of the Mine described in subparagraph (A)).

(10) PERSON.—The term "person" means—

(A) an individual;

(B) a trust, firm, joint stock company, corporation (including a government corporation), partnership, association, limited liability company, or any other type of business entity;

(C) a State or political subdivision of a State;

(D) a foreign governmental entity;

(E) an Indian tribe; and

(F) any department, agency, or instrumentality of the United States.

(11) PROJECT SPONSOR.—The term "project sponsor" means an entity that manages or pays the costs of 1 or more projects that are carried out or proposed to be carried out at the laboratory.

(12) SCIENTIFIC ADVISORY BOARD.—The term "Scientific Advisory Board" means the entity designated in the management plan of the laboratory to provide scientific oversight for the operation of the laboratory.

(13) STATE.—

(A) IN GENERAL.—The term "State" means the State of South Dakota.

(B) INCLUSIONS.—The term "State" includes an institution, agency, officer, or employee of the State.

SEC. 104. CONVEYANCE OF REAL PROPERTY.

(a) IN GENERAL.—

(1) DELIVERY OF DOCUMENTS.—Subject to paragraph (2) and subsection (b) and notwithstanding any other provision of law, on the execution and delivery by Homestake of 1 or more quitclaim deeds or bills of sale conveying to the State all right, title, and interest of Homestake in and to the Mine, title to the Mine shall pass from Homestake to the State.

(2) CONDITION OF MINE ON CONVEYANCE.—The Mine shall be conveyed as is, with no representations as to the condition of the property.

(b) REQUIREMENTS FOR CONVEYANCE.—

(1) IN GENERAL.—The Administrator's acceptance of the final report or certification of the independent entity under paragraph (4) is a condition precedent of the conveyance and of the assumption of liability by the United States in accordance with this title.

(2) DUE DILIGENCE INSPECTION.—

(A) IN GENERAL.—As a condition precedent of conveyance and of Federal participation described in this title, Homestake shall permit an independent entity to conduct a due diligence inspection of the Mine to determine whether any condition of the Mine may present an imminent and substantial endangerment to public health or the environment.

(B) CONSULTATION.—As a condition precedent of the conduct of a due diligence inspection, the Administrator, in consultation with Homestake, the South Dakota Department of Environment and Natural Resources, and the independent entity, shall define the methodology and standards to be used, and other factors to be considered, by the independent entity in—

(i) the conduct of the due diligence inspection;

(ii) the scope of the due diligence inspection; and

(iii) the time and duration of the due diligence inspection.

(C) PARTICIPATION BY HOMESTAKE.—Nothing in this paragraph requires Homestake to participate in the conduct of the due diligence inspection.

(3) REPORT TO THE ADMINISTRATOR.—

(A) IN GENERAL.—The independent entity shall submit to the Administrator a report that—

(i) describes the results of the due diligence inspection under paragraph (2); and

(ii) identifies any condition of or in the Mine that may present an imminent and substantial endangerment to public health or the environment.

(B) PROCEDURE.—

(i) DRAFT REPORT.—Before finalizing the report under this paragraph, the independent entity shall—

(I) issue a draft report;

(II) submit to the Administrator, Homestake, and the State a copy of the draft report;

(III) issue a public notice requesting comments on the draft report that requires all such comments to be filed not later than 45 days after issuance of the public notice; and

(IV) during that 45-day public comment period, conduct at least 1 public hearing in Lead, South Dakota, to receive comments on the draft report.

(ii) FINAL REPORT.—In the final report submitted to the Administrator under this paragraph, the independent entity shall respond to, and incorporate necessary changes suggested by, the comments received on the draft report.

(4) REVIEW AND APPROVAL BY ADMINISTRATOR.—

(A) IN GENERAL.—Not later than 60 days after receiving the final report under paragraph (3), the Administrator shall—

(i) review the report; and

(ii) notify the State in writing of acceptance or rejection of the final report.

(B) CONDITIONS FOR REJECTION.—The Administrator may reject the final report if the report discloses 1 or more conditions that—

(i) as determined by the Administrator, may present an imminent and substantial endangerment to the public health or the environment and require a response action; or

(ii) otherwise make the conveyance in section 104, or the assumption of liability, the release of liability, or the indemnification in section 106 contrary to the public interest.

(C) RESPONSE ACTIONS AND CERTIFICATION.—

(i) RESPONSE ACTIONS.—

(I) IN GENERAL.—If the Administrator rejects the final report, Homestake may carry out or bear the cost of, or permit the State or another person to carry out or bear the cost of, such response actions as are necessary to correct any condition identified by the Administrator under subparagraph (B)(i) that may present an imminent and substantial endangerment to public health or the environment.

(II) LONG-TERM RESPONSE ACTIONS.—

(aa) IN GENERAL.—In a case in which the Administrator determines that a condition identified by the Administrator under subparagraph (B)(i) requires continuing response action, or response action that can be completed only as part of the final closure of the laboratory, it shall be a condition of conveyance that Homestake, the State, or another person deposit into the Fund such amount as is estimated by the independent entity, on a net present value basis and after taking into account estimated interest on that basis to be sufficient to pay the costs of the long-term response action or the response action that will be completed as part of the final closure of the laboratory.

(bb) LIMITATION ON USE OF FUNDS.—None of the funds deposited into the Fund under item (aa) shall be expended for any purpose other than to pay the costs of the long-term response action, or the response action that will be completed as part of the final closure of the Mine, identified under that item.

(ii) CONTRIBUTION BY HOMESTAKE.—The total amount that Homestake may expend, pay, or deposit into the Fund under subclauses (I) and (II) of clause (i) shall not exceed—

(I) $75,000,000; less

(II) the fair value of the Mine as determined under section 105(a).

(iii) CERTIFICATION.—

(I) IN GENERAL.—After any response actions described in clause (i)(I) are carried out and any required funds are deposited under clause (i)(II), the independent entity may certify to the Administrator that the conditions for rejection identified by the Administrator under subparagraph (B) have been corrected.

(II) ACCEPTANCE OR REJECTION OF CERTIFICATION.—Not later than 60 days after an independent entity makes a certification under subclause (I), the Administrator shall accept or reject the certification.

(c) REVIEW OF CONVEYANCE.—For the purposes of the conveyance, the requirements of this section shall be considered to be sufficient to meet any requirement of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 105. ASSESSMENT OF PROPERTY.

(a) VALUATION OF PROPERTY.—The independent entity shall assess the fair value of the Mine.

(b) FAIR VALUE.—For the purposes of this section, the fair value of the Mine shall be the fair market value as determined by an appraisal in conformance with the Uniform Appraisal Standards for Federal Land Acquisition. To the extent appraised items only have value to the Federal Government for the purpose of constructing the laboratory, the appraiser shall also add to the assessment of fair value the estimated cost of replacing the shafts, winzes, hoists, tunnels, ventilation system and other equipment and improvements at the Mine that are expected to be used at, or that will be useful to, the laboratory.

(c) REPORT.—Not later than the date on which each report developed in accordance with section 104(b)(3) is submitted to the Administrator, the independent entity described in subsection (a) shall submit to the State a report that identifies the fair value assessed under subsection (a).

SEC. 106. LIABILITY.

(a) ASSUMPTION OF LIABILITY.—

(1) ASSUMPTION.—Subject to paragraph (2), notwithstanding any other provision of law, on completion of the conveyance in accordance with this title, the United States shall assume any and all liability relating to the Mine and laboratory, including liability for—

(A) damages;

(B) reclamation;

(C) the costs of response to any hazardous substance (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601)), contaminant, or other material on, under, or relating to the Mine and laboratory; and

(D) closure of the Mine and laboratory.

(2) CLAIMS AGAINST UNITED STATES.—In the case of any claim brought against the United States, the United States shall be liable for—

(A) damages under paragraph (1)(A), only to the extent that an award of damages is made in a civil action brought under chapter 171 of title 28, United States Code, notwithstanding that the act or omission giving rise to the claim was not committed by an employee of the United States; and

(B) response costs under paragraph (1)(C), only to the extent that an award of response costs is made in a civil action brought under—

(i) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

(ii) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(iii) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); or

(iv) any other applicable Federal environmental law, as determined by the Administrator.

(b) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim (including claims for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss), under any law (including a regulation) for any claim arising out of or in connection with contamination, pollution, or other condition, use, or closure of the Mine and laboratory, regardless of when a condition giving rise to the liability originated or was discovered.

(c) INDEMNIFICATION.—Notwithstanding any other provision of law, on completion of the conveyance in accordance with this title, the United States shall indemnify, defend, and hold harmless Homestake and the State from and against—

(1) any and all liabilities and claims described in subsection (a), without regard to any limitation under subsection (a)(2); and

(2) any and all liabilities and claims described in subsection (b).

(d) WAIVER OF SOVEREIGN IMMUNITY.—For purposes of this title, the United States waives any claim to sovereign immunity with respect to any claim of Homestake or the State under this title.

(e) TIMING FOR ASSUMPTION OF LIABILITY.—If the conveyance is effectuated by more than 1 legal transaction, the assumption of liability, liability protection, indemnification, and waiver of sovereign immunity provided for under this section shall apply to each legal transaction, as of the date on which the transaction is completed and with respect to such portion of the Mine as is conveyed under that transaction.

(f) EXCEPTIONS FOR CERTAIN CLAIMS.—Nothing in this section constitutes an assumption of liability by the United States, or relief of liability of Homestake, for—

(1) any unemployment, worker's compensation, or other employment-related claim or cause of action of an employee of Homestake that arose before the date of conveyance;

(2) any claim or cause of action that arose before the date of conveyance, other than claims relating to environmental response costs or natural resource damages; or

(3) any violation of any provision of criminal law.

(g) EXCEPTION FOR OFF-SITE ENVIRONMENTAL CLAIMS.—Nothing in this title constitutes an assumption of liability by the United States, relief of liability for Homestake, or obligation to indemnify Homestake, for any claim, injury, damage, liability, or reclamation or cleanup obligation with respect to any property or asset that is not conveyed under this title, except to the extent that any such claim, injury, damage, liability, or reclamation or cleanup obligation is based on activities or events at the Mine subsequent to the date of conveyance.

SEC. 107. INSURANCE COVERAGE.

(a) PROPERTY AND LIABILITY INSURANCE.—

(1) IN GENERAL.—To the extent property and liability insurance is available and subject to the requirements described in paragraph (2), the State shall purchase property and liability insurance for the Mine and the operation of the laboratory to provide coverage against the liability described in subsections (a) and (b) of section 106.

(2) REQUIREMENTS.—The requirements referred to in paragraph (1) are the following:

(A) TERMS OF INSURANCE.—In determining the type, extent of coverage, and policy limits of insurance purchased under this subsection, the State shall—

(i) periodically consult with the Administrator and the Scientific Advisory Board; and

(ii) consider certain factors, including—

(I) the nature of the projects and experiments being conducted in the laboratory;

(II) the availability and cost of commercial insurance; and

(III) the amount of funding available to purchase commercial insurance.

(B) ADDITIONAL TERMS.—The insurance purchased by the State under this subsection may provide coverage that is—

(i) secondary to the insurance purchased by project sponsors; and

(ii) in excess of amounts available in the Fund to pay any claim.

(3) FINANCING OF INSURANCE PURCHASE.—

(A) IN GENERAL.—Subject to section 108, the State may finance the purchase of insurance required under this subsection by using—

(i) funds made available from the Fund; and

(ii) such other funds as are received by the State for the purchase of insurance for the Mine and laboratory.

(B) NO REQUIREMENT TO USE STATE FUNDS.—Nothing in this title requires the State to use State funds to purchase insurance required under this subsection.

(4) ADDITIONAL INSURED.—Any insurance purchased by the State under this subsection shall—

(A) name the United States as an additional insured; or

(B) otherwise provide that the United States is a beneficiary of the insurance policy having the primary right to enforce all rights of the United States under the policy.

(5) TERMINATION OF OBLIGATION TO PURCHASE INSURANCE.—The obligation of the State to purchase insurance under this subsection shall terminate on the date on which—

(A) the Mine ceases to be used as a laboratory; or

(B) sufficient funding ceases to be available for the operation and maintenance of the Mine or laboratory.

(b) PROJECT INSURANCE.—

(1) IN GENERAL.—The State, in consultation with the Administrator and the Scientific Advisory Board, may require, as a condition of approval of a project for the laboratory, that a project sponsor provide property and liability insurance or other applicable coverage for potential liability associated with the project described in subsections (a) and (b) of section 106.

(2) ADDITIONAL INSURED.—Any insurance obtained by the project sponsor under this section shall—

(A) name the State and the United States as additional insureds; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.

(c) STATE INSURANCE.—

(1) IN GENERAL.—To the extent required by State law, the State shall purchase, with respect to the operation of the Mine and the laboratory—

(A) unemployment compensation insurance; and

(B) worker's compensation insurance.

(2) PROHIBITION ON USE OF FUNDS FROM FUND.—A State shall not use funds from the Fund to carry out paragraph (1).

SEC. 108. ENVIRONMENT AND PROJECT TRUST FUND.

(a) ESTABLISHMENT.—On completion of the conveyance, the State shall establish, in an interest-bearing account at an accredited financial institution located within the State, the Environment and Project Trust Fund.

(b) AMOUNTS.—The Fund shall consist of—

(1) an annual deposit from the operation and maintenance funding provided for the laboratory in an amount to be determined—

(A) by the State, in consultation with the Administrator and the Scientific Advisory Board; and

(B) after taking into consideration—

(i) the nature of the projects and experiments being conducted at the laboratory;

(ii) available amounts in the Fund;

(iii) any pending costs or claims that may be required to be paid out of the Fund; and

(iv) the amount of funding required for future actions associated with the closure of the facility;

(2) an amount determined by the State, in consultation with the Administrator and the Scientific Advisory Board, and to be paid by the appropriate project sponsor, for each project to be conducted, which amount—

(A) shall be used to pay—

(i) costs incurred in removing from the Mine or laboratory equipment or other materials related to the project;

(ii) claims arising out of or in connection with the project; and

(iii) if any portion of the amount remains after paying the expenses described in clauses (i) and (ii), other costs described in subsection (c); and

(B) may, at the discretion of the State, be assessed—

(i) annually; or

(ii) in a lump sum as a prerequisite to the approval of the project;

(3) interest earned on amounts in the Fund, which amount of interest shall be used only for a purpose described in subsection (c); and

(4) all other funds received and designated by the State for deposit in the Fund.

(c) EXPENDITURES FROM FUND.—Amounts in the Fund shall be used only for the purposes of funding—

(1) waste and hazardous substance removal or remediation, or other environmental cleanup at the Mine;

(2) removal of equipment and material no longer used, or necessary for use, in conjunction with a project conducted at the laboratory;

(3) a claim arising out of or in connection with the conducting of such a project;

(4) purchases of insurance by the State as required under section 107;

(5) payments for and other costs relating to liability described in section 106; and

(6) closure of the Mine and laboratory.

(d) FEDERAL PAYMENTS FROM FUND.—The United States—

(1) to the extent the United States assumes liability under section 106—

(A) shall be a beneficiary of the Fund; and

(B) may direct that amounts in the Fund be applied to pay amounts and costs described in this section; and

(2) may take action to enforce the right of the United States to receive 1 or more payments from the Fund.

(e) NO REQUIREMENT OF DEPOSIT OF PUBLIC FUNDS.—Nothing in this section requires the State to deposit State funds as a condition of the assumption by the United States of liability, or the relief of the State or Homestake from liability, under section 106.

SEC. 109. WASTE ROCK MIXING.

After completion of the conveyance, the State shall obtain the approval of the Administrator before disposing of any material quantity of laboratory waste rock if—

(1) the disposal site is on land not conveyed under this title; and

(2) the State determines that the disposal could result in commingling of laboratory waste rock with waste rock disposed of by Homestake before the date of conveyance.

SEC. 110. REQUIREMENTS FOR OPERATION OF LABORATORY.

After the conveyance, nothing in this title exempts the laboratory from compliance with any law (including a Federal environmental law).

SEC. 111. CONTINGENCY.

This title shall be effective contingent on the making of an award by the National Science Foundation for the establishment of the laboratory at the Mine.

SEC. 112. OBLIGATION IN THE EVENT OF NON-CONVEYANCE.

If the conveyance under this title does not occur, any obligation of Homestake relating to the Mine shall be limited to such reclamation or remediation as is required under any applicable law other than this title.

SEC. 113. PAYMENT AND REIMBURSEMENT OF COSTS.

The United States may seek payment—

(1) from the Fund, under section 108(d), to pay or reimburse the United States for amounts payable or liabilities incurred under this title; and

(2) from available insurance, to pay or reimburse the United States and the Fund for amounts payable or liabilities incurred under this title.

SEC. 114. CONSENT DECREES.

Nothing in this title affects any obligation of a party under—

(1) the 1990 Remedial Action Consent Decree (Civ. No. 90-5101 D. S.D.); or

(2) the 1999 Natural Resource Damage Consent Decree (Civ. Nos. 97-5078 and 97-5100, D. S.D.).

SEC. 115. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to the rule, the gentleman from Utah (Mr. CANNON) and the gentleman from West Virginia (Mr. RAHALL) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. CANNON).

GENERAL LEAVE

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. CANNON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1389 was passed by the other body on November 16 of this year. This bill will facilitate the conveyance of the Homestake Mine in South Dakota for eventual use as a National Underground Science Laboratory. The gentleman from South Dakota (Mr. THUNE) has introduced a companion bill, H.R. 3299, and the amendment proposed for S. 1389 reflects his improvements to the original legislation.

Mr. Speaker, I would like to thank the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Alaska (Mr. YOUNG), and the gentleman from California (Mr. THOMAS) for their cooperation in scheduling this bill so expeditiously.

Mr. Speaker, I reserve the balance of my time.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1389 was passed by the Senate on November 15. I would also note that virtually identical language is contained in the Senate-passed version of the fiscal year 2002 defense appropriations bill. In both cases, the measures were adopted by the other body without opposition.

With that noted, I would like to take this opportunity to commend the bill sponsors, Senators DASCHLE and JOHNSON, for their persistence in seeking the enactment of this legislation. It is at their request that those of us on this side of the aisle have agreed to expedite the consideration of S. 1389 this evening. With that noted, we do not object to the passage of this bill by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. THUNE), the author of the House companion bill.

Mr. THUNE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the legislation before us this evening would help address an issue of enormous importance to my State of South Dakota and to the entire country. We have the opportunity to take something that would be considered a liability and convert it into an asset. It all centers around something that up until a year ago I knew very little about, and that is neutrino research.

For the past 125 years, the Black Hills of South Dakota have been home to one of America's finest gold mining operations, Homestake Gold Mine. It is no longer profitable to mine gold at Homestake, so as of December 31 of this year, the mine will close. Its remaining workforce, which once numbered 800 employees, will be out of work and the community of Lead and the surrounding area will experience a devastating economic impact. That is, of course, unless another solution can be found.

Mr. Speaker, that solution has appeared in the form of the neutrino. It just so happens that Homestake Gold Mine offers the ideal setting for the physical study of subatomic particles known as neutrinos. A group of scientists from around the Nation is working with the State of South Dakota to create a National Underground Science Laboratory to conduct neutrino research.

Mr. Speaker, the Nation does not currently have a domestic facility with the capabilities needed for significant developments in this important scientific field. A formal proposal was made to the National Science Foundation on June 5 on behalf of Homestake Mine to be the host site for this research laboratory. About a dozen scientists within the National Science Foundation will review it and make a decision as to whether to proceed with the National Underground Science Laboratory. A committee of scientists already has identified Homestake as the preferred location, and final approval from NSF is expected soon.

In order for this project to move forward, Mr. Speaker, Homestake Mine must transfer ownership of its mine and related surface facilities to the State of South Dakota. Such a transfer can only occur if Homestake receives release from the Federal reclamation continuous ownership responsibilities through special indemnification legislation.

This legislation before us this evening, and now with the amendments that will be adopted by the House, set out the conditions under which such a transfer may occur.

Mr. Speaker, I want to thank the Committee on Resources, the Committee on Energy and Commerce, the Committee on Science, the Committee on the Judiciary, the and Committee on Transportation and Infrastructure for their assistance in bringing this legislation to the floor. Making this project a reality will help secure a better future for the people of Leads, South Dakota and for all of South Dakota and in creating national treasures of science and research for all of America.

Mr. Speaker, I thank the gentleman, and I urge my colleagues to adopt this legislation.

Mr. RAHALL. Mr. Speaker, I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, I rise in opposition to the bill. I think it is seriously flawed and I have some real concerns about it.

However, one thing I am not concerned about is the professional manner in which the gentleman from South Dakota (Mr. THUNE) has engaged in a serious discussion of my concerns and I wish to compliment him for that. I have to confess that the most damage in this bill was done in the other body, but we are used to that here.

Mr. Speaker, I'm afraid I must rise in opposition to this bill, despite the strenuous efforts made to improve it by both Mr. THUNE and the House leadership. As a Member of Congress, I'm afraid that this bill could still unnecessarily saddle taxpayers with costly and unprecedented environmental responsibilities. And as Chairman of the House Science Committee, I'm concerned that this bill may distort the priorities of the National Science Foundation for years to come.

This bill sets up a dangerous and unprecedented situation in which the federal government will be financially responsible for activities it did not undertake at a piece of property it does not control. That flies in the face of common sense and fiduciary responsibility.

Under this bill, the federal government will be responsible for any environmental liability connected with the portions of the Homestake mine that are conveyed to South Dakota—even if they originated while the mine was privately operated. And while the mine will be owned by South Dakota, the state will have no financial responsibility for it; that will rest solely with the federal taxpayer. It's lucky that South Dakota doesn't have any bridges to sell us.

In the bill as originally introduced, the federal government did not even have any real ability to have problems at the mine cleaned up before it was transferred. Thanks to the efforts of Mr. THUNE, that situation has been improved.

I would urge the Environmental Protection Agency (EPA), which will hire a contractor to review the mine, not to accept any contractor with which it is not completely satisfied. The unfortunate fact that the contractor must be selected "jointly" by Homestake, South Dakota and EPA should not be allowed to pressure EPA into hiring a contractor that will not fully protect the federal taxpayer. And the requirement that EPA consult with Homestake and the State over the nature of the contract with the "independent entity" must not be interpreted to give Homestake or the State any veto over the content of the contract.

But EPA should consult with the National Science Foundation (NSF) throughout the environmental review process, as NSF is the federal agency that will have continuing responsibility if a laboratory is established at the mine.

Importantly, the bill now allows the EPA Administrator to reject the final report of the contractor if it identifies conditions that would make the federal assumption of liability "contrary to the public interest." I believe this allows the federal government to reject the transfer of the mine if it would cost too much to remedy existing environmental problems. This is vital since Homestake's contribution to pre-transfer remediation could well turn out to be nothing, given the language in this bill.

The bill says nothing about which federal agency would be responsible for overseeing or financing any pre-transfer remediation. This is a major, conspicuous, and I assume, purposeful gap in the legislation.

I certainly would hope that these costs—which should not have been federalized in the first place—are not borne by the National Science Foundation, a small agency wit important tasks that do not include environmental remediation.

But this bill raises many other concerns related to the National Science Foundation. All the activities under this bill are contingent on NSF approval of an underground laboratory at the Homestake mine.

While such a laboratory certainly has scientific merit, it may not be a high priority compared to other NSF programs and projects, especially given that construction of other neutrino detectors is either under consideration or underway.

This bill must not be used to pressure NSF to change or circumvent its traditional, careful selection procedures. Normally, a project of this magnitude would require several years of review. NSF would have to determine its relative priority among other Major Research Equipment proposals. And NSF would have to ensure that proper management is in place. Those procedures must be followed in this case. Indeed, this is even more important in the case of Homestake because any mismanagement could result in both environmental harm and substantial liability for the Federal Government.

I would also urge the National Science Foundation (NSF) not to make a decision on whether to award a grant to the underground laboratory until the report to EPA has been prepared. This is essential even though NSF will have to have an Environmental Impact Statement prepared about the conversion of the mine into a laboratory.

NSF should not be committing federal resources to a project until it knows how much the project will cost the federal taxpayer and which agencies will be responsible for shouldering that burden.

The federal assumption of liability will already pose unfortunate costs for NSF. The laboratory is to pay into an Environment and Project Trust Fund, and some if not all of that money will come from NSF.

NSF must be an active participant in determining how much needs to be contributed to the trust fund, especially since it may end up being the only contributor to that fund. And NSF must have a role in determining the final disposition of the fund. The bill is silent on what is to become of the fund if a laboratory is started and then closed. All that is clear is that the Federal Government gets saddled with the costs of closing the mine. But which agency is responsible for that undertaking? And what will happen to any leftover funds? NSF should have an active role in deciding that.

This bill poses enormous, unnecessary and unprecedented risks for the federal taxpayer. It is, in a phrase, a sweetheart deal for the Canadian company that owns Homestake and for the State of South Dakota. It could threaten the stability of the National Science Foundation, a premier science agency whose processes have been viewed as a model of objectivity and careful review.

I should point out that the Federal Government is already paying Homestake $10 million in this fiscal year to keep the mine open because it might become a laboratory. If that continues through the period of NSF decision-making the Federal Government could easily sink as much as $50 million in to a mine that it may never use.

I will work to ensure that NSF itself is not saddled with those unnecessary costs, which could be spent on worthy grants to researchers.

The Science Committee will be following this matter extremely closely to ensure that the environmental review is rigorous and protects the public interest. We will watch closely to ensure that the laboratory is being reviewed in the same manner as every other NSF project and does not distort the agency's processes or priorities or weigh it down with unsustainable costs. The risks of proceeding with this bill are clear: we will work to see that they are never realized.

Mr. Speaker, I am attaching an exchange of letters with the National Science Foundation that will further highlight the risks inherent in proceeding in this unorthodox manner.

House of Representatives,
Committee on Science,
Washington DC.

Dr. Rita Colwell,
Director, National Science Foundation,
Arlington, VA.

Dear Dr. Colwell: As you know, the Senate recently passed S. 1389, the "Homestake Conveyance Act of 2001." This bill has serious implications for the National Science Foundation (NSF).

With that in mind, we want to be sure that NSF is considering the likely consequences should S. 1389 be enacted. Therefore, I am writing to request that you submit to the House Science Committee the following items by no later than December 15:

(1) A plan for how NSF would absorb the expected costs of an underground laboratory at Homestake beginning in Fiscal Year 2003, with special attention to the impact on other projects in the Major Research Equipment account.

(2) A plan for how NSF would ensure that the laboratory was properly managed, even if a project were awarded in calendar 2002.

(3) A plan for how NSF would interact with the Environmental Protection Agency and the State of South Dakota to ensure that the mine is in proper condition for the establishment of a laboratory and to determine amounts NSF grantees would have to pay into the Environment and Project Trust Fund established under the bill.

The enactment of S. 1389 could complicate NSF's situation for years to come, both directly and through the precedents the bill may set. We want to work together with you, starting immediately, to limit any problems this measure may cause.

Sincerely,

Sherwood Boehlert,
Chairman.

National Science Foundation,
Arlington, Virginia, December 14, 2001.

Hon. Sherwood Boehlert,
Chairman, Committee on Science, House of Representatives, Washington, DC.

Dear Mr. Chairman: Thank you for your letter regarding S. 1389, the "Homestake Conveyance Act of 2001" and its possible implications for the National Science Foundation (NSF).

The following responds to your requests:

(1) A plan for how NSF would absorb the expected costs of an underground laboratory at Homestake beginning in Fiscal Year 2003, with special attention to the impact on other projects in the Major Research Equipment account.

NSF has not identified funds to support the conversion of the Homestake mine into an underground research laboratory. Unless the President requests and Congress appropriates additional monies for the lab, its establishment would force us to reconsider the priorities within the Research and Related Activities appropriation or reevaluate the funding profiles and timelines of existing MRE projects.

(2) A plan for how NSF would ensure that the laboratory was properly managed, even if a project were awarded in calendar 2002.

An applicant for a grant of this magnitude must submit a management plan for NSF's review prior to any funding decision by the Foundation. That plan must cover all phases of the project including the planning process, construction or acquisition, integration and test, commissioning, and maintenance and operations. The management plan sets forth the management structure and designates the key personnel who are to be responsible for implementing the award. This proposed management plan then becomes the basis for NSF's review of the adequacy of management for the project.

The technical and managerial complexity of the proposed lab suggests that NSF would utilize a Cooperative Agreement as the funding instrument. The particular terms of a Cooperative Agreement covering the lab would be established prior to NSF's funding of the proposal. That Cooperative Agreement would specify the extent to which NSF would advise, review, approve or otherwise be involved with project activities. To the extent NSF does not reserve or share responsibility for certain aspects of the project, all such responsibilities remain with the recipient.

(3) A plan for how NSF would interact with the Environmental Protection Agency (EPA) and the State of South Dakota to ensure that the mine is in proper condition for the establishment of a laboratory and to determine amounts NSF grantees would have to pay into the Environment and Project Trust Fund established under the bill.

NSF would interact in good faith with the EPA and the State of South Dakota to ensure that the mine is in satisfactory condition for the establishment of a laboratory. Additionally, assessment of the proposal before us will presumably require an Environmental Impact Statement (EIS). The findings of that EIS would very much inform our evaluation of the proposal.

We share your concern about the mandatory contribution to the Fund required of each project conducted in the lab. Our review of each proposal for science in the lab would include a careful analysis of (1) the projected costs of removing from the mine or laboratory equipment or other materials related to a proposed project, and (2) the projected cost of claims that could arise out of or in connection with a proposed project. Meaningful analysis of both factors would require close cooperation with the lab's Scientific Advisory Board, the State of South Dakota, and the EPA. These costs will factor into our evaluation of each proposal.

I appreciate the opportunity to work with you in assessing the possible impact of this legislation on the National Science Foundation.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the President's program.

Sincerely,

Rita R. Colwell,
Director.

Mr. GILLMOR. Mr. Speaker, I rise to congratulate my colleague, John Thune, for his determination and tenacity in bringing this bill before the House today. It is because of him that the people of South Dakota have a high tech future that is environmentally friendly.

Earlier this year, the Homestake Mine in Lead, South Dakota announced that it was closing its gold mining operations after 125 years of work. Homestake planned to abandon its mine and allow it to fill up with water. Ordinarily, this would have been devastating news to the community, but the gentleman from South Dakota insisted that something could be done with the mine to create jobs and help prevent future environmental damage.

On November 15 of this year, the Senate passed legislation to transfer the Homestake Mine to the State of South Dakota for the purposes of constructing a National Underground Laboratory. While well intentioned, that bill, S. 1389, had potentially far-reaching implications for the environment.

I am pleased to say that Mr. Thune and our committee staff worked diligently to change the course of the Senate bill and put the power to make polluters take legal and financial responsibility for their actions back in the hands of the appropriate Federal agencies.

I want to point out a few places that are of great importance to me. The Senate bill set up a few requirements in order for the Mine to be transferred, and the Mine and State to be relieved of all liability, in addition to receiving indemnification against future actions. Originally, the Senate bill also prevented the EPA Administrator from rejecting conveyance of the mine unless and only if an independent entity found an egregious environmental problem. The bill on the floor today, however, not only makes the assessment of the mine responsibility of EPA, but also opens up the criteria for rejection of conveyance to include anything that would present an imminent and substantial endangerment to public health and the environment. Most importantly, though, the legislation states that the EPA Administrator has an absolute right to reject the conveyance if the transfer is in any way contrary to the public interest.

Mr. Speaker, this is not a perfect bill, but it is worthy of consideration by this House. I believe the product before us is significantly better than the one sent to us one month ago. It still treats this mining company differently than we treat any other company. Instead of passing this legislation to benefit one company, we should be looking at liability reform for all companies under Superfund.

But, I again want to congratulate Mr. THUNE for this holiday present to his State and his concern for new economic development and sustained environmental and public health protections.

Mr. CANNON. Mr. Speaker, I reserve the balance of my time.

Mr. RAHALL. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. CANNON. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. CANNON) that the House suspend the rules and pass the Senate bill, S. 1389, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

REAFFIRMING THE SPECIAL RELATIONSHIP BETWEEN THE UNITED STATES AND THE REPUBLIC OF THE PHILIPPINES

Mr. ROHRABACHER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 273) reaffirming the special relationship between the United States and the Republic of the Philippines.

The Clerk read as follows:

H. CON. RES. 273

Whereas the United States and the Republic of the Philippines have shared a special relationship of mutual benefit for more than 100 years;

Whereas 2001 marks the 50th anniversary of the United States-Philippines Mutual Defense Treaty, signed at Washington on August 30, 1951 (3 UST 3947);

Whereas since the September 11, 2001, terrorist attacks on the United States, the Philippines has been among the most steadfast friends of the United States during a time of grief and turmoil, offering heartfelt sympathy and support;

Whereas after the United States launched its war of self-defense in Afghanistan on October 7, 2001, Philippine President Gloria Macapagal-Arroyo immediately announced her Government's unwavering support for the operation, calling it "the start of a just offensive";

Whereas during United States operations in Afghanistan, the Government of the Philippines has made all of its military installations available to the United States Armed Forces for transit, refueling, resupply, and staging operations;

Whereas this assistance provided by the Philippines has proved highly valuable in the prosecution of the war in Afghanistan, as acknowledged by the Commander-in-Chief of United States Forces in the Pacific;

Whereas the Philippines also faces grave terrorist threats from the Communist Party of the Philippines, the New People's Army, the National Democratic Front, and the radical Abu Sayaff group, as well as an armed secessionist movement, the Moro Islamic Liberation Front;

Whereas the Abu Sayaff group has historical ties to Osama bin Laden and the al-Qaeda network, and has engaged in hundreds of act of terrorism in the Philippines, including bombings, arson, and kidnappings;

Whereas in May 2001, Abu Sayaff kidnapped United States citizens Martin Burnham, Gracia Burnham, and Guillermo Sobero, along with several Filipinos;

Whereas Abu Sayaff killed Mr. Sobero and continues to detain Martin Burnham and Gracia Burnham; and

Whereas the United States and the Philippines are committed to each other's security pursuant to the Mutual Defense Treaty: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) expresses its deepest gratitude to the Government and people of the Philippines for their sympathy and support since the September 11, 2001, terrorist attacks on the United States;

(2) expresses its sympathy to the current and recent Filipino victims of terrorism and their families;

(3) affirms the commitment of the United States to the Republic of the Philippines pursuant to the 1951 Mutual Defense Treaty;

(4) supports the Government of the Philippines in its efforts to prevent and suppress terrorism; and

(5) acknowledges the economic and military needs of the Philippines and pledges to continue to assist in addressing those needs.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROHRABACHER) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is an ongoing, joint operation in the Philippines to rescue American citizens. Martin and Gracie Burnham, who have been held hostage by the brutal terrorists who have been trained and supported by Osama bin Laden, are still being held hostage there in the Philippines. Although the operation to rescue them has received little publicity in the American media, this resolution supports that operation.

After the terrorist attack on September 11, Philippine President Arroyo was the first international leader to offer facilities and troops to assist the United States in the campaign against Osama bin Laden and his terrorist network. President Arroyo described the campaign as "the start of a just offensive."

In addition, President Arroyo demonstrated political courage, and it took political courage for her to do this, to invite U.S. soldiers to help Filipino forces conduct a joint operation to free the American hostages that are being held in the Philippines by the Abu Sayyaf terrorists, those Abu Sayyaf terrorists, of course, trained by bin Laden.

This year marks the 50th anniversary of the United States-Philippines Mutual Defense Treaty. This treaty takes on significance in light of the enhanced partnership between America and the Philippines, our democratic partner in Southeast Asia, and in the international war against terrorism. President Arroyo, whose father was President of the Philippines at the time of the signing of the 1951 Mutual Defense Treaty, understands this new global war because terrorist groups inside the Philippines, trained and supported by bin Laden and other terrorists, have committed hundreds of acts of violence and kidnapping against the Filipinos over these last few years.

This legislation has nothing to do with partisan politics. It does express bipartisan support for the efforts to rescue American citizens being held by the bin Laden-backed Abu Sayyaf terrorist group.

Mr. Speaker, H. Con. Res. 273, cosponsored by 32 bipartisan Members of the Congress, expresses, number 1, gratitude to President Arroyo and the people of the Philippines for their sympathy and support since the September 11 terrorist attack. Number 2, it affirms the commitment of the United States to the 1951 Mutual Defense Treaty. Number 3, it supports the efforts of the Philippine government to prevent and suppress terrorism; and finally, it supports the promise recently made by President Bush to address the economic and military needs of the Philippines in order to defeat the internal terrorism that threatens that country.

Mr. Speaker, we should stand together, yes, tonight, to say that we are going to rescue those Americans held hostage in the Philippines and, number 2, that we stand in solidarity with the people of the Philippines in their struggle of having democratic government threatened from the outside and the inside.

The people of the Philippines now deserve our help. They are stepping forward again to be America's best friends, and we should extend our hand in friendship as well. It is what is right for America and right for the Philippines and right for the cause of freedom and justice.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the resolution.

Mr. Speaker, let me first congratulate the gentleman from California (Mr. ROHRABACHER), my friend and colleague, for introducing this resolution. I wholeheartedly support closer ties between the United States and the Philippines, and this resolution will make a positive contribution in this regard.

I wish, Mr. Speaker, that I could spend the balance of my time outlining the virtues of this resolution, but circumstances prevent me from doing so.

Mr. Speaker, the House Committee on International Relations has prided itself since the first day of this session on its singularly bipartisan approach to all issues. This did not begin with September 11; it began with the first day we met and continues to this day and will continue in the future. I want to thank the gentleman from Illinois (Mr. HYDE), my friend and colleague, for his enormous contributions for making the work of our committee bipartisan.

I cannot say the same thing for the Republican leadership which schedules suspension bills, Mr. Speaker. Under the jurisdiction of the Committee on International Relations, 46 bills have been considered, 34 of them under Republican sponsorship, 12 of them under democratic sponsorship. One of these is a bill I would like to say a few words about.

Six weeks ago, the House Committee on International Relations unanimously passed H.R. 3169, the Land Mine Victims Assistance Act. There is no more bipartisan, noble, humanitarian bill to come before this body this year, Mr. Speaker. The gentleman from Illinois (Mr. HYDE) is in full support of this legislation. The vice chairman of our committee, the gentleman from New Jersey (Mr. SMITH) is in full support.

□ 1930

The chairman emeritus on the Republican side, the gentleman from New York (Mr. GILMAN), is in full support. The gentleman from California (Mr. ROHRABACHER), my friend and colleague, is in strong support of this legislation.

Mr. Speaker, this bill came through the Committee on International Relations with a unanimous vote 6 weeks ago. The fine piece of legislation by the gentleman from California (Mr. ROHRABACHER) was passed just last week, but it was scheduled by the leadership for today.

For 6 weeks, day after day, we have been pleading with the leadership to put this measure on our suspension calendar. The President of the United States and the administration have no objections to it; far from it, Secretary of State Colin Powell in the State Department dining room had a major event honoring organizations that help land mine victims.

This is one of the most tragic human problems on the face of this planet. From Afghanistan to Cambodia, hundreds of thousands of children and adults lost a leg or two or an arm or both because of land mine tragedies.

Today's New York Times has a major story with horrifying pictures of the Afghan ramifications of this nightmare. One of our own Marines was severely injured just a couple of days ago in Afghanistan as a result of a land mine explosion.

Mr. Speaker, there is a controversial issue with respect to the treaty as they relate to land mines. My legislation specifically excludes that issue. The only thing this legislation deals with is to help victims of land mines: little boys and little girls and men and women whose lives have been destroyed by the millions of land mines across this globe.

There is no justification, moral, legal, or otherwise, to keep this legislation off this floor. When it comes to the floor, it will pass with an overwhelming vote.

Mr. Speaker, I have been here long enough to realize that partisan legislation is often bottled up. This is a nonpartisan piece of legislation. Republicans and Democrats on the Committee on International Relations unanimously supported it, as will the full membership of this body.

I am calling on the Republican leadership, after waiting patiently for 6 long weeks, after the most sickening discriminatory treatment of having legislation come before us which was passed by the Committee on International Relations just this past week, to put, without any further delay, the Land Mine Victims Assistance Act forward so that our Republican and Democratic colleagues can vote on it.

Mr. Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. SMITH), a man who has spent more time championing the cause of human rights than anyone else I have worked with here in the Congress. He is just a man of good heart who I deeply respect, and I am proud to have him as a cosponsor of this bill.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding time to me. I thank him for his leadership on issues relating to human rights, especially in the Philippines and Afghanistan and so many other places where he has made a difference.

This resolution, House Concurrent Resolution 273, underscores a very important aspect of our relationship to another country, the Philippines. The Philippines and the U.S. have had a long-standing, deep, and very strong relationship; so it was not surprising to me that President Arroyo was first out of the blocks to support the United States in our campaign to defeat al Qaeda. That is what we expect from an ally. We do not always get that from allies, but we got it in a very real way from our good friends in the Philippines.

As Members know, and this was pointed out by the gentleman from California (Mr. ROHRABACHER) a moment ago, this year marks the 50th anniversary of the Philippines-U.S. Mutual Defense Pact, which has helped to preserve and protect the peace after the Philippines went through a horrific ordeal, an ordeal that was endured by many of our own U.S. soldiers, the Bataan Death March, for example, during World War II; and the large numbers of threats that followed: the Communist threat, the corruption threats that followed World War II.

I would note parenthetically, Mr. Speaker, that my father, after fighting very terrible battles in New Guinea and many other battles against the Japanese, was part of the force that liberated the Philippines from the Japanese. He always spoke to my brothers and I of the good people of the Philippines. He always spoke of them in glowing and affectionate terms, a feeling that was shared by so many of our GIs when they spent time there fighting alongside the Filipino scouts, who were tenacious fighters in their own right.

As chairman of the Committee on Veterans' Affairs, we continue to provide significant health and other benefits to the Filipino veterans, and that again underscores the relationship of our Nation with the Philippine nation.

Finally, just let me note that the Philippines have been somewhat unique in protecting and helping refugees themselves. When other nations were in the process of closing what was known as the Comprehensive Plan of Action, the rescue that was provided internationally to the boat people, there were about 2,000 boat people in the Philippines. Other nations were forcibly repatriating these good people.

President Ramos, when he saw what was happening, what did he do? He said, Not our Nation. We are going to maintain a welcome mat to these people, about 2,000 strong. I think that spoke very well of the goodheartedness of those people in the Philippines.

Finally, the Philippine Government and the nation is also a major platform for the Voice of America and the broadcasting that emanates from that. We are hoping very soon that Radio Free Asia will also have a platform there, as well.

This is a great resolution. Again, I want to thank the gentleman from California (Mr. ROHRABACHER) for his leadership. As usual, he is in the forefront of a very good cause.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to my friend and distinguished colleague, the gentlewoman from Minnesota (Ms. MCCOLLUM).

Ms. MCCOLLUM. Mr. Speaker, I thank the gentleman for yielding time to me. I also would like to state my support for our strong relationship with the Philippines.

However, Mr. Speaker, my statement here today is to signal to the leadership that we need to provide additional assistance to land mine victims. I am here today as a cosponsor of the International Disability and Victims Land

Mine Act of 2001. I thank the distinguished gentleman from California for his efforts on behalf of this legislation.

Land mine victims can no longer wait for assistance to regain their lives. Every year, thousands of people are killed or maimed as a result of land mine explosions. Those who survive these disastrous experiences will forever suffer devastating injuries: a farmer who was plowing his field loses his legs and will no longer be able to provide food for his community; a mother who has lost her arms will no longer be able to carry water to her children and her family, and the carefree days of playing with friends are stolen from the child who is a victim of a land mine explosion.

People in Afghanistan, Kosovo, Thailand, Angola, and numerous other countries throughout the world have had their lives destroyed as a result of land mines. Afghanistan is one of the most heavily land-mined countries in the world, and the displaced Afghan people are traveling through unfamiliar lands. The number of land mine injuries are expected to rise, just as our servicemen are experiencing tragedies from land mines.

Mr. Speaker, H.R. 3169 illustrates to the people of Afghanistan that we will not abandon them following the war. During this holiday season, we must not pass up an opportunity to bestow a priceless gift to land mine victims throughout the world. This bill would show compassion to the innocent people who will suffer long after the war has passed. We must bring this bill to the floor for a vote. We must give a voice to the victims of land mines.

Mr. ROHRABACHER. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. GILMAN), a man who has provided such leadership to this House since I have been here, the former chairman of the Committee on International Relations, and a man of such strong principle and ethical guidance that he has really meant a lot in my life.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding time to me, and I thank our good sponsor of the measure for his kind words.

I want to thank the gentleman from Illinois (Chairman HYDE) for expediting consideration of this measure. I commend our colleague, the gentleman from California (Mr. ROHRABACHER), for crafting this important resolution. He has certainly been a staunch advocate for the Pacific Rim communities and especially for the Philippines and Afghanistan.

I want to commend, too, our ranking minority member, the gentleman from California (Mr. LANTOS), for his support of this measure. This measure reaffirms our special relationship between our Nation and the Republic of the Philippines.

This resolution notes that special relationship of mutual benefit which goes back for more than 100 years, this year marking the 50th anniversary of the 1951 U.S.-Philippine Mutual Defense Treaty. Throughout the years and many wars, this treaty has beneficially served both of our nations.

Once again, the relationship showed its great value soon after the terrorists' brutal attack on our Nation on September 11, when our Philippine friends were steadfast in their support, making all of their military installations available to the United States Armed Forces for transit, for refueling, for resupply, and for staging operations.

Moreover, in World War II, Philippine soldiers and scouts served courageously side by side with our Nation's Armed Forces; and regrettably, we have yet to take note of that service.

Currently, the Philippine Government is facing a serious challenge from the radical Abu Sayef group, as well as an armed secessionist movement, the Moro Islamic Liberation Front. The Abu Sayef group has historical ties to Osama bin Laden and the al Qaeda network and is engaged in hundreds of acts of terrorism in the Philippines, including bombings, arson, and kidnapping.

Just this past May, Abu Sayef kidnapped U.S. citizens Martin Burnham, Gracie Burnham, and Guillermo Sobero, who was later killed. This terrorist group continues to detain Martin Burnham and Gracie Burnham.

Mr. Speaker, the Philippines faces a serious challenge today from the Communist Party of the Philippines and a challenge to its territorial integrity from the People's Republic of China, which has been claiming the Spratley Islands and other Philippine coastal areas.

Accordingly, I urge my colleagues to fully support House Concurrent Resolution 273 so we can send a strong signal to those who are threatening our democratic friends in the Philippines through their terrorism and regional hegemony.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 4 minutes to our distinguished colleague, the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I thank the ranking member for yielding time to me; and I thank him for his always eloquent support for human rights around the world, and in this case tonight, for the victims of land mines. I thank him again for calling on this legislation. This legislation must reach the floor. We support the gentleman in that.

Mr. Speaker, when bipartisanship reigns in this body, we do good things. We can bring the bill of the gentleman from California (Mr. LANTOS) to the floor. We have brought the motion of the gentleman from California (Mr. ROHRABACHER) to the floor reaffirming our friendship with the Philippines. I thank the gentleman for doing that. He and I were the first Congresspeople, in fact, to go to the Philippines to greet the new President when she took over last February, and we gave the greetings of this whole Congress and our support for her. We reaffirm that support in this resolution today.

Mr. Speaker, I would like to ask this body, however, to take one concrete move towards reaffirming that relationship that goes beyond this resolution. This resolution is wonderful, and we will get support for it. But the gentleman from California (Mr. GILMAN) and I, supported by the gentleman from California (Mr. ROHRABACHER) and others in this room, have tried to get to the floor of this House the Filipino Veterans Equity Act, a bill which would truly reaffirm our friendship with the Philippines.

More than 50 years ago, which this resolution talks about, 55 years ago Filipino soldiers were drafted into the United States Army by the President, President Roosevelt. They served well. In fact, we were able to hold up the Japanese advance through the efforts of the Philippine Army, under the direction of Douglas MacArthur.

□ 1945

We were able to hold up the Japanese advance, throw off their time table and that helped us win the war in the Pacific. But how does this Congress react to thank the Filipino soldiers? We passed a law in 1946 to withdraw all the benefits that they were entitled to as veterans of the United States Army.

Mr. Speaker, they were drafted into the Army. They fought honorably. They died in great numbers. They were with us through the whole war, the Bataan Death March, the Battle of Corregidor, and yet what did we do? We withdrew their benefits.

It is 55 years later. Many of these brave soldiers are in their late 70's and early 80's. They are not going to be with us much longer. The best way we can reaffirm our ties to the Filipinos is to pass the equity act that has been sponsored by the gentleman from New York (Mr. GILMAN). This would say to the Filipino veterans, you were veterans, you have the honor and dignity that comes with that, so let us truly reaffirm our friendship and pass the Filipino Veterans Equity Act.

I do thank the gentleman for his motion. The Burnhams are being held. We have to get them released. We have to help President Arroyo in her efforts to stamp out terrorism in her nation.

Salamat, my colleague. And I say to our friendship, mabuhay.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. TIAHRT), who has worked tirelessly on behalf of two of his constituents who are being held hostage by the terrorists in the Philippines.

Mr. TIAHRT. Mr. Speaker, I thank the gentleman from California (Mr.

ROHRABACHER) for yielding me time, and I rise in strong support of H. Con. Res. 273, which reaffirms the special relationship between the United States and the Republic of the Philippines.

Our two nations share a rich history and a bright future based on the combined commitment to democratic principals and the rule of law. This relationship is cemented by the fact that an estimated 2 million Americans of Philippine ancestry live in the United States, and more than 120,000 American citizens reside in the Philippines. It is as President Bush and President Arroyo said last month, a relationship between two peoples. Not just a relationship between two governments, but a relationship between two peoples.

As we fight the global war on terrorism, the United States is bolstered by the unwaiving commitment of the Republic of the Philippines. They have pledged their support while facing an internal threat from the terrorist group Abu Sayaff, who continue their lawless acts of violence, including the kidnapping of two of my constituents, Martin and Gracia Burnham of Wichita, Kansas, and the murder of a Californian from Corona, Guillermo Sobero.

But no tribute to our relationship would be complete without a word of thanks to those in the Philippine military who continue today to risk their lives in an effort to gain the safe release of Martin and Gracia. This ongoing conflict has cost the lives of many brave Filipino soldiers. I would especially like to express my thanks and my deepest sympathy to their families.

Mr. Speaker, I urge my colleagues to support this resolution which reaffirms our special relationship with our friends from the Philippines.

Mr. LANTOS. Mr. Speaker, I yield 4 minutes to the gentleman from Guam (Mr. UNDERWOOD), my good friend and distinguished colleague.

Mr. UNDERWOOD. Mr. Speaker, I thank the ranking member for yielding me the time, and I want to stand in support of his effort to get H.R. 3169 legislation to the floor on land mine victims' legislation, which I fully support.

Today I stand in strong support of H. Con. Res. 273 introduced by our colleague, the gentleman from California (Mr. ROHRABACHER), which reaffirms the special relationship between the United States and the Republic of the Philippines. For more than a century we have had a very strong and stable relationship with the Philippines. Along with my home island of Guam, Puerto Rico and the Philippines were ceded to the United States following the Spanish American War in 1898. We all share a common history of Spanish and U.S. control. Guam and the Philippines had have an even closer bond, as we are only 1,600 miles apart, making Guam the nearest U.S. destination to the Philippines.

Thousands of Filipinos have made Guam their home, and we have a long historical relationship which even predates colonial control.

As a former territory, the Filipinos fought under the U.S. flag in World War II and participated in their own liberation from the Japanese imperial forces during World War II under both the U.S. flag and the Philippine commonwealth banner and we need to resolve the issues that still bother us in terms of giving full credit and recognition to the Philippine veterans. But even following their independence from the United States in 1946, Filipinos have fought alongside U.S. soldiers in both the Korean and Vietnam conflicts. They have been shoulder to shoulder with our forces and have long been a strategic ally in the Southeast Asia region.

Last month, Philippine President Gloria Macapagal-Arroyo made a trip to Washington to reaffirm the Philippines' strong alliance with President Bush. Following the September 11 attack on our Nation, the Philippines has proven again to be amongst our most steadfast allies in the war against terrorism. Along with our nation, Filipinos mourn victims of the terrorist attacks which claimed the lives of many Filipino citizens who worked in the World Trade Center.

Even before President Arroyo announced her 14 pillars of policy in action against terrorism on September 26, 2001, the Philippine Government has granted overflights of U.S. aircraft, refueling tankers, combat and cargo planes in the Philippines. President Arroyo has made the strong and unwaivering loyalty of her country very clear, and likewise the Philippine Government has made all of its military installations available for transit, refueling, and restocking and staging operations to our U.S. forces.

Also as a host nation of the former U.S. bases, the Philippines remains one of our most valuable allies in Asia and the Pacific. During my trip earlier to the Philippines in May, I had the opportunity to visit some of these bases and to meet with President Arroyo to discuss strengthening of U.S. and Philippine relations including environmental cleanup issues. I am pleased to note that my provision was put in the House foreign relations authorization, which encourages a bilateral frame work for an independent nongovernmental study on the effects of contamination on those bases.

This proposal for the bilateral cleanup was also included by Senator DANIEL INOUYE in the other body in their own defense appropriations bill. I believe that both the U.S. and the Philippines stand to gain by working collaboratively on this important issue.

This year marks the 50th anniversary of the U.S. Philippines Mutual Defense Treaty. President Bush has affirmed the administration's commitment to U.S.-Philippine relations with a significant military and economic aid package. This includes support for Filipino troops battling against Islamic uprisings in the southern region of the country by the Abu Sayaff group which has ties to the al Qaeda organization.

The President's decision affirms our commitment and acknowledges our obligations under the mutual defense treaty to assist the economic and military needs of the Philippines. As Americans and as Members of Congress, we owe a debt of service to the Republic of the Philippines. I think we have to take stock of the very special relationship we have with the Philippines, and I believe it is truly fitting that we stand here today shoulder to shoulder to affirm U.S. support for the Philippines by passing H.Con.Res 273.

As cosponsor of this legislation, I thank the gentleman from California (Mr. ROHRABACHER) again. I join in the support of my colleagues and urge final passage.

Mr. ROHRABACHER. Mr. Speaker, may I inquire how much time is remaining?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California (Mr. ROHRABACHER) has 8 minutes remaining, and the gentleman from California (Mr. LANTOS) has 4 minutes remaining.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE), my good friend and colleague, who has been very active in California with the Philippine community and very active in the Committee on International Relations as a force for freedom in the world.

Mr. ROYCE. Mr. Speaker, I would like to commend my good friend, the gentleman from California (Mr. ROHRABACHER), for introducing this very important piece of legislation of which I am a cosponsor. And I would like to make the observation that this relationship that the United States has with the Philippines is based on a shared history and a shared commitment to democratic principals.

The political and economic importance of the Philippines to this Nation cannot be overstated, and I think it is true that the United States, the people here, owe a great debt to the people of the Philippines for their assistance during the Second World War. And I think as this resolution points out, this year marks the 50th anniversary of the mutual defense treaty which outlined a military alliance between these two countries; and this alliance has proved to be for us instrumental in deterring aggression in Asia.

Security in Asia is as key to us today as it was 50 years ago when this treaty was signed. And I am particularly concerned, as I know are the other Members of this bodies, with the actions of Abu Sayaff, with the terrorist group now operating in the Philippines. This group has been linked to Osama bin Laden and his al Qaeda networks. The group has trained in the terrorist training camps in Afghanistan, those same camps that we recently flushed out. And the group has been engaged in bombing, in arson, in kidnapping, including the kidnapping of American citizens.

Once again, I would like to applaud the gentleman from California (Mr. ROHRABACHER). He represents, as do I, a significant Filipino American community in California; and he is very committed to strengthening the U.S.-Philippine ties. And this resolution sends a strong message of support for the Philippine Government in its effort to prevent and suppress terrorism and pledges U.S. support for that effort.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I again want to commend my friend, the gentleman from California (Mr. ROHRABACHER), and reaffirm my strong support for his legislation.

The Philippines are great friends of ours. Their struggle against terrorism is our struggle. Their future in Asia guarantees that stability and prosperity; but most importantly, democracy will prevail in an important Asian country. And I strongly urge all of my colleagues to support the legislation.

Before yielding back my time, I would like to put a face on land mine victims. This young man is Wazir Hammond. He was injured by a land mine in Afghanistan just a few years ago. He is now 9 years old. And every 6 months he requires a prosthesis refitting. He is representative of the tens and tens of thousands of children and adults who are desperately hoping that we will be able to participate in a global effort to give our fellow human beings who have lost a leg or an arm or two legs or two arms an opportunity to put their lives back together again.

I call on the Republican leadership of the United States House of Representatives to schedule for debate and vote the Land Mine Victims Assistance Act, passed unanimously by the House Committee on International Relations and enjoying the support of all Republicans and all Democrats on that committee; and when the legislation comes before this body, I am sure of every single Member of this House.

Mr. Speaker, I yield back the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume. I thank the gentleman from California (Mr. LANTOS) and I understand his frustration. I have had legislation that I wanted to bring to the floor that was very valuable, that I know that as a backer of his legislation which I backed in committee, I understand the value of that legislation and I have gone on record suggesting that it should be brought to the floor. So I understand his frustration.

Mr. LANTOS. Mr. Speaker, will the gentleman from California yield to me?

Mr. ROHRABACHER. I yield to the gentleman from California.

Mr. LANTOS. Mr. Speaker, it is the pain and suffering of innocent people all across the globe which is at stake, and I appreciate the support of my friend.

Mr. ROHRABACHER. I think it is the sensitivity to that pain and suffering that causes frustration at a time when one is trying to help.

□ 2000

We have to remember when looking at this legislation, this is legislation that will be seen not only in the United States, of course, but will be certainly noted in the Philippines and noted throughout Asia. What we are saying tonight is that we recognize that the Filipino people are our best friends and that the people of the Philippines stood with us in the past and we will stand with them in the future.

The Philippines did stand with us, and we must never forget that time when just over 60 years ago, the Japanese militarists decided to make their move in trying to capture a huge hunk of the world and dominate it under its own terrorist grip, and at that time, when the Nazis on one side of the world and the Japanese militarists on the other side of the world threatened any democracy and threatened the people of the world, in Asia it was the people of the Philippines who, more than anyone else, stood with us and bore the brunt of that fight and of the despotism and of the brutality of Japanese occupation.

We must remember, that the fight in the Philippines, the Bataan Death March that we talk about, there were not just Americans in that fight, but there were Filipinos standing beside each and every American, and we must never forget that, and as a member of my family who is a survivor of the Bataan Death March has told me, that as these prisoners were walked, as they were shackled and walked on this death march for day after day without food and water in the sweltering heat, with Japanese guards there with their bayonets and with their samurai swords and the Filipino people would come out of their homes and throw food and water at these prisoners, knowing that the Japanese guards would shoot them if they saw them doing this. Ordinary Filipino citizens risking their lives for our people, as well as their own soldiers.

We can never forget that type of heartfelt commitment, and that is at the basis of the relationship between the United States and the Philippines. It is a commitment to those values of decency and human understanding and freedom and liberty and justice that unites us, and the Philippines have gone through many travails since those days.

Let me add that one of those travails was the liberation which also took many Filipino lives and the Filipinos were fighting with us. My father fought in the Philippines to help liberate that country, and he always, as I say, spoke very highly of the people of the Philippines. It is very fitting today that I am authoring this legislation, to honor him and to honor all of these veterans, both the Filipinos and the American veterans, not only just the ones who fought in the Death March, but the ones who liberated the Philippines, for the great job that they did for our country and the cause of freedom.

Nothing we could do would honor them more than the bill we pass today. Yes, we can recognize the Filipino veterans and should give them their benefits. I, too, have a piece of legislation that was not permitted to come to the floor yet, giving the Bataan Death March survivors the right to sue those Japanese corporations that used them as slave labor. So there is frustration in this process, and it takes a little pressure to try to get good bills to the floor. I am happy that the gentleman from California (Mr. LANTOS) is trying to provide that pressure.

Tonight, let us again remember that today this piece of legislation, in and of itself, is very important. It is very significant because we are reaffirming our solidarity with the people of the Philippines. We are reaffirming this defense treaty at a time when now there are Japanese being replaced by Chinese soldiers who would threaten the peace of Asia, and we have an ongoing battle, not only in the Philippines but elsewhere, a battle raging against terrorism that we are all a part of this battle and that the Philippines have stepped forward so courageously to join us in that effort.

I would call on my colleagues to join me and thank the gentleman from California (Mr. LANTOS) for his principled support of this legislation, and I would ask all of my colleagues to follow the leadership of our President, President Bush, who has restated our commitment as a people as this resolution will do for the Congress.

Mr. CUNNINGHAM. Mr. Speaker, I rise today to join my colleagues in supporting H. Con. Res. 273, legislation reaffirming the special relationship between the United States and the Republic of the Philippines. The United States and the Republic of the Philippines have shared a special relationship of mutual benefit for more than 100 years. At a time when both our nations are facing unprecedented security threats from terrorism, we must strengthen those bonds and work together to meet these new challenges.

This resolution expresses the deepest gratitude to the Government and people of the Philippines for their sympathy and support since the September 11, 2001, terrorist attacks on the United States. It also conveys our sympathy to the families of Filipino victims of terrorism. H. Con. Res. 273 also affirms the commitment of the United States to the Republic of the Philippines pursuant to the 1951 Mutual Defense Treaty, signed on August 30 1951. It is important that we reaffirm our support for that agreement as we work to root out terrorism around the globe, including the operations in the Philippines. This will require our continued recognition of the economic and military needs of the Philippines, and a continued commitment to assist in addressing those needs.

Since the September 11, 2001, terrorist attacks on the United States, the Philippines has been among the most steadfast friends of the United States during a time of grief and turmoil, offering heartfelt sympathy and support. When the United States launched its war of self-defense in Afghanistan on October 7, 2001, Philippine President Gloria Macapagal-Arroyo immediately announced her Government's unwavering support for the operation, calling it "the start of a just offensive." The Government of the Philippines has made all of its military installations available to the United States Armed Forces for transit, refueling, resupply, and staging operations. This assistance provided by the Philippines has proved highly valuable in the prosecution of the war in Afghanistan as acknowledged by the Commander-in-Chief of United States Forces in the Pacific.

Time and again, the Filipino people have stood with us against enemies of freedom. Not only were they critical allies in World War II, but they provided nearly 400,000 brave and patriotic men for the U.S. military campaign. Filipino Scouts were called into active duty of the United States military, and they defended democracy with honor and courage. They answered the call of duty, fighting side by side with U.S. troops in our hour of need. Many Filipino citizens have since joined the ranks of our military, and served with honor. As we recognize the contributions of the Filipino government today, we must also recall the critical contributions that its people have made to our nation throughout its history. And one way we can do that is by providing Filipino veterans of World War II the benefits available to the U.S. veterans of that conflict. Last year, we made the first major stride in that direction, by providing Filipino veterans who fought with the U.S. disability benefits and access to health care. But we have a long way to go to ensure full benefit equity for these veterans. Time is running out.

One of my top priorities since coming to Congress has been to provide Filipino veterans the benefits they are due for their sacrifice, and I will continue that fight until the job is done. This resolution, which enjoys the overwhelming, bipartisan support of the House, urges continued U.S. assistance for the economic and military needs of the Philippines. I fully endorse that. But I believe that we would be sending a very mixed message if we were to provide that assistance while continuing to ignore the real health care needs of Filipino veterans who served with U.S. forces. History has shown that we pay a heavy price when we enlist the support of allies when we need them, but ignore their needs and challenges in the aftermath. I call on my colleagues to pass this resolution and to expedite passage of legislation authorizing full veterans' benefit equity for Filipino veterans of World War II.

Mrs. MALONEY of New York. Mr. Speaker, I rise to express my support for H. Con. Res. 273.

Each of these bills sends a strong message. H. Con. Res, 273 appropriately thanks the Philippines our strong ally, for their unwavering support in the current war on international terrorism.

And H.R. 3169, the International Disability and Victims of Landmines, Cibil Strife and Warfare Act of 2001 sends a message to muslims around the world that the United States cares about the people of Afghanistan and want to help in rebuilding their lives.

Landmines have killed more people than nuclear, chemical and biological weapons combined. Today, innocent civilians are threatened by up to 80 million landmines buried in over 80 countries. More than 100,000 Americans have been killed or maimed by these inhumane weapons. The majority of landmine survivors are civilians, often women and children.

In Afghanistan, there are 4–8 million landmines buried throughout the country. Sadly, last Sunday, three U.S. Marines learned about the danger of landmines first hand. They were all wounded when one of them stepped on a mine.

Last September, I, along with 50 of my colleagues, sent a letter to Chairman Regula urging him to restore the $5 million in funding for the landmine victim assistance partnership between the landmine Survivors network and the Centers for Disease Control and Prevention.

I was happy to learn that $12 million has been restored and this program will now be able to reach the 26,000 casualties that will happen in just this year alone.

Innocent civilians are threatened by landmines each day. While our Government has worked to help those victims, much more needs to be done.

Mr. FORBES. Mr. Speaker, I rise in strong support of this resolution, H. Con. Res. 273, reaffirming the important relationship that the United States and the Philippines have shared for more than a century.

The Filipino people have been our friends for many years, and in today's war against terrorism they are one of our most steadfast allies. The Filipino government immediately voices its support for our efforts in Afghanistan and, more importantly, has allowed our armed forces to use its military installations for transit, refueling, resupply, and staging operations that are vital to our success.

Further more, the Filipino people are keenly aware of the destructive nature of terrorism and the necessity of routing this evil from our world. For years, they have lived with the danger of terrorist threats form many groups, including the Communist Party of the Philippines, the New People's Army, and the National Democratic Front. But, no threat is as great as that which they face from the radical Abu Sayaff group, which has ties to Osama bin Laden and the al-Qaeda network.

Abu Sayaff has engaged in bombings, arson, kidnapping, and hundreds of other acts of terrorism with increasing frequency. Earlier this year, in fact, they kidnapped three American citizens along with several Filipinos. They murdered one of those Americans, and the other two remain in captivity to this day. Our Filipino friends have stood by us since the attacks of September 11th, and we should stand by them as they face this same threat.

Mr. Speaker, I am proud to be a friend of the Filipino-American community and I encourage my colleagues to support this resolution.

Mr. ROHRABACHER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the motion offered by the gentleman from California (Mr. ROHRABACHER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 273.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF MEASURES TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON WEDNESDAY, DECEMBER 19, 2001

Mr. ROYCE. Mr. Speaker, pursuant to the notice requirements of House Resolution 314, I announce that the following measures will be considered under suspension of the rules on Wednesday, December 19, 2001: H.J. Res. 75; H.R. 2739; H.R. 3275; S. 1714; H.R. 2657; H.R. 2199; S. 1762; S. 1793; H. Con. Res. 279; H.R. 3507; and H.R. 1432.

HONORING RICK MORGAN

(Mrs. CAPITO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CAPITO. Mr. Speaker, I rise today in honor of a constituent of mine, Mr. Rick Morgan. I have the pleasure of knowing Rick personally, and I am proud to recognize him because tonight Rick will be carrying the Olympic torch and lighting the caldron in Charleston, West Virginia.

In service to our country, Rick Morgan has sacrificed much. While attempting to save the life of a Marine during the Vietnam War, he was caught in a land mine explosion that took his left hand and left leg. After the war, Rick returned to his hometown of Charleston, West Virginia, and has worked for the brokerage firm of Salomon Smith Barney for the past 32 years, very successfully. Today, he is the senior vice president of sales.

Rick is an avid swimmer. He bikes, he sails and he skis. His very active life is proof that Rick has the ability to overcome any challenge and any obstacle with which he is faced.

Rick is a steadfast rock of our community. He goes out of his way to help others, serves as an inspiration to his fellow West Virginians. His determined approach to life is impressive and truly embodies the Olympic spirit.

I cannot imagine anyone more deserving of this privilege of carrying the Olympic torch to our home State of West Virginia. I am honored to commend Rick Morgan and wish him all of the best tonight.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BROWN of South Carolina). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRIBUTE TO SETON HALL COLLEGE NATIONAL EDUCATION CENTER FOR WOMEN IN BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MASCARA) is recognized for 5 minutes.

Mr. MASCARA. Mr. Speaker, I rise today to congratulate the National Education Center for Women in Business at Seton Hall College for 10 years of dedicated service to women entrepreneurs in southwestern Pennsylvania and across this Nation.

The center, located in Greensburg, Westmoreland County, Pennsylvania, began in the late 1980s as a resource for women launching their own businesses. It offered advice, assisted with business plans and connected aspiring entrepreneurs with small business development centers.

Over the last 10 years, the center has evolved into a nationally recognized one-stop clearinghouse, complete with research, online resources and educational programs for budding entrepreneurs as young as 14.

The center's initiatives include Camp Entrepreneur, which brings together teenagers for a week-long session on entrepreneurial skills; ATHENA PowerLink, which links business professionals with new women-owned businesses; and e-magnify, an on-line business resource center. Since it was launched 20 months ago, more than 1 million visitors from 25 countries have used the e-magnify Web site.

Mr. Speaker, I have some interesting statistics as they relate to the impact women have made on business. Women make up 46.5 percent of the U.S. labor workforce. More than 49 percent of managers and professionals are women, and 12.5 percent of Fortune 500 corporate officers, 4.1 percent of Fortune 500 top earners and 1.2 percent of Fortune 500 CEOs are women.

Furthermore, figures released in April of 2001 show that women-owned firms totaled 5.4 million and generated more than $819 million in receipts.

Mr. Speaker, I know the entire House of Representatives joins me in commending the National Education Center for Women in Business for helping to increase the number of women business owners.

THE IMPORTANCE OF AN ECONOMIC STIMULUS PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. Royce) is recognized for 60 minutes as the designee of the majority leader.

Mr. ROYCE. Mr. Speaker, I will not take 60 minutes in order to lay out my argument for the importance of a stimulus package, but I did want to take a few minutes in order to explain to the Members of this body and to the people of the Nation that the attacks on September 11 were also an attack on our economy. It hit our economy hard.

According to the Bureau of Economic Analysis, they do a report, and they found that the U.S. economy constricted in the third quarter after that attack by .4 percent. That is the biggest constriction of economic output in more than a decade. In addition to that, household consumption grew hardly at all and business investment plummeted as a consequence, and most of the data before the September 11 attacks and the fourth quarter could prove to be quite a challenge for the United States unless preventive and decisive action is taken now by this body of Congress.

Congress needs to pass legislation to stimulate the U.S. economy, and it needs to address the issue of providing needed help for those displaced workers who have frankly lost their jobs as a result of this economic contraction. How many Americans have lost their jobs? The latest estimate was 800,000. Eight hundred thousand Americans have lost their jobs since President Bush called for an economic stimulus package, and we heeded that call on the House of Representatives side.

We passed an economic stimulus bill quickly over to the Senate in order to promote job creation, in order to help displaced workers, and since that time, the other body has failed to act.

□ 2015

According to the Council of Economic Advisers, the bipartisan framework that we are trying to push for the stimulus bill would save 300,000 American jobs that otherwise would be lost. For months important legislation, however, over in the Senate has been stalled. It has been delayed. It has been sidetracked. The holidays are upon us now; time is running out. A majority of the Senate, frankly, is on record saying that they support the President's bipartisan framework for job creation and displaced worker assistance, but it is time for the Senate leadership to act.

There have been some new concessions last week from the White House, and I think that indicates that President Bush is willing to go a long way in compromising with the Senate, and the reason he is willing to do that I believe is because he wants to help our economy. In the meantime, what is the Senate leadership doing?

There on the other side of this building we see a push for simply more and more spending. Earlier this week the President proposed to break through the logjam over the economic stimulus bill. Key elements of the bipartisan framework proposed by the President include the following: tax cuts for low- and middle-income workers; providing tax rebate payment of up to $600 to low-income families struggling to make ends meet; lowering the 27 percent tax rate to 25 percent because that would provide 36 million hard-working American taxpayers with tax relief, and that would create more economic activity.

Lowering the 27 percent tax rate, as a matter of fact, would provide relief to 10 million small business owners, and that would help in business expansion. Allowing all businesses to immediately deduct 30 percent of the cost of new investments for 3 years, in other words, speeding up that depreciation that businesses are able to take if they buy new equipment, well, that significantly reduces the cost of new business investment. It creates a climate where businesses go out and purchase new equipment. So particularly in capital-intensive sectors such as in manufacturing and in telecommunications, this provision is very important.

So we have in that bill a lot of provisions that would create economic activity, would create jobs. At the same time, the bill has relief for displaced workers. It provides an additional 13 weeks of unemployment assistance to workers who have been laid off since the recession began last March.

These extended benefits would be financed completely by the Federal Government, and the Federal Government basically would turn over to the States $4 billion in Federal aid to expand benefits to additional displaced workers such as part-time workers, and it would provide $3 billion in national emergency grants. Because they would go through an existing program, these funds would be available immediately to help workers. It would be done in a matter of weeks, if we could get the Senate leadership to move this bill.

Helping unemployed workers keep their health insurance by providing an innovative new tax credit up to $3,500 a year would also be helpful. Workers would be able to keep their health insurance regardless of whether or not they have COBRA under the bill. And the bill would be speeding relief to workers by cutting red tape. Unlike some proposals considered by the Senate, the President's framework does not require State legislation or State matching funds to provide coverage. So as a consequence of that, the assistance gets rapidly to those who need it most. Investment and consumption must be reinvigorated through these types of actions to provide some tax relief; and it is not through indiscriminate government spending increases, as some of the Senate leadership have been pushing for, that we will find a way to provide the economic stimulus for the economy.

As President Bush noted, the best way to stimulate demand is to give people some money so they can spend it. So let us start putting more money back into the taxpayers' wallets. I would make the observation that this House of Representatives has done its job, and that the other body should do the same.

Mr. Speaker, I yield to the gentleman from Georgia (Mr. KINGSTON), who has joined me here today in order to try to call attention for the need for the stimulus bill to be passed out of the Senate, and for us to reach an agreement and to get that agreement to the President's desk soon.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I point out that I am wearing my Christmas coat. Actually, it is not completely Christmas, it is a Georgia Young Farmers coat. I know the gentleman from California (Mr. ROYCE) has been very sensitive on many agrarian trade issues. This is being worn tonight because it is Christmas time; and traditionally Congress adjourns in October. In fact, it is always a goal of mine to try to get home by October 31 so I can go trick or treating with my children.

But I am wearing this red jacket because it is Christmas and we are in Washington, D.C. Members have to ask why are we here? Is it because of the war? Truly, the situation in Afghanistan following the September 11 tragedy has been a major part of our fall agenda. The other thing is while the President and Secretary of State and Secretary of Defense and the armed services have all been leading the way in Afghanistan fighting the war, it appears that the people in the opposition party, the loyal opposition to President Bush, have been busy undermining his domestic agenda: the energy package; the Patients' Bill of Rights; and of course the economic jobs creation stimulus package. That has not been able to move, and here we are practically Christmas Eve still pushing for President Bush's agenda.

I believe with a war going on that the President of the United States is entitled to move his agenda. This stimulus package, which will create jobs, allows American people to hold on to more of their money. It is an absurd thing that in Washington, D.C., college-educated people actually think that they can spend the taxpayers' hard-earned dollars better than the taxpayer who earned the dollar can.

I think about some of the laid-off workers. If they did have their job, they would be going out buying Christmas presents. They would be buying bicycles and clothes and bedspreads and pillows. I went to K-mart with my children this past weekend, and I want to say if Members want to expand your shopping list, go shopping at K-mart with a 13- and an 11-year-old. It takes 3 hours to walk down one row of the toy section.

That is what consumers do with their money. They decide what they are going to spend their money on. On the other hand, if you take that money away from the consumer, what happens is 435 Members of Congress, 100 Members of the Senate, decide where they should spend your money. It ends up with a bigger government. Switzerland, France, and Japan have had recessionary problems. Japan, for example, has had recessionary problems for 12 years. Japan's approach to the economic stimulus package was expand government, spend more money.

Ireland, on the other hand, took the opposite approach. They went back to macroeconomics 101 and said wait a minute. We probably do not know how to spend the money of all of the millions of people who live in this great country. Let us give it back to them and let them decide where the money can be best spent and the jobs created. As a result, Ireland was in recession the least amount of time of any European country. And today, it has gone from one of the weakest economic countries to one of the strongest.

Meanwhile, Japan 12 years of recession; France, Switzerland, mediocre recoveries, nonexistent recoveries. And yet the Democratic Party wants to follow the model of Japan, putting us in recession for more months and more unemployment.

Mr. ROYCE. Mr. Speaker, reclaiming my time, the gentleman is saying in those economies overseas where the government actually focused on expanding the private sector, rather than expanding government, the public sector, that in those economies, unlike France where socialism was tried as a way to get out of the economic problems, and the unemployment went up, up, up, that where the focus is on incentives to encourage investment in the private sector, and the creation of new businesses there, that those economies recovered most rapidly when they were in economic downturn?

Mr. KINGSTON. Mr. Speaker, absolutely. History shows this over and over. Government helps the most when the government does not take the money away, but leaves the money with the bread winner and says you spend that money.

My 16-year-old son works at the Piggly-Wiggly making a paycheck. He will buy gasoline for his truck and CDs. And tonight he is taking his girlfriend out to supper. It is their 1-year anniversary. He is going to take her out to a nice restaurant. When he does that, what is going to happen is the chef is going to have a job. The waitress is going to have a job. The owner is going to have a job. The cashier is going to have a job because John Kingston is going to be joined by hundreds of other Savannah, Georgians going to that restaurant. And because he has money in his pocket, he is able to do that.

If we say, instead of taking out 20 to 30 percent of your taxes, we want 40 percent because Senator DASCHLE and the Democratic Party knows how to spend your money better than you, he is not going to go out. The Democrats are going to spend it their way, not the way of the American consumer.

Mr. Speaker, did these Members take economics? Most are college educated, but did they miss economics? We see it over and over again.

Mr. ROYCE. Mr. Speaker, I think the gentleman is probably right, history does record when there are incentives for job creation in the private sector, that is when real jobs are created.

One of the provisions in the House bill that we passed over to the Senate was one that would allow when small business entrepreneurs buy new equipment, to take your example, the restaurateur, if he expands and puts in a new broiler, he would be able to deduct that expenditure more rapidly. He could depreciate that over 3 years. So as a consequence, there is an added incentive in this bill for business to go out and purchase equipment. That helps create more jobs in the manufacturing sector.

We have been joined by the gentlewoman from New Mexico (Mrs. WILSON); and I yield to her, as well, so she can bring some attention to the issue that we are focused on tonight, which is what we can do to help move this stimulus bill and try to get it on the President's desk, and why it is important to get the economy moving.

☐ 2030

Mr. KINGSTON. Before the gentleman from California yields to the gentlewoman, I just want to point out, I am disappointed that she did not wear her Christmas wardrobe. But do not worry, if the other body, led by the Democrats, has its way, there will be plenty of other opportunities for her to wear her Christmas wardrobe, because there will be a lot more opportunities to be up here and try to get them to actually do something.

Mrs. WILSON. I thank the gentleman from Georgia and also the gentleman from California for inviting me here. I have to say to the gentleman from Georgia that in New Mexico we have a

State question. Our State question is red or green? My answer is usually green. For those of you who do not come from the West, we will explain that later. It is certainly not that color red, Mr. Speaker.

I think we are going to do something here in the House tomorrow that is very important for this country. The House passed on October 24 an economic stimulus bill, which was a good bill. I did not support everything in it, but we decided we were going to move things forward because we needed to help people keep the jobs they have, create new jobs, and help the families of those who are unemployed through no fault of their own during this slowdown to make it over the hump with unemployment insurance and health care.

Tomorrow, the House, without any further action from the Senate, will probably pass another economic stimulus bill to say, you know, we are determined to do this. We are going to make another huge effort to do this in the House and leave it up to Senator DASCHLE to decide whether or not he is going to move forward. We will give him a great bill that no American, when they look at it in any reasonable way, could object to. I think they have come up over the last couple of days here with a really good bill. There is a rebate portion of this bill for low-income folks who did not owe taxes last year.

When we had all the rebates last summer, there were some folks who did not pay taxes so they did not get a rebate. If you are a single person, you get a $300 rebate; if you are a head of household, you get a $500 rebate; if you are a couple, you get a $600 rebate, even if you did not pay any taxes at all. That will put money in the pockets of working Americans and those who are trying to make ends meet and will help to stimulate the economy. That would have an immediate stimulative effect on the economy from consumers of almost $14 billion over the next couple of months.

Individual income taxes. Most Americans are middle class, between $27,000 a year up to $60,000 a year. We know we are going to reduce the income tax bracket there. We are going to come down to 25 percent. We have already passed that legislation. It is going to phase in in 2006. Let us do it earlier. Let us get money in the pockets of taxpayers starting the 1st of January, with that first check, so we want to accelerate that. That will have an immediate, about $12.8 billion stimulative effect in that first year, next year.

A lot of people have lost money in their IRAs. They have lost money in their investment accounts. We need to expand the capital loss provisions, so that they can write off more of those losses. Right now it is limited to $3,000. It needs to be expanded to $5,000 so the pain of that loss in the stock market can somehow at least be written off a little bit on taxes. There are some very important things in there for individuals, for low-income and medium-income families, to have an immediate stimulative effect on the economy.

Then we move into business. I think there are some great things in this proposal that we are going to pass here tomorrow with respect to American business, particularly small business. Let us face it, that is where the jobs come from. That is where three out of every four jobs in the last decade have come from. We want to get small business back out there saying, hey, let's buy that capital equipment, let's get the new cement mixer, let's get the new computers for the office and let's do it now.

In this proposal that we are going to pass tomorrow, it says, okay, if you go out and buy new equipment, you get to expense that, 30 percent in the first year, then you depreciate the rest of it, if you buy equipment in the next 36 months. So it says, get out there and do it now. As a small businessperson, I was in a small business when we bought computers for the whole office one year. That was a big cost.

Mr. KINGSTON. If the gentlewoman will yield, I want to talk about that because I think that really shows the difference between the Republican approach that puts people first or the Democrat approach that puts government first. Because what the government program as being pushed by the Senate would do is they would go into that, say, concrete business and say, "We're going to buy you new trucks." Well, the owner of that might say, "We don't need new trucks. We need some new computers. We might need a new office building. We may need some new employees. We may need some of the tools that are related to it. It's my money. I tell you what, why don't y'all stay in Washington and let me decide where to put it. Don't take my money away from me and then tell me you know how to spend my money."

It is exactly as the gentlewoman said. As a small businessperson, one year you needed computers, but that does not mean you needed them every single year. The next year you probably had another need. But you could only make that decision in New Mexico, not in Washington, D.C. It is just such a fundamental difference between the Republican/Bush package and the liberal pro-government package being advocated by the other body.

Mrs. WILSON. One of the great things about it is if you are a small businessperson and you buy all those new computers, when you do your taxes at the end of the year, you cannot write them all down as an expense. So you end up paying taxes on money you do not have in your bank account because you just bought all those new computers. When I was in small business, you could only say that $10,000 of that was an expense this year when you are doing that whole income and expenses. What we would do is say, hey, up to $35,000, write it off as an expense, and if you buy a new piece of equipment for your business, 30 percent of it off the top onto your expense line this year. That will really encourage the investment to create jobs.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BROWN of South Carolina). The Chair would remind Members not to characterize actions of the Senate or its Members.

Mrs. WILSON. So I think this bill that we are coming up with has the components we need: Encouraging capital investment, particularly in small business. It has real tax relief and encourages and restores confidence among consumers to get out there and go to Wal-Mart, finish out their Christmas shopping, and it has unemployment insurance extenders and tax credits to cover health insurance for people who have lost their jobs through no fault of their own. Our proposal on that, I think, is a much stronger proposal than anything that has been put forward elsewhere. This is a very good package for stimulating the economy. I am glad we are going to pass it through this House.

Mr. ROYCE. Reclaiming my time, I yield to the gentleman from Arizona (Mr. HAYWORTH) for his observations on the need to get this economy moving again and what we should do to take decisive action and get it to the President's desk.

Mr. HAYWORTH. I thank my colleague from California. It is good to be here on the floor of the People's House with my neighbor from New Mexico and my festively decorated friend from Georgia.

Mindful of the admonition of our good friend from South Carolina, the Speaker pro tem this evening, let me try to set this up perhaps in the abstract. But before I do, let me amplify a point made by my good friend from New Mexico. Let me salute the efforts of the chairman of the Committee on Ways and Means who, in a good faith effort, has really worked to find common ground and some form of agreement. But especially since the rhetoric in this town is filled with talk of compassion for those who are out of work, Mr. Speaker, as we note in the wake of September 11, at least three-quarters of a million people in the workforce, perhaps now the number exceeds 1 million people in the workforce, are now without jobs that they had prior to the attacks on September 11, I believe we should especially emphasize the ground-breaking work done this weekend by the chairman of the Committee on Ways and Means to expand the opportunity for health insurance for those who find themselves out of work.

The choice we have is this, and it applies to what my friend from Georgia said earlier: Are we only going to use a government framework to reach some of the people out of work? Or are we willing to expand the universe through refundable credits in advance for the purchase of health insurance, whether you are self-employed or working for a small business? I appreciate the gentlewoman pointing out that three out of every four jobs comes from small business.

Mr. Speaker, it leads me to believe we, perhaps, ought to change the name from small business to essential business, because that is where most of the jobs are here in America. And, yes, also be mindful of those about whom we read in the paper who may be employed by larger corporations where the layoffs in magnitude seem to be great, but to have the versatility to apply to everyone so that they may, in fact, purchase health insurance and to make the Tax Code work for them so that they can go into the marketplace, not dependent on a corporation or a larger business with 50 or more employees that must adhere to the COBRA policy, noble in its intent, though restrictive on the number of people it can cover, what we will pass on the floor of this House tomorrow will expand insurance benefits for the very people that many in this town, some of them located on this Hill, say they want to help. That opportunity will come tomorrow.

I must tell you, Mr. Speaker, mindful of your admonition. I am somewhat perplexed, and let me take this in the abstract. When two groups come together to negotiate in good faith and reach a compromise, typically they follow time-honored traditions. Typically those involved in the negotiations are those with the power of, let us say, for instance, speaking hypothetically, committee chair, and with other members of leadership, and this is any organization, Mr. Speaker, I am not confining my comments to the legislative process in the United States, but typically there is a small group that works to try to achieve common ground. How, to use a term that seems to be very relevant, used by some on this Hill, how disappointing it is to see some add a new level, where they say, oh, no, before there can be meaningful policy changes, it must be approved by a supermajority of like-minded individuals.

Again speaking in the abstract, not referring to the other body but speaking in the abstract, when you set up that type of limitation, you set up, in essence, a small group of people who can serve as obstructionists.

The question is this: Are we willing to move forward to help the people always mentioned who are out there hurting, Mr. Speaker? Or will we see the temptation to succumb to machinations and politics supersede the public good? That is the choice every elected official must make and that is the choice the American people must make, Mr. Speaker.

Mr. ROYCE. Reclaiming my time, I yield to the gentleman from Georgia.

Mr. KINGSTON. I thank the gentleman for yielding. I listened to the very eloquent, passionate peroration of my friend from Arizona. I want to put this in perspective.

What he is saying, and I know he did not serve in the Arizona legislature, but had he served in the legislature of Arizona and he were a House member and then the Senate of the legislature of Arizona, he is saying what would happen is the House would set up a conference committee and the Senate would bargain in bad faith, and every time you would go together, there was always this kind of gentlemen's agreement that you would not need a supermajority, say, 60 votes in the Senate, you would only need 51 if there were 100 members of the Arizona Senate.

So what he is saying is if the Arizona House works real hard and passes a plethora of legislation, such as an energy bill or a health care bill or an economic stimulus bill and then the Senate of Arizona does not pass that, then they get stuck in this session forever.

Mr. ROYCE. Reclaiming my time, there are some additional pieces of legislation that I think all of the Members of this body have an interest in that have passed over to the Senate that we would like to see the Senate take up. We are near the end of the year. I just think besides the stimulus bill, besides the energy bill, I should take a moment and mention the Small Business Paperwork Relief Act, the Made In America Information Act, the Maritime Policy Improvement Act, the Veterans Hospital Emergency Repair Act. We hope the Senate will take that up soon. The Small Business Interest Checking Act. Many of these bills passed out of the House in March and April of this year. We would like to see the Senate, before adjournment at the end of this year, pass out these bills. The Foster Care Promotion Act. The Small Business Liability Protection Act.

I think I speak for many of us here when we say we think this is very important, especially in this environment we find ourselves in today.

□ 2045

There is the 21st Century GI Bill Enhancement Act, which we passed out of the House in order to make it easier for our veterans upon returning to go to university. We would like to see the Senate take up that bill. There is our bill to extend automobile safety programs for children, our National Science Education Act that we passed out of this body in July. Our bill to make improvements in math and science education, we would like to see the Senate schedule that for floor action.

Our Veterans Benefit Act that we passed out of the House of Representatives, we passed that out in July as well and there has been no Senate floor action. The Juvenile Crime Control and Delinquency Prevention Act, we passed that out of the floor here in September, and still no action by the Senate. There is the Homeless Veterans Assistance Act that we passed in October; the Higher Education Relief Opportunities for Students Act; the Bioterrorism Enforcement Act. These are all bills which we have passed out of the House.

But today we are specifically focused on the stimulus package, because we are concerned about these reports of 800,000 Americans who have lost their jobs. We have passed out legislation. The President has asked for that legislation to reach his desk.

Mr. Speaker, I would like yield to the gentlewoman from New Mexico.

Mrs. WILSON. Mr. Speaker, I thank the gentleman for yielding.

Of the four of us, I do not think any of us really live here in Washington, DC. We live at home and we commute to Washington, DC. Maybe that is one of the things that is different for us, is that we have friends and neighbors who either have lost their jobs or who are worried about losing their jobs.

Our top priority is to make sure that this recession that we are in, this terrorist-induced recession, is as short and as shallow as possible. This means we have to get back to growing jobs. We have very low-interest rates, but we need to do more. We need to help secure the jobs we have; we need to get back to the growth of jobs and make sure that people have a new job to go into. The bill we will pass tomorrow helps people over the hump.

I am very impressed by this potential compromise, really, on health care. I think it is a real pragmatic approach that covers more people than any of the proposals that I have seen thus far. It says if you are from a really big employer, and there are not that many in the State of New Mexico, but if you are covered by what is called COBRA, you can use that credit, it is not even something you have to pay for up front. It is like a voucher, to go for what your employer's plan was and to cover your health insurance that you had with your former employer.

If your former employer was not covered by COBRA but did have a small health insurance plan, you could use it for that. Or you could take that voucher, and it is based on the average amount of the cost of health insurance in your area, and you could take it down to Blue Cross and Blue Shield if you thought that you could get a better deal there. Even for people that do not have employer-sponsored health insurance but have been paying it out of their own pocket and have lost their jobs, it helps them too.

So this idea of making sure families make it over the hump and extending the unemployment insurance, I think this is a really hard bill to explain. Why do we not just pass it and get it to the President's desk? I think that is what the leadership has decided to do. We are going to pass something that is almost impossible to even, say, criticize, to give immediate stimulative effect to small business, to create more jobs, to restore confidence in the markets and help people over the hump and say we have done the best we can. We have a great bill here. Let us get this to the President to help Americans.

Mr. ROYCE. Reclaiming my time, I would like to yield to the gentleman from Georgia (Mr. KINGSTON) for his observations.

Mr. KINGSTON. I think it is interesting that one of the emerging national leaders is a Democrat Senator named ZELL MILLER. I am very proud that we have that kind of leadership from Georgia, because in Georgia you always try to, when I was a member of the legislature, House member, you always tried to put Georgia first, and you believed that the person on the other side of the table, Democrat or Republican, felt the same way; that, yes, you want to get in your partisan licks and make your party look a little better than the other party, but at the end of the day, it was Georgia that mattered.

When I came up here, I was shocked to see that there were people who would actually put party above policy above country. Now, maybe they did not put it that way, but the result is often that way, that party gets in the way of what is best for the United States of America.

As the gentlewoman from New Mexico (Mrs. WILSON) said, because the four of us go back home to New Mexico, Georgia, Arizona and California, we have friends who have been affected by this recession, real people and real faces, who do not have a job anymore.

To come up here week after week and have a group not want to pass an economic recovery jobs creation stimulus package is distressing, because you have to wonder, is it not in the best interests of America? And maybe you do not like George Bush's approach, but come up with your own. Vote on another one.

We understand. That is why we have two parties. That is why we have 435 Members over here and 100 over there, because we are supposed to have different ideas. But do what is best for the United States of America. Give that to the American people as a Christmas present.

Mr. ROYCE. Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my friend from California.

To hear my colleagues express really a point of view that has been amplified by our President, to try and change the culture of Washington, and people can have different political philosophies, and we certainly champion that, and we champion the notion of debate, but at this point, on this night in December, in the year 2001, as Christmas fast approaches, to know that there are 1 million workers out of their jobs because of an economic slowdown that was exacerbated by the heinous attacks on our country, to not move to offer economic security and hope, is to deprive those people of the very compassion that so many claim to champion. It is especially callous at this time of year.

Mr. Speaker, I am fond of the observation Mark Twain offered. "History," wrote Twain, "history does not repeat itself, but it rhymes."

As I read the new biography of Theodore Roosevelt, I am reminded that a century ago a body in this institution, one of the two Houses, Mr. Speaker, I will leave that up to a guess so that I am not admonished, one of the two Houses failed to act. President Theodore Roosevelt called that body, what some refer to as the world's most exclusive club, back into session.

Mr. Speaker, I would suggest to the President of the United States, if for reason of simple inertia and inaction a certain group on this Hill fails to act, I would hope the President of the United States would call that body into special session the day after Christmas to deal with the slowdown and to help Americans who are hurting. Because now is the time to move past playing politics. It is time to put people ahead of politics.

We are in a war, we are faced with economic slowdown, and now is the time for all Americans, especially those of us vested with the public trust, having sworn to uphold and defend the Constitution of the United States against all enemies, foreign and domestic, now is the chance for our Commander in Chief on the domestic front to signal the seriousness of his intentions, should there be continued inertia and inaction from whatever quarter on Capitol Hill.

Mr. ROYCE. Mr. Speaker, reclaiming my time, the gentleman talked about acting expeditiously. I would just like to quote President Bush on that issue. He was asked last week, and he said, "You know, the terrorists attacked us, but they did not diminish our spirit, nor did they undermine the fundamentals of our economy, and we believe if we act expeditiously, that those fundamentals will kick back in and people will be able to find work again."

The subject we are focused on tonight is taking action expeditiously, moving quickly. Our hope is as we again bring a stimulus bill tomorrow before this House of Representatives, that the Senate will take action as well.

I am going to yield to the gentlewoman from New Mexico.

Mrs. WILSON. I thank the gentleman from California.

You know, folks who may be watching this tonight probably sense a certain amount of frustration. It is kind of common around here when we work so hard and we get legislation passed, and this government was not set up to be efficient, but in times of national crisis, we have to set some things on the side and find the common ground and move forward on things that make sense and that are pragmatic and that are doable and do it quickly.

So we passed one stimulus bill on October 24, and it was a pretty good bill. But some people wanted to throw arrows at it, and they could not get it through the Senate and so forth.

So we are going to pass another one. It is going to be one that is really hard to criticize in any way. It is going to take care of families who are unemployed, put some money back into the economy through small business, put money in the pockets of consumers, and two-thirds of spending in our economy is consumer spending. The Christmas season is the biggest time for that.

So we are going to do a second bill so that maybe, just by motion, we can get this down to the President of the United States. Last July and August when we passed the last tax relief bill to try to jump-start our economy, we knew we were on the edge of a recession. Everyone was hoping that that recession would have a soft landing. I think those were Greenspan's words. He talked about a soft landing. But we did not have a soft landing. What we had was a terrorist attack on our largest city and on our Capital that knocked us off our horses. Now we have to get back up on our horses and provide some confidence to the American people that restoring this economy is a priority of this government, that we are going to do everything we can to make this recession short and shallow and get back on the path to growth.

In some ways, the symbolism of what we do is sometimes almost more important than the substance of what we do. It is for people to restore confidence in their government that we care about this economy, we care about them, and we are going to do everything we can, and restore confidence in people and the markets.

Mr. ROYCE. I am going to yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I wanted to just get back to the Japanese experiment, because there seems to be some folks that believe in that government-knows-best socialism that we see all over the globe; and unfortunately, it creeps into many of the philosophies and offices in Washington DC.

In the period from 1982 to 1991, when the Japanese Government had limited its size by limiting its spending, it had some of the greatest growth in the world. At that time, the average growth of the world economy was 3.3 percent. The growth of the United States economy during 1982 to 1991 was 2.9 percent. Japanese led at 4.1 percent. That was in the day everybody was bullish on Japan. But a funny thing happened on the road to success. Throwing all that which made them successful away, the Japanese Government decided that they would increase the size of government spending; and in the period from 1992 to the year 2000, the Japanese growth rate fell from 4.1 percent to 1 percent.

During that period of time, the world's economy, the economic growth, was about level, 3.4 percent. The United States, which had reduced its government spending, was at 3.8 percent. But Japan, because they had a government that went on a spending binge and a taxing binge, their growth fell.

Yet we have those in Washington, DC, who cannot learn that lesson. They want to go out and create a bigger government as the solution to the recession, and that is not going to help us one bit.

Mr. ROYCE. I am going to yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from California, and I appreciate the insights of my colleagues here tonight.

Mr. Speaker, just another cautionary note. Sometimes we get caught up in the slang of Washington, and we have spoken about this in the inevitable legislative and policy shorthand that somehow tends to lose what this is about when we talk about an economic stimulus package, as if this is some sort of theory that is subjected to a graph and a curve and all of the trappings of theoreticians.

□ 2100

Mr. Speaker, I would suggest nothing could be further from that. We are talking about real people with real families facing real problems. And in the give and take of different ideas, honestly expressed, we are gathered on the eve of bringing back to the floor a piece of legislation incorporating many ideas from many different sources in the truest spirit of compromise and consensus in a groundbreaking way, in terms of health care, to expand opportunities for those who find themselves without jobs. Mr. Speaker, what we are talking about is economic security and future opportunity. Mindful that people are hurting, we understand the need to expand unemployment benefits, but as surely as we do that, Mr. Speaker, we also understand this, that I hear in the sixth district of Arizona, and I know my colleagues hear in California and Georgia and New Mexico, that we hear from across the country, when given a choice, the American people appreciate the safety net of an unemployment check, but they would much rather have a paycheck. And what the gentleman from Georgia refers to is something we have seen time and again with presidents of both parties, whether it was John F. Kennedy in the outset of the 1960s or Ronald Wilson Reagan in the outset of the 1980s: when we reduce the tax burden on the American people, whether on Wall Street or on Main Street on our Your Street, when we open up opportunities to save, spend, and invest, there is growth. There is opportunity. There is hope. And there are paychecks and economic prosperity that comes into being for the American people.

So what we talk about is not some stimulus in almost a Boris Karlof-like laboratory in a black and white film; it is not an abstraction. It is real help for real people and a real opportunity to come together, if those who seek to stultify and strangle the process will but step away from the cynical games of Washington and put people in front of politics.

Mr. ROYCE. Mr. Speaker, reclaiming my time, I think we did see that the Kennedy tax reduction spurred an economic growth rate of between 4 and 5 percent. When President Reagan reduced the effective tax rate and when Congress reduced that rate in response to his plan, the economic growth rate was over 4 percent a year.

What we are talking about in this bill that the President has put forward is a compromise measure that will provide tax rebate payments of up to $600 to low-income families who are struggling to make ends meet; it would lower the 27 percent tax rate to 25 percent that would affect 36 million hardworking taxpayers and give them relief. This compromise measure would help small business by allowing them to deduct 30 percent of the cost of new investments over the next 3 years. That would put a lot of money into purchasing new equipment in order to keep those jobs in manufacturing going. And then, it provides an additional 13 weeks of unemployment assistance for workers who have been laid off since the recession began, and $4 billion in Federal aid for benefits for those who are part-time workers. That goes to the States to help them with their program.

Lastly, it helps unemployed workers keep their health insurance by providing an innovative new tax credit worth $3,500 a year, and workers would be able to keep their health insurance. As the gentlewoman from New Mexico mentioned, whether or not they have COBRA, they would be allowed to keep their health insurance with that plan.

So it is a balanced proposal. It also has some compromises in it in order to make certain that it addresses the Alternative Minimum Tax, and I think that with that compromise, when we bring it up tomorrow and pass that out to the Senate, our hope is that the Senate will act quickly.

Let me yield to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, I thank the gentleman from California for yielding to me.

There are some other good things in this bill that we have not mentioned that I know are important to some businesses. The research and development tax credit will be extended, and that has been very important when we look at creating and investing in new jobs, particularly for the next generation of technological innovation. The work opportunity tax credit, a wonderful way to get people off of welfare and back to work, as well as the welfare to work tax credit. All of those are going to be renewed and extended in the bill we are going to have on the floor tomorrow.

Mr. ROYCE. Mr. Speaker, if I could ask the gentlewoman, how successful have those welfare to work programs that this Congress passed, how successful have they been?

Mrs. WILSON. Mr. Speaker, I think the gentleman from Arizona is right. Most of the people that I talk to would much rather have a paycheck than an unemployment check or a welfare check. They may need a different approach to help them to get back to work in getting the training they need and the support for child care and transportation and those things, but they are much happier with a job to go to and being role models for their families and for their children.

Mr. ROYCE. Mr. Speaker, if I could reclaim my time for a moment, I think extending those credits and ensuring that there is participation in those programs is so important. We have seen a reduction over the last few years of 40 percent in the welfare caseload. Part of that has been legislation that has ensured welfare to work, and part of this legislation will ensure the cooperation of businesses in assisting in that effort.

Mrs. WILSON. Mr. Speaker, if the gentleman will yield, sometimes it is hard to get one's arms around how much impact we are really talking about here. But this bill is designed to have an $86 billion impact in the American economy in the first year alone, and $150 billion over 10 years. So over half of the economic impact is up front, at the front end. Actually, over half of the total impact is in things that are intended to stimulate the economy, and the other part is to help people over the hump. So it gets money in people's pockets. It is going to help businesses to encourage them to invest in new equipment and create new jobs, grow new jobs, restore confidence in the American economy, and comes up with two very unique compromises I think with respect to health care and, of course, extending unemployment insurance. It is retroactive to anybody who has lost their job back to March.

I remember just after the attacks in September, going back home to Albuquerque and talking to people there and I always ask now, I say, how are things going, how is business going? They were laying people off at the rental car companies. Tourism and travel has been really decimated by these attacks. It is not just large airlines. It is the hotels and the motels and the rental car companies, all of those folks who lost their jobs already, even back to March when, technically, the recession started.

They are going to be eligible for extended unemployment benefits if they cannot find a job and we are going to have to accept that in this time of a slowdown, it is probably going to be a longer time period between the time one gets laid off and when one starts the new job.

I know the gentleman from Arizona has worked hard on the Committee on Ways and Means, as have other Members of this House. The leadership has really come up with a very good compromise proposal. I think the House just needs to pass it. We need to move on.

Mr. ROYCE. Mr. Speaker, I will yield first to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I will just make a quick point. Very quickly, picking up on what the gentlewoman from New Mexico said, this bill incorporates a variety of different opportunities in what we call tax-slaying extensions, taking advantage of opportunities and credits already existing in terms of research and development. The gentleman mentioned welfare to work and work opportunity tax credit. I would be remiss on behalf of my constituency if I did not mention the extension for the first Americans, for native Americans, who find themselves, as we understand, so often left behind.

Now, as we seek to revitalize tribal economies and economic opportunities there, there are provisions that have been included in this bill that are good for Oklahoma, and the gentleman from Oklahoma (Mr. WATKINS) has been an unfailing champion on this. We are pleased to include that in this bill so that no American is left behind. Opportunities are there for all. I thank the gentleman from California.

Mr. ROYCE. Mr. Speaker, reclaiming my time, I will yield to gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I just want to reiterate, the theme here is: would you rather have a paycheck or an unemployment check? Would you rather be independent or dependent?

These tax credits, these investment credits create jobs. Yesterday I was with a friend of mine named Kevin Jackson. He owns a company called Envirovac. He has about 400 people on his payroll. They go into factories and do maintenance. He says every factory that they visit right now is flat because they are laying off people in this recession. This jobs creation-economic stimulus package will turn it around. Again, we are talking about real people and real faces, because we know these folks. They would rather be independent than dependent on an unemployment check. They want a job.

Mr. ROYCE. Mr. Speaker, I yield to the gentlewoman from New Mexico (Mrs. WILSON) for the balance of the time.

Mrs. WILSON. Mr. Speaker, people are hurting in America. We have lost 700,000 jobs in this country since September 11. We need to help people across to the next job. We need to help keep the jobs that we have and help find new jobs in this economy. The way we are going to do it is by giving small business the tools they need to invest in creating new jobs, restore confidence in capital markets, put money in the pockets of consumers immediately, both low-income and middle income Americans, and we are also going to help people over the hump with health care and unemployment insurance to make sure that those who are hurting can make it by. We want this recession to be as short and as shallow as we possibly can make it. In the House, we will act.

Mrs. JOHNSON of Connecticut. Mr. Speaker, if the gentleman from California (Mr. ROYCE) will yield, I know the gentleman's time is about to expire, but I did want to say that it is imperative that this House acts and, hopefully, the Senate follows as well, to make this recession short and shallow, as the gentlewoman from New Mexico said, but also to help the unemployed.

What is really excellent about this new stimulus bill is that for the first time, it provides assistance in purchasing health insurance for the unemployed. America has never done that before. This is a first. Only this bill offers the same assistance to everyone. If one works for an employer who provided what is called COBRA benefits, one can use their 50 percent benefit, or their 60 percent benefit now, for COBRA benefits. But most people work for small employers and small employers are not covered by COBRA, so if one works for a small employer and is laid off, the old bill and the bill of the other party will not help them. This will give them a 60 percent premium subsidy, whether they buy their own health insurance, whether their employee is COBRA-covered or not. Everyone will be treated the same. All unemployed will get help, with health insurance benefits as well as extended unemployment benefits. I thank the gentleman for yielding his precious time.

Mr. ROYCE. Mr. Speaker, I want to thank the gentlewoman from Connecticut (Mrs. JOHNSON) for her good work on this bill, and I thank all of my colleagues for participating in this Special Order.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). The Chair would again remind all Members that it is not in order to characterize Senate action or inaction, to encourage action by the Senate, or refer to individual members of the Senate, except with respect to sponsorship of bills or amendments.

AMERICA NEEDS BIPARTISAN STIMULUS PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, let me say that I do plan initially to respond to some of the comments that were made by my Republican colleagues about the potential stimulus bill that I gather we may see on the House Floor as early as tomorrow. Regardless of the substance of the stimulus package that the Republican leadership may bring up tomorrow, I think the bottom line is, and everyone needs to know, that it is going nowhere. They are fully aware of the fact that it is going nowhere. I think what we are going to see tomorrow, and I think it is very unfortunate, is basically a replay of what happened a couple of months ago when, in the aftermath of September 11 and the World Trade Center and Pentagon tragedies, there was an effort in the few weeks afterwards, because of the realization of the impact on the economy and because the recession was only, if you will, accelerated by the events on September 11, there was a recognition that we needed to do a stimulus package to get the economy going again, and that the only way to achieve that, given that we have a divided government, one body Democrat, one body Republican majority, that we needed to work across party lines and to bring the House and the Senate together.

So there was sort of understanding that we would all sit down and work on a stimulus package together, Democrats and Republicans together, Senate and House together, as well as with the President.

□ 2115

But unfortunately, very quickly that dissolved because the House Republican leadership wanted to pass their own version of a stimulus package and was not willing to work with the

Democrats in the House or with the other body. A bill was passed very narrowly, I think it passed by one or two votes here in the House, and of course it was never taken up in the other body. There was no meeting of the minds and no effort to try to come to any kind of accommodation across party lines.

I would suggest, having been here, I guess, 12 years, that anything like that, where one party which is in the majority tries to simply shove down their throats, if you will, a bill that the other party cannot stomach because they think it is the wrong way to go, is doomed to failure.

Every one of my colleagues who spoke on the other side of the aisle just in the last hour knows very well that if all they do tomorrow is bring up another Republican leadership bill that has not been negotiated with the Democrats, which this one has not been, then the end result is failure. The end result is that that bill will go nowhere, no stimulus package will pass; and we will go home within the next few days having accomplished nothing for the American people.

The very fact that they are even talking about this bill means that my Republican colleagues in the Republican leadership have basically decided that they do not care to pass a stimulus package. So when they suggest that they are going to try to help the unemployed, that they are going to provide health benefits, that they are going to do things for corporate America that are going to help create jobs, the very fact that they are bringing a bill to the floor that was not negotiated on a bipartisan basis means that those things will never happen; and it is very unfortunate.

It is also very unfortunate that they keep talking about passing another bill when the first one was doomed to failure; and the second one will be, as well, because it is really nothing more than a hoax on the American people. The American people will not see a stimulus package. The best thing they could do would be to go back and sit down and talk to the Democrats in the other body, in the Senate, and try to come to some sort of accommodation, rather than just bashing and bashing and hammering as this goes on.

I want to talk a little bit about why the Democrats feel that this Republican stimulus package is really nothing different from the previous one and will not help, even if it did pass, to stimulate the economy.

Understand, on the one hand I am saying tonight that this bill that they are going to bring up tomorrow, if it is brought up, cannot pass; so it is hopeless from the beginning, cannot pass both houses and be signed into law. But even if it did pass, it would not do anything to stimulate the economy. That is what we are really trying to do here, stimulate the economy on a short-term basis to have the recession be over.

I wanted to talk a little bit about the Democratic alternative to the original Republican bill to give my colleagues the flavor, if you will, of what the Democrats would like to see and why the Democratic alternative would serve the purpose of helping displaced workers get unemployment compensation, get health benefits, and stimulate the economy.

The original House bill that I was talking about, the original Republican bill that was doomed to failure, passed the House on October 24, almost 2 months ago. It passed strictly on party lines, 216 to 214. This is the Republican stimulus package. What it called for, and this one, as well, that they intend to bring up tomorrow calls for, is essentially tax cuts for big businesses and the wealthy.

Now, how do we get the economy going again if all we do is give big tax breaks to big corporations and wealthy people? They do not have any obligation, wealthy persons do not have any obligation to spend that money. They may just put it in the bank. They may put it in stocks or do something else. They are not immediately going to spend the money, which is what is needed to stimulate the economy.

The way the economy is stimulated is when people have to spend money because they have to buy food or have to pay their rent or whatever they have to do. Generally speaking, our middle-class people or even poor people, they go out and spend money, they shop, and the economy gets going again.

This notion that we are just going to give these big tax breaks to big corporations, again, that has no stimulative effect. They do not necessarily have to take that money and invest it in new equipment or in new jobs or new production of any sort. I would venture to say that many of them probably would not.

So the whole premise of the Republican proposal, which is essentially tax cuts for big businesses and the wealthy, really does not help anything. It does not help stimulate the economy, and it certainly does not help with those workers who have been displaced and are looking for a job.

The Democratic alternative that we have proposed back in October and that we still have been pushing for today by contrast would provide workers with extended unemployment benefits, health coverage, and tax breaks for low- and moderate-income Americans.

If I could use my home State, I could say that I have some statistics, if you will, from the U.S. Department of Labor with regard to New Jersey. They say that an estimated 361,942, and I guess it is not really an estimate but it is an exact figure, New Jersey residents will apply for unemployment benefits over the next year, and almost half of those, 166,493, will see those benefits expire during that same period.

Nationally, half of the unemployed people do not currently qualify for unemployment benefits, and the vast majority cannot afford health coverage under our current system.

Let me get a little more specific about what the Democrats have been talking about. In terms of unemployment compensation, individuals who exhaust their 26-week eligibility for State unemployment would be eligible for an additional 52 weeks of cash payment funded entirely by the Federal Government. Individuals who do not meet their States' requirements for unemployment insurance, in other words, part-time workers, would receive 56 weeks of federally financed unemployment insurance. Members can see how that would make a difference for a lot of people.

With regard to health care benefits, under the Democratic proposal, the Federal Government would fully reimburse eligible individuals for their COBRA premiums. Individuals who do not qualify for COBRA and are otherwise uninsured would be eligible for Medicaid, with the Federal Government covering 100 percent of the premiums. These benefits would last for a maximum of 18 months.

Now, the Democrats keep talking about the Federal Government paying these costs, because we have to understand that State governments are strapped. Many of them face deficits. They are not in a position to be able to pay for these things, which is why the Federal Government is proposing to do it.

The Democrats also have rebate checks for low- and moderate-income workers who did not qualify for the rebate checks issued earlier this year under President Bush's tax cut.

Now, I maintain that President Bush's tax cut from maybe 6 months ago is the major reason why we are now in a deficit situation, and I do not believe that accelerating those tax cuts is really going to make a difference in terms of stimulating the economy. That is essentially what the Republican leadership is proposing.

Under the Democratic proposal, these low- and moderate-income workers who did not qualify for the rebate checks issued earlier this year under President Bush's tax cut would receive a one-time payment of up to $300 for single people and $600 for married couples.

There are many other aspects of the Democratic proposal, but I just wanted to key into the fact that rather than giving these big corporate tax breaks and tax breaks to the wealthy, we are trying to put some money into the hands of low- and moderate-income people who will go out and spend the money and stimulate the economy; the same with the unemployment compensation, and the same with the health benefits. Even providing health insurance and extended COBRA and Medicaid stimulates the economy because that money is now being spent on health care.

Mr. Speaker, I always worry when I am on the floor of the House and I do these Special Orders that someone is going to say, he is just giving the Democratic line, and that is what all the Democrats are saying, but why should I believe it?

I would like to back up what I am saying, contrasting what the Democrats are proposing to do versus the Republicans with some of the editorial comments that we have been getting from some of the leading newspapers around the country. This one is particularly appropriate. This is from the Los Angeles Times, and it is in today's paper.

Just to give some highlights of what this editorial says, and this is an editorial, as I say, from today's Los Angeles Times, it talks about some of the Republican tax breaks that are proposed not in the previous Republican bill that passed the House, but the one that my colleagues are talking about possibly bringing up tomorrow. So we are talking about the current bill, not the previous bill.

What this editorial says in the Los Angeles Times, it first of all talks about the retroactive corporate tax cuts. The Republican leadership has been pushing not only these big corporate tax cuts, but making them retroactive, so that the companies would get tax money back, money back from taxes they paid years ago.

Well, it says in the editorial, and I quote: "House GOP leaders such as Dick Armey seem giddy thinking about the pleasure that corporations would have upon receiving a refund of what they paid under the 'alternative minimum tax' over the last 15 years." They are now getting refunds for taxes paid over 15 years.

"The proposal would hand out millions to corporations such as General Motors and Ford for doing nothing. Even Enron, which recently went broke after deceiving investors and workers, could conceivably get this windfall. Whopping corporate tax deductions."

Now, the other thing, of course, the Republicans are saying is that they want to accelerate the drop in income tax rates for higher-income people.

"Some Republicans hope to make the season bright," and they are talking about the Christmas season in the editorial, "by cutting the 27 percent rate to 25 percent in 2002. But this gift would benefit the top one-fourth of taxpayers and cost $54 billion in lost revenue over 10 years. Where's the stimulus in giving a break to upper-income folks who are unlikely to use it to buy extra groceries?"

Further on the editorial says, and I think some of my colleagues even mentioned this on the other side in the last hour, "A 30 percent 3-year tax write-off on new equipment. The Bush administration wants to include this, although multiyear tax cuts have little immediate stimulus effect."

Of course, we would like to see some kind of tax break for new equipment, but we are talking about 3 years. Yet I heard some of my colleagues on the other side talk about how they want this to be immediate. How is it immediate with a 3-year write-off on new equipment?

The last thing the editorial says, it talks about "A Trojan horse 2-year voucher-credit health care plan. The White House is offering a scheme that would give displaced workers a temporary tax credit for health care. But what Representative WILLIAM M. THOMAS (R-Bakersfield)," the chairman of the Committee on Ways and Means, "and other congressional Republicans really want is to use the voucher idea as a wedge in replacing current employer-paid health care with a free market approach similar to the use of vouchers for education."

So what are we seeing here? We are seeing some of my colleagues on the other side of the aisle, some of the Republicans, not just trying to extend COBRA or provide Medicaid for those displaced workers, which is the easiest thing to do and what the Democrats want, but some sort of tax credit or voucher.

Most of the people who are now out of work will not even be able to use that tax credit. It is not going to get them health insurance; but it is a sort of voucher, if you will, that has the potential of getting people out or actually hurting the current system, where most employees get their health insurance through their employer and switching to some sort of free market system, which I do not think is going to work and is probably only going to line the pockets of some insurance company.

I hate to be so dramatic about it, but this is what we are facing. Again, one could argue that there is no point in even talking about any of this anyway, because they have no intention of passing anything. They are just going to pass it in the House, and it will die in the other body. I can talk here all night about how bad this proposal is, only because I want to counteract all the things that were said by my colleagues an hour before.

But I go back to what I originally said, that their real intention is to do nothing, because everyone knows that this bill is going nowhere.

Let me just talk a little bit about another aspect of the Republican proposal which is so different than the Democrats that is very scary, that is, that it is not paid for.

Now, we know that we are in a deficit situation now. In the 8 years under the Democratic President, and I know people say we certainly have to give President Bush the benefit of the doubt because he has been doing such a great job in dealing with the war, and actually very successful in going against terrorism and the al Qaeda network. I am very happy about all that.

But when it comes to these domestic issues, it is very scary what is really happening. Because of the Republican tax cut that took place about 6 months ago, we are now in a deficit, which has been aggravated by what happened on September 11 because of the recession and because of what comes from the recession, which is less income to the Federal Government.

The least that the Republicans could do when they put forth a stimulus package is come up with a plan that is short term and that is paid for, or if it is not paid for immediately, makes a way to pay for it fairly quickly over the next few years so we do not deepen the deficit, because we do not want to continue to have a deficit situation. It is a huge drag on the economy and could prolong the recession, rather than stimulating the economy.

□ 2130

Well, the problem with the Republican bill and, again, I am talking about the one they plan to bring to the floor tomorrow, is that it is pretty much paid for out of Medicare. It either increases the national debt or it is paid for out of Medicare and Social Security.

So what you have is it is either going to increase the debt or it is going to take money from the Medicare and Social Security trust fund. And it is almost the same thing as increasing the debt, because we know that those trust funds are at some point in the next 20, 30 years going to run out of money, and we have been talking about trying to find ways of making Medicare and Social Security solvent over the long term. All the Republican leadership is going to do with this bill is increase the Federal debt and aggravate the solvency problem for Medicare and Social Security by taking the money away from there.

The cost of the Republican stimulus package, again, the one that is coming up tomorrow, would approach $200 billion over the next 10 years when you take into account debt service cost. Even without enactment of the stimulus bill, the government will be in overall deficit throughout the entire first term of President Bush. And with the enactment of this new stimulus bill, the government will continue to raid the Social Security and Medicare trust funds for the foreseeable future long after the current recession is estimated to end.

The Democrats, of course, have said that that is not acceptable. If you are going to do a stimulus package which is going to have a short term impact on the economy, then do not give us a long term impact on the economy by increasing the debt or making the solvency problem for Social Security and Medicare even worse.

I wanted to talk a little bit about this health tax credit aspect of the Republican bill that is likely to come up tomorrow because, again, I think it is a very scary thing. I have always said over and over again, let us not let ideology get in the way of doing something practical to help the American people. The stimulus bill should be that. It should be nothing more than a practical bipartisan effort to do something to restore the economy in the short run. And to try to load it up with some sort of ideological voucher system for health care that would break the traditional health care system primarily financed through employers is basically grafting some sort of right wing Republican ideology on a stimulus package in a way that is totally wrong given what we are trying to accomplish here.

I do not know if I can get into all the details of it tonight, but I want to just explain a little bit about what this health care tax credit that the Republicans are proposing would actually do. What they are doing is creating an individual tax credit for use in purchasing either COBRA or individual market health insurance policies. So unlike the Democrats, they are not just going to pay for your COBRA benefits and put you or make you eligible for Medicaid with Federal funds. They are giving you some sort of credit for voucher, if you will, that you can use to help pay for COBRA or go out into the individual market and try to buy health insurance policy.

Now, anybody who has ever tried to go out into the individual market and try to find a policy knows that it is a horrendous situation. The costs are incredible. The tax credit is not going to help you. Unless you are going to buy some basically rotten policy that is going to give you very little coverage, and then what you will have is the government money through the tax credit being used to give people a policy that essentially is not really very helpful to them and does not provide them the kind of benefit package that would be useful to them, if they can even find it.

Again, I would say, Mr. Speaker, they are not even going to find this policy, but if they did it would be a lousy policy. Now, just to give you some research, the CBO, the Congressional Budget Office did some research and they indicated that few people would actually benefit from this Republican health care tax credit. According to the CBO, up to 9 million displaced workers would receive relief under the Democratic plan: 5.1 million would be covered by COBRA, about 80 percent, and up to 3.8 million under Medicaid. But the same estimate shows that of the Republican style tax credit, only 3.35 million individuals would be eligible for this benefit, less than a majority.

So when my Republican colleagues in the last hour said we are going to provide all this health care coverage, not only do we have the danger of this breaking the system, the traditional system and this voucher, but it is not even going to provide coverage to the majority of the people that would need it and who are unemployed.

I just cannot believe essentially what they are up to with this scheme. If you think about it, as Members of Congress we are getting an incredibly good health care coverage policy that is paid for by the Federal Government. The very Republican leaders who are talking about this voucher for health insurance, 75 percent of their health care coverage as Members of Congress is provided to them at taxpayers' expense.

The other thing that I think we are going to see here is that this kind of coverage that they are talking about that you might be able to get at individual market, a lot of it is probably going to go to HMO's. Because without a guaranteed minimum benefit package, which is what should be provided to make sure we get a decent health care plan, I think most of the people are going to end up with some kind of an HMO which limits what doctors they can get, limits what coverage they can get.

Again, I can talk all night about this and I do not know in some ways what the point is, because as much as I am trying to contrast the Republican plan with the Democratic proposals, I really want to stress over and over again, Mr. Speaker, that the fact that they are bringing up tomorrow a Republican plan without input from the Democrats and without input from the Senate, essentially means that we will have not planned. Their proposal is due to failure.

I do not want to go into this any more because I hopefully have made the point, but what I would say to my colleagues is, regardless of whether you like what the Democrats propose or you like what the Republicans propose, the most important thing is to have the negotiations and sit down and try to come up with an accommodation and do not come here on the floor of the House and blame the other body and say, oh, the other body, the Senate better take this up because if they do not, the blame falls on them.

Well, clearly, if you put something together that is not done in a bipartisan basis, it is going nowhere. And I am not going to sit here and accept the notion that somehow this Senate is going to be blamed because they do not pass this Republican package. This is not a Republican package that is aimed to accomplish anything. It is just being done for some sort of publicity stunt.

Mr. Speaker, with that I would like to end my discussion tonight or my response if you will to my Republican colleagues on the economic stimulus package. I probably will be back again, hopefully not. Hopefully we will pass something. But we will probably be back again talking about that another time, tomorrow or the next day as we progress here in these last few days before the holidays.

EVIDENCE OF TERRORISM BY PAKISTANI-BASED GROUPS

Mr. PALLONE. Mr. Speaker, I did want to take 5 minutes of my time this evening to talk about a totally different issue, and that is my concern over what is happening and what has been happening in India with the terrorist attacks that have been taking place in India and, most notably, with the attack on the Indian parliament that took place last week.

I mention this because in the effort to fight the war against terrorism, President Bush has made it clear many times that this is a battle with many fronts. It has a homeland security element. It has an overseas element. And of course it is primarily been manifested overseas in the war against the Taliban and al Qaeda in Afghanistan. But we know that al Qaeda has cells in a lot of different countries and we know that a lot of these terrorists groups are linked. And so the President has made clear this is not a battle that will be limited to Afghanistan or that is going to be limited to this year. It is going to go on for many years and it is going to manifest itself in many ways.

But one of the disappointing aspects of it all from my perspective is that I have watched Pakistan help the United States in a significant way in the war against the Taliban in Afghanistan, and against al Qaeda in Afghanistan; yet at the same time I see that same Pakistani government continuing its effort to back terrorists who inflict pain and death and injury on Indian citizens, particularly in Kashmir. But even more so, of course, now it has actually gotten to the stage where attacks were made on the parliament, the symbol of Indian democracy.

My point tonight, and I have said it many times, is that if Pakistan, like any country, really wants to be sincere in fighting the war against terrorists, they cannot limit it to Afghanistan. They have to also not support terrorist activities against India or any other country.

Mr. Speaker, as I mentioned last Thursday, we learned about a horrific terrorist attack on the parliament of India in New Delhi. Reports indicate that the terrorist attackers died during the attack but, unfortunately, eight people, including guards and workers, were killed and at least 17 people were injured at the hands of the suicide bomber and the other assailants equipped with grenades and guns that attacked the Indian parliament.

India has conducted intense investigations since the attack and has obtained evidence that two Pakistani based militant groups, I am not sure I can pronounce them, Mr. Speaker, but I will try, Jaish-e-Mohammed and Lashkar-e-Taiba are responsible for the attack.

Indian evidence also makes it clear that these groups received directives from Pakistan's Inter-Services Intelligence or ISI. Mr. Speaker, this comes as no surprise to anyone who has been following these two groups' history of cross-border terrorism in Kashmir, and I have confidence that India's evidence is both strong and accurate against the two terrorist groups.

I have criticized and denounced the actions of these groups many times on the floor of the House. The most recent incident I have found to be appalling was the suicide car bomb attack on the Jammu and Kashmir State Assembly on October 1. Jaish-e-Mohammed came forward and took credit for that crime which they later revoke, and I have encouraged President Bush to add this group to the list of terrorist organizations whose financial assets would be frozen. Although this group has been placed on the list, Pakistan continues to allow them to operate with no financial restrictions.

Mr. Speaker, I understand that General Musharraf, the President of Pakistan, has been willing to help the U.S. in the global fight against terrorism, however, it is clear that Pakistan has deep-rooted and intricate ties to the Taliban, al Qaeda and, most importantly, the terrorist groups operating in Kashmir and now in New Delhi.

India has requested that General Musharraf eliminate the terrorist capabilities of both Jaish-e-Mohammed and Lashkar-e-Taiba. This would consist of Pakistan shutting down these groups operations, discontinuing moral and logistical support, arresting the leaders, and once and for all freezing their financial assets.

I believe that India has every right to make these requests and I have requested today in a letter to President Bush that the U.S. make the same demand of General Musharraf, to put an end to Pakistan's support and tolerance of these terrorist groups.

Mr. Speaker, the attack on the world's largest democracy and the Indian people must be answered with punitive action. The U.S. administration must push General Musharraf harder to arrest the leaders of Jaish-e-Mohammed and Lashkar-e-Taiba. In addition, he must follow through and shut down all terrorist camps operating in Pakistan and all jihadi schools that indoctrinate terrorism from children. Not only is this in the interest of India, it would equally benefit Pakistan as well. It has been made clear that terrorist groups operating in Pakistan have links to Osama bin Laden and the al Qaeda terrorist networks. And I believe that efforts to eliminate these terrorist groups is also in the best interest of the United States.

Again, Mr. Speaker, I make these comments not because what I think is going to hurt Pakistan but by what I think is going to help Pakistan. In the same way that General Musharraf has come to the conclusion or came to the conclusion after September 11 that aiding the United States in the war against the Taliban and against al Qaeda would ultimately be helpful to Pakistan because of the terrorist activities that take place within Pakistan, I think the same thing is true of these groups that operate and get support from Pakistan and attack India.

In the long run, all of these terrorist groups have to be eradicated and Pakistan must deal with the situation and try to suppress the terrorism, not only when it is geared towards the United States or Afghanistan, but also when it is geared towards Kashmir and India.

RECESS

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 45 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 0825

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DIAZ-BALART) at 8 o'clock and 25 minutes a.m., legislative day of Tuesday, December 18, 2001.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107-343) on the resolution (H. Res. 318) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107-344) on the resolution (H. Res. 319) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT OF MEASURE TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON WEDNESDAY, DECEMBER 19, 2001

Mr. REYNOLDS. Mr. Speaker, pursuant to the notice requirements of House Resolution 314, I now set the following measure to be considered under suspension of the rules on Wednesday, December 19, 2001: S. 1202.

CONFERENCE REPORT ON H.R. 3061

Mr. REGULA submitted the following conference report and statement on the bill (H.R. 3061) "making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes":

CONFERENCE REPORT (H. REPT. 107-342)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3061) "making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

For necessary expenses of the Workforce Investment Act, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Workforce Investment Act; the Women in Apprenticeship and Nontraditional Occupations Act; and the National Skill Standards Act of 1994; $3,167,282,000 plus reimbursements, of which $1,779,342,000 is available for obligation for the period July 1, 2002 through June 30, 2003; of which $1,353,065,000 is available for obligation for the period April 1, 2002 through June 30, 2003, including $1,127,965,000 to carry out chapter 4 of the Workforce Investment Act and $225,100,000 to carry out section 169 of such Act; and of which $3,500,000 is available for obligation October 1, 2001 until expended for carrying out the National Skills Standards Act of 1994; and of which $30,375,000 is available for the period July 1, 2002 through June 30, 2005 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers: Provided, That $9,098,000 shall be for carrying out section 172 of the Workforce Investment Act: Provided further, That, notwithstanding any other provision of law or related regulation, $80,770,000 shall be for carrying out section 167 of the Workforce Investment Act, including $74,965,000 for formula grants, $4,786,000 for migrant and seasonal housing, and $1,019,000 for other discretionary purposes: Provided further, That funding provided herein under section 166 of the Workforce Investment Act shall include $1,711,000 for use under section 166(j)(1) of the Act: Provided further, That funds provided to carry out section 171(d) of the Workforce Investment Act may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent workers: Provided further, That funding provided to carry out projects under section 171 of the Workforce Investment Act that are identified in the Conference Agreement, shall not be subject to the requirements of section 171(b)(2)(B) of such Act, the requirements of section 171(c)(4)(D) of such Act, or the joint funding requirements of sections 171(b)(2)(A) and 171(c)(4)(A) of such Act: Provided further, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers.

For necessary expenses of the Workforce Investment Act, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Workforce Investment Act; $2,463,000,000 plus reimbursements, of which $2,363,000,000 is available for obligation for the period October 1, 2002 through June 30, 2003, and of which $100,000,000 is available for the period October 1, 2002 through June 30, 2005, for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out title V of the Older Americans Act of 1965, as amended, $445,100,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of trade adjustment benefit payments and allowances under part I; and for training, allowances for job search and relocation, and related State administrative expenses under part II, subchapters B and D, chapter 2, title II of the Trade Act of 1974, as amended, $415,650,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For authorized administrative expenses, $163,452,000, together with not to exceed $3,237,886,000 (including not to exceed $1,228,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980), which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund including the cost of administering section 51 of the Internal Revenue Code of 1986, as amended, section 7(d) of the Wagner-Peyser Act, as amended, the Trade Act of 1974, as amended, the Immigration Act of 1990, and the Immigration and Nationality Act, as amended, and of which the sums available in the allocation for activities authorized by title III of the Social Security 'Act, as amended (42 U.S.C. 502–504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, shall be available for obligation by the States through December 31, 2002, except that funds used for automation acquisitions shall be available for obligation by the States through September 30, 2004; and of which $163,452,000, together with not to exceed $773,283,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period July 1, 2002 through June 30, 2003, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail authorized under 39 U.S.C. 3202(a)(1)(E) made available to States in lieu of allotments for such purpose: Provided, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 2002 is projected by the Department of Labor to exceed 2,622,000, an additional $28,600,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund: Provided further, That funds appropriated in this Act which are used to establish a national one-stop career center system, or which are used to support the national activities of the Federal-State unemployment insurance programs, may be obligated in contracts, grants or agreements with non-State entities: Provided further, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A–87: Provided further, That notwithstanding any other provisions of law, the portion of the funds received by the State of Mississippi in the settlement of litigation with a contractor relating to the acquisition of an automated system for benefit payments under the unemployment compensation program that is attributable to the expenditure of Federal grant funds awarded to the State shall be transferred to the account under this heading and shall be made available by the Department of Labor to the State of Mississippi for obligation by the State through fiscal year 2004 to carry out automation and related activities under the unemployment compensation program.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 2003, $464,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 2002, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary.

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, $113,356,000, including $5,934,000 to administer welfare-to-work grants, together with not to exceed $48,507,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Pension and Welfare Benefits Administration, $109,866,000.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96–364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 2002, for such Corporation: Provided, That not to exceed $11,690,000 shall be available for administrative expenses of the Corporation: Provided further, That expenses of such Corporation in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as non-administrative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, $369,220,000, together with $1,981,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d) and 44(j) of the Longshore and Harbor Workers' Compensation Act: Provided, That $2,000,000 shall be for the development of an alternative system for the electronic submission of reports required to be filed under the Labor-Management Reporting and Disclosure Act of 1959, as amended, and for a computer database of the information for each submission by whatever means, that is indexed and easily searchable by the public via the Internet: Provided further, That the Secretary of Labor is authorized to accept, retain, and spend, until expended, in the name of the Department of Labor, all sums of money ordered to be paid to the Secretary of Labor, in accordance with the terms of the Consent Judgment in Civil Action No. 91–0027 of the United States District Court for the District of the Northern Mariana Islands (May 21, 1992): Provided further, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C. 3302, collect and deposit in the Treasury fees for processing applications and issuing certificates under sections 11(d) and 14 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 211(d) and 214) and for processing applications and issuing registrations under title I of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.).

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the heading "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 percent of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended,

$121,000,000 together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: Provided, That amounts appropriated may be used under section 8104 of title 5, United States Code, by the Secretary of Labor to reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: Provided further, That balances of reimbursements unobligated on September 30, 2001, shall remain available until expended for the payment of compensation, benefits, and expenses: Provided further, That in addition there shall be transferred to this appropriation from the Postal Service and from any other corporation or instrumentality required under section 8147(c) of title 5, United States Code, to pay an amount for its fair share of the cost of administration, such sums as the Secretary determines to be the cost of administration for employees of such fair share entities through September 30, 2002: Provided further, That of those funds transferred to this account from the fair share entities to pay the cost of administration of the Federal Employees' Compensation Act, $36,696,000 shall be made available to the Secretary as follows: (1) for the operation of and enhancement to the automated data processing systems, including document imaging and conversion to a paperless office, $24,522,000; (2) for medical bill review and periodic roll management, $11,474,000; (3) for communications redesign, $700,000; and (4) the remaining funds shall be paid into the Treasury as miscellaneous receipts: Provided further, That the Secretary may require that any person filing a notice of injury or a claim for benefits under chapter 81 of title 5, United States Code, or 33 U.S.C. 901 et seq., provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe.

ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to administer the Energy Employees Occupational Illness Compensation Act, $136,000,000, to remain available until expended: Provided, That the Secretary of Labor is authorized to transfer to any Executive agency with authority under the Energy Employees Occupational Illness Compensation Act, including within the Department of Labor, such sums as may be necessary in fiscal year 2002 to carry out those authorities: Provided further, That the Secretary may require that any person filing a claim for benefits under the Act provide as part of such claim, such identifying information (including Social Security account number) as may be prescribed.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $1,036,115,000, of which $981,283,000 shall be available until September 30, 2003, for payment of all benefits as authorized by section 9501(d)(1), (2), (4), and (7) of the Internal Revenue Code of 1954, as amended, and interest on advances as authorized by section 9501(c)(2) of that Act, and of which $31,558,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, $22,590,000 for transfer to Departmental Management, Salaries and Expenses, $328,000 for transfer to Departmental Management, Office of Inspector General, and $356,000 for payment into miscellaneous receipts for the expenses of the Department of Treasury, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5) of that Act: Provided, That, in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, interest, or other benefits for any period subsequent to August 15 of the current year.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $443,651,000, including not to exceed $89,747,000 which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than 50 percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970; and, in addition, notwithstanding 31 U.S.C. 3302, the Occupational Safety and Health Administration may retain up to $750,000 per fiscal year of training institute course tuition fees, otherwise authorized by law to be collected, and may utilize such sums for occupational safety and health training and education grants: Provided, That, notwithstanding 31 U.S.C. 3302, the Secretary of Labor is authorized, during the fiscal year ending September 30, 2002, to collect and retain fees for services provided to Nationally Recognized Testing Laboratories, and may utilize such sums, in accordance with the provisions of 29 U.S.C. 9a, to administer national and international laboratory recognition programs that ensure the safety of equipment and products used by workers in the workplace: Provided further, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: Provided further, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of 10 or fewer employees who is included within a category having an occupational injury lost workday case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $254,768,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; including up to $1,000,000 for mine rescue and recovery activities, which shall be available only to the extent that fiscal year 2002 obligations for these activities exceed $1,000,000; in addition, not to exceed $750,000 may be collected by the National Mine Health and Safety Academy for room, board, tuition, and the sale of training materials, otherwise authorized by law to be collected, to be available for mine safety and health education and training activities, notwithstanding 31 U.S.C. 3302; and, in addition, the Mine Safety and Health Administration may retain up to $1,000,000 from fees collected for the approval and certification of equipment, materials, and explosives for use in mines, and may utilize such sums for such activities; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $397,142,000, together with not to exceed $69,132,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund; and $10,280,000 which shall be available for obligation for the period July 1, 2002 through June 30, 2003, for Occupational Employment Statistics.

OFFICE OF DISABILITY EMPLOYMENT POLICY

SALARIES AND EXPENSES

For necessary expenses for the Office of Disability Employment Policy to provide leadership, develop policy and initiatives, and award grants furthering the objective of eliminating barriers to the training and employment of people with disabilities, $38,158,000, of which $2,640,000 shall be for the President's Task Force on the Employment of Adults with Disabilities.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of three sedans, and including the management or operation, through contracts, grants or other arrangements of Departmental activities conducted by or through the Bureau of International Labor Affairs, including bilateral and multilateral technical assistance and other international labor activities, of which the funds designated to carry out bilateral assistance under the international child labor initiative shall be available for obligation through September 30, 2003, and $50,000,000, for the acquisition of Departmental information technology, architecture, infrastructure, equipment, software and related *needs which will be allocated by the Department's Chief Information Officer in accordance with the Department's capital investment management process to assure a sound investment strategy; $378,778,000; together with not to exceed $310,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund: Provided, That no funds made available by this Act may be used by the Solicitor of Labor to participate in a review in any United States court of appeals of any decision made by the Benefits Review Board under section 21 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 921) where such participation is precluded by the decision of the United States Supreme Court in Director, Office of Workers' Compensation Programs v. Newport News Shipbuilding, 115 S. Ct. 1278 (1995), notwithstanding any provisions to the contrary contained in Rule 15 of the Federal Rules of Appellate Procedure: Provided further, That no funds made available by this Act may be used by the Secretary of Labor to review a decision under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.) that has been appealed and that has been pending before the Benefits Review Board for more than 12 months: Provided further, That any such decision pending a review by the Benefits Review Board for more than 1 year shall be considered affirmed by the Benefits Review Board on the 1-year anniversary of the filing of the appeal, and shall be considered the final order of the Board for purposes of obtaining a review in the United States courts of appeals: Provided further, That these provisions shall not be applicable to the review or appeal of any decision issued under the Black Lung Benefits Act (30 U.S.C. 901 et seq.).*

VETERANS EMPLOYMENT AND TRAINING

Not to exceed $186,903,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100–4110A, 4212, 4214, and 4321–4327, and Public Law 103–353, and which shall be available for obligation by the States through December 31, 2002. To carry out the Stewart B. McKinney Homeless Assistance Act and section 168 of the Workforce Investment Act of 1998, $25,800,000, of which $7,550,000 shall be available for obligation for the period July 1, 2002 through June 30, 2003.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $52,182,000, together with not to exceed $4,951,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in this title for the Job Corps shall be used to pay the compensation of an individual, either as direct costs or any proration as an indirect cost, at a rate in excess of Executive Level II.

(TRANSFER OF FUNDS)

SEC. 102. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the current fiscal year for the Department of Labor in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: Provided, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

This title may be cited as the "Department of Labor Appropriations Act, 2002".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles II, III, VII, VIII, X, XII, XIX, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V and sections 1128E and 1820 of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, the Native Hawaiian Health Care Act of 1988, as amended, the Cardiac Arrest Survival Act of 2000, and the Poison Control Center Enhancement and Awareness Act, $6,081,237,000, of which $311,978,000 shall be available for construction and renovation of health care and other facilities, and of which $40,000,000 from general revenues, notwithstanding section 1820(j) of the Social Security Act, shall be available for carrying out the Medicare rural hospital flexibility grants program under section 1820 of such Act: Provided, That of the funds made available under this heading, $250,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen's Disease Center: Provided further, That in addition to fees authorized by section 427(b) of the Health Care Quality Improvement Act of 1986, fees shall be collected for the full disclosure of information under the Act sufficient to recover the full costs of operating the National Practitioner Data Bank, and shall remain available until expended to carry out that Act: Provided further, That fees collected for the full disclosure of information under the "Health Care Fraud and Abuse Data Collection Program", authorized by section 1128E(d)(2) of the Social Security Act, shall be sufficient to recover the full costs of operating the program, and shall remain available until expended to carry out that Act: Provided further, That no more than $15,000,000 is available for carrying out the provisions of Public Law 104–73: Provided further, That of the funds made available under this heading, $265,085,000 shall be for the program under title X of the Public Health Service Act to provide for voluntary family planning projects: Provided further, That amounts provided to said projects under such title shall not be expended for abortions, that all pregnancy counseling shall be nondirective, and that such amounts shall not be expended for any activity (including the publication or distribution of literature) that in any way tends to promote public support or opposition to any legislative proposal or candidate for public office: Provided further, That $639,000,000 shall be for State AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act: Provided further, That of the amount provided under this heading, $80,000 shall be for the Wausau Health Foundation in Wausau, Wisconsin, for a survey and analysis of local health professionals' career paths to better understand entry into and exit from health professions, $100,000 shall be for the University of San Diego Institute for the Advancement of Health Policy to assess through teaching, research and delivery of services the impact of public policy on families from vulnerable populations, $200,000 shall be for the Luna County, New Mexico and the Columbus Volunteer Fire Department to provide emergency medical services to immigrants, $350,000 shall be for the Clinical Pharmacy Training Program at the University of Hawaii at Hilo, $475,000 shall be for the American Federation of Negro Affairs, $500,000 shall be for the University of Washington Center for Health Workforce Studies in Seattle, Washington, for a demonstration project to collect and analyze health workforce data, $800,000 shall be for the University of Iowa for the training of Certified Registered Nurse Anesthetists, $1,000,000 shall be for the Washington Health Foundation for a comprehensive demonstration project on improving nurse retention, and $1,100,000 shall be for the Iowa Department of Public Health to create a Center for Health Care Workforce Shortage: Provided further, That, notwithstanding section 502(a)(1) of the Social Security Act, not to exceed $115,236,000 is available for carrying out special projects of regional and national significance pursuant to section 501(a)(2) of such Act, of which $50,000 is for the Center for Great Expectations, Somerville, New Jersey to provide prenatal health care, education and counseling for pregnant teens, $565,000 is for the Milwaukee Health Department for a pilot program providing health care services to at-risk children in day care, and $4,000,000 is for the Columbia Hospital for Women Medical Center in Washington, D.C., to support community outreach programs for women: Provided further, That $10,000,000 is available for special projects of regional and national significance under section 501(a)(2) of the Social Security Act, which shall not be counted toward compliance with the allocation required in section 502(a)(1) of such Act, and which shall be used only for making competitive grants to provide abstinence education (as defined in section 510(b)(2) of such Act) to adolescents and for evaluations (including longitudinal evaluations) of activities under the grants and for Federal costs of administering the grants: Provided further, That grants under the immediately preceding proviso shall be made only to public and private entities which agree that, with respect to an adolescent to whom the entities provide abstinence education under such grant, the entities will not provide to that adolescent any other education regarding sexual conduct, except that, in the case of an entity expressly required by law to provide health information or services the adolescent shall not be precluded from seeking health information or services from the entity in a different setting than the setting in which the abstinence education was provided: Provided further, That the funds expended for such evaluations may not exceed 3.5 percent of such amount.

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM

Such sums as may be necessary to carry out the purpose of the program, as authorized by title VII of the Public Health Service Act, as amended. For administrative expenses to carry out the guaranteed loan program, including section 709 of the Public Health Service Act, $3,792,000.

VACCINE INJURY COMPENSATION PROGRAM TRUST FUND

For payments from the Vaccine Injury Compensation Program Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: Provided, That for necessary administrative expenses, not to exceed $2,992,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles II, III, VII, XI, XV, XVII, XIX, and XXVI of the Public Health Service Act, sections 101, 102, 103, 201, 202, 203, 301, and 501 of the Federal Mine Safety and Health Act of 1977, sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970, title IV of the Immigration and Nationality Act, and section 501 of the Refugee Education Assistance Act of 1980; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, $4,293,151,000, of which $250,000,000 shall remain *available until expended for equipment and construction and renovation of facilities, and of which $143,763,000 for international HIV/AIDS shall remain available until September 30, 2003, and in addition, such sums as may be derived from authorized user fees, which shall be credited to this account: Provided, That in addition to amounts provided herein, up to $23,286,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out the National Center for Health Statistics surveys: Provided further, That none of the funds made available for injury prevention and control at the Centers for Disease Control and Prevention may be used to advocate or promote gun control: Provided further, That the Director may redirect the total amount made available under authority of Public Law 101–502, section 3, dated November 3, 1990, to activities the Director may so designate: Provided further, That the Congress is to be notified promptly of any such transfer: Provided further, That not to exceed $10,000,000 may be available for making grants under section 1509 of the Public Health Service Act to not more than 15 States: Provided further, That notwithstanding any other provision of law, a single contract or related contracts for development and construction of facilities may be employed which collectively include the full scope of the project: Provided further, That the solicitation and contract shall contain the clause "availability of funds" found at 48 CFR 52.232–18.*

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, $4,190,405,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $2,576,125,000.

NATIONAL INSTITUTE OF DENTAL AND CRANIOFACIAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, $343,327,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney disease, $1,466,833,000.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, $1,328,188,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

(INCLUDING TRANSFER OF FUNDS)

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, $2,372,278,000: Provided, That the Director may transfer up to $25,000,000 to International Assistance Programs, "Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis", to remain available until expended.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, $1,725,263,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, $1,113,605,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, $581,366,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311 and title IV of the Public Health Service Act with respect to environmental health sciences, $566,639,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, $893,443,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis and musculoskeletal and skin diseases, $448,865,000.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, $342,072,000.

NATIONAL INSTITUTE OF NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, $120,451,000.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

For carrying out section 301 and title IV of the Public Health Service Act with respect to alcohol abuse and alcoholism, $384,238,000.

NATIONAL INSTITUTE ON DRUG ABUSE

For carrying out section 301 and title IV of the Public Health Service Act with respect to drug abuse, $888,105,000.

NATIONAL INSTITUTE OF MENTAL HEALTH

For carrying out section 301 and title IV of the Public Health Service Act with respect to mental health, $1,248,626,000.

NATIONAL HUMAN GENOME RESEARCH INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, $429,515,000.

NATIONAL INSTITUTE OF BIOMEDICAL IMAGING AND BIOENGINEERING

For carrying out section 301 and title IV of the Public Health Service Act with respect to biomedical imaging and bioengineering research, $111,984,000.

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, $1,011,594,000: Provided, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants: Provided further, That $110,000,000 shall be for extramural facilities construction grants, of which $5,000,000 shall be for beginning construction of facilities for a Chimp Sanctuary system as authorized in Public Law 106–551.

NATIONAL CENTER FOR COMPLEMENTARY AND ALTERNATIVE MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to complementary and alternative medicine, $104,644,000.

NATIONAL CENTER ON MINORITY HEALTH AND HEALTH DISPARITIES

For carrying out section 301 and title IV of the Public Health Service Act with respect to minority health and health disparities research, $157,812,000.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, $56,940,000.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, $277,658,000, of which $4,000,000 shall be available until expended for improvement of information systems: Provided, That in fiscal year 2002, the Library may enter into personal services contracts for the provision of services in facilities owned, operated, or constructed under the jurisdiction of the National Institutes of Health.

OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, $235,540,000, of which $53,540,000 shall be for the Office of AIDS Research: Provided, That funding shall be available for the purchase of not to exceed 29 passenger motor vehicles for replacement only: Provided further, That the Director may direct up to 1 percent of the total amount made available in this or any other Act to all National Institutes of Health appropriations to activities the Director may so designate: Provided further, That no such appropriation shall be decreased by more than 1 percent by any such transfers and that the Congress is promptly notified of the transfer: Provided further, That the National Institutes of Health is authorized to collect third party payments for the cost of clinical services that are incurred in National Institutes of Health research facilities and that such payments shall be credited to the National Institutes of Health Management Fund: Provided further, That all funds credited to the National Institutes of Health Management Fund shall remain available for 1 fiscal year after the fiscal year in which they are deposited.

BUILDINGS AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For the study of, construction of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, including the acquisition of real property, $309,600,000, to remain available until expended, of which $26,000,000 shall be for the John Edward Porter Neuroscience Research Center: Provided, That notwithstanding any other provision of law, single contracts or related contracts, which collectively include the full scope of the project, may be employed for the development and construction of the first and second phases of the John Edward Porter Neuroscience Research Center: Provided further, That the solicitations and contracts shall contain the clause "availability of funds" found at 48 CFR 52.232–18: Provided further, That the Director may transfer up to $75,000,000 to International Assistance Programs, "Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis", to remain available until expended.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out titles V and XIX of the Public Health Service Act with respect to substance abuse and mental health services, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and section 301 of the Public Health Service Act with respect to program management, $3,138,279,000, of which $28,721,000 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

HEALTHCARE RESEARCH AND QUALITY

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, $2,600,000; in addition, amounts received from Freedom of Information

Act fees, reimbursable and interagency agreements, and the sale of data shall be credited to this appropriation and shall remain available until expended: Provided, That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed $296,145,000.

CENTERS FOR MEDICARE AND MEDICAID SERVICES

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $106,821,882,000, to remain available until expended.

For making, after May 31, 2002, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 2002 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or in the case of section 1928 on behalf of States under title XIX of the Social Security Act for the first quarter of fiscal year 2003, $46,601,937,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under section 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97–248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, $81,979,200,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, XIX, and XXI of the Social Security Act, titles XIII and XXVII of the Public Health Service Act, and the Clinical Laboratory Improvement Amendments of 1988, not to exceed $2,440,798,000, to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; together with all funds collected in accordance with section 353 of the Public Health Service Act and section 1857(e)(2) of the Social Security Act, and such sums as may be collected from authorized user fees and the sale of data, which shall remain available until expended, and together with administrative fees collected relative to Medicare overpayment recovery activities, which shall remain available until expended: Provided, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act shall be credited to and available for carrying out the purposes of this appropriation: Provided further, That $18,200,000 appropriated under this heading for the managed care system redesign shall remain available until expended: Provided further, That $100,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Regional Nursing Centers Consortium in Philadelphia to initiate a demonstration project to evaluate 15 nurse-managed health centers in urban and rural areas across Pennsylvania: Provided further, That $200,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Madonna Rehabilitation Center in Lincoln, Nebraska to create a new standard of rehabilitation practice and program design for children and adults with disabilities: Provided further, That $250,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Cook County, Illinois Bureau of Health for the Asthma Champion Initiative to reduce morbidity and mortality from asthma in high prevalence areas: Provided further, That $250,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Illinois Primary Health Care Association to implement the Shared Integrated Management Information System providing centralized case management, reimbursement and administrative support services: Provided further, That $500,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to Project Access in Muskegon, Michigan to offer affordable insurance to uninsured workers, primarily in small business, and low-income individuals: Provided further, That $590,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to Santa Clara County, California, for the outreach and application assistance aspects of its Children's Health Initiative, to demonstrate means of expanding enrollment of eligible children in Medicaid, SCHIP and other available health care programs: Provided further, That $800,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Fishing Partnership Health Plan, based in Boston, Massachusetts, for a demonstration project on the efficacy of using a community-based health benefit program to provide health care coverage for lower-income independently employed workers and their families: Provided further, That $800,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Mind-Body Institute of Boston, Massachusetts to continue and expand a demonstration project: Provided further, That $900,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Children's Hospice International demonstration program to provide a continuum of care for children with life-threatening conditions and their families: Provided further, That $1,500,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Iowa Department of Public Health for the continuation of a prescription drug cooperative demonstration: Provided further, That $2,000,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the AIDS Healthcare Foundation in Los Angeles for a demonstration of residential and outpatient treatment facilities: Provided further, That the Secretary of Health and Human Services is directed to collect fees in fiscal year 2002 from Medicare+Choice organizations pursuant to section 1857(e)(2) of the Social Security Act and from eligible organizations with risk-sharing contracts under section 1876 of that Act pursuant to section 1876(k)(4)(D) of that Act.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE FUND

For carrying out subsections (d) and (e) of section 1308 of the Public Health Service Act, any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, to be available without fiscal year limitation for the payment of outstanding obligations. During fiscal year 2002, no commitments for direct loans or loan guarantees shall be made.

ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT PROGRAMS

For making payments to States or other non-Federal entities under titles I, IV–D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), $2,447,800,000, to remain available until expended; and for such purposes for the first quarter of fiscal year 2003, $1,100,000,000, to remain available until expended.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV–A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: Provided, That the sum of the amounts available to a State with respect to expenditures under such title IV–A in fiscal year 1997 under this appropriation and under such title IV–A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV–D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, $1,700,000,000.

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, $300,000,000: Provided, That these funds are for the unanticipated home energy assistance needs of one or more States, as authorized by section 2604(e) of the Act: Provided further, That these funds are hereby designated by Congress to be emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That these funds shall be made available only after submission to Congress of an official budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96–422), $450,203,000: Provided, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act for fiscal year 2002 shall be available for the costs of assistance provided and other activities through September 30, 2004: Provided further, That up to $10,000,000 is available to carry out the Trafficking Victims Protection Act of 2000.

For carrying out section 5 of the Torture Victims Relief Act of 1998 (Public Law 105–320), $10,000,000.

PAYMENTS TO STATES FOR THE CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), $2,099,994,000 shall be used to supplement, not supplant state general revenue funds for child care assistance for low-income families: Provided, That $19,120,000 shall be available for child care resource and referral and school-aged child care activities, of which $1,000,000 shall be for the Child Care Aware toll free hotline: Provided further, That, in addition to the amounts required to be reserved by the States under section 658G, $272,672,000 shall be reserved by the States for activities authorized under section 658G, of which $100,000,000 shall be for activities that improve the quality of infant and toddler care: Provided further, That $10,000,000 shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act,

$1,700,000,000: Provided, That notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act shall be 10 percent.

CHILDREN AND FAMILIES SERVICES PROGRAMS
(INCLUDING RESCISSIONS)

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Head Start Act, the Child Abuse Prevention and Treatment Act, sections 310 and 316 of the Family Violence Prevention and Services Act, as amended, the Native American Programs Act of 1974, title II of Public Law 95–266 (adoption opportunities), the Adoption and Safe Families Act of 1997 (Public Law 105–89), sections 1201 and 1211 of the Children's Health Act of 2000, the Abandoned Infants Assistance Act of 1988, the Early Learning Opportunities Act, part B(1) of title IV and sections 413, 429A, 1110, and 1115 of the Social Security Act, and sections 40155, 40211, and 40241 of Public Law 103–322; for making payments under the Community Services Block Grant Act, section 473A of the Social Security Act, and title IV of Public Law 105–285, and for necessary administrative expenses to carry out said Acts and titles I, IV, X, XI, XIV, XVI, and XX of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, section 5 of the Torture Victims Relief Act of 1998 (Public Law 105–320), sections 40155, 40211, and 40241 of Public Law 103–322, sections 310 and 316 of the Family Violence Prevention and Services Act, as amended, and section 126 and titles IV and V of Public Law 100–485, $8,429,183,000, of which $43,000,000, to remain available until September 30, 2003, shall be for grants to States for adoption incentive payments, as authorized by section 473A of title IV of the Social Security Act (42 U.S.C. 670–679) and may be made for adoptions completed in fiscal years 2000 and 2001; of which $738,821,000 shall be for making payments under the Community Services Block Grant Act; and of which $6,537,906,000 shall be for making payments under the Head Start Act, of which $1,400,000,000 shall become available October 1, 2002 and remain available through September 30, 2003: Provided, That to the extent Community Services Block Grant funds are distributed as grant funds by a State to an eligible entity as provided under the Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes: Provided further, That all eligible entities currently in good standing in the Community Services Block Grant program shall receive an increase in funding proportionate to the increase provided in this Act for the Community Services Block Grant: Provided further, That $88,133,000 shall be for activities authorized by the Runaway and Homeless Youth Act, notwithstanding the allocation requirements of section 388(a) of such Act, of which $39,739,900 is for the transitional living program: Provided further, That $30,000,000 is for a compassion capital fund to provide grants to charitable organizations to emulate model social service programs and to encourage research on the best practices of social service organizations: Provided further, That the Secretary shall establish procedures regarding the disposition of intangible property which permits grant funds, or intangible assets acquired with funds authorized under section 680 of the Community Services Block Grant Act, as amended, to become the sole property of such grantees after a period of not more than 12 years after the end of the grant for purposes and uses consistent with the original grant: Provided further, That funds appropriated for section 680(a)(2) of the Community Services Block Grant Act, as amended, shall be available for financing construction and rehabilitation and loans or investments in private business enterprises owned by community development corporations.

Funds appropriated for fiscal year 2002 under section 429A(e), part B of title IV of the Social Security Act shall be reduced by $6,000,000.

Funds appropriated for fiscal year 2002 under section 413(h)(1) of the Social Security Act shall be reduced by $15,000,000.

PROMOTING SAFE AND STABLE FAMILIES

For carrying out subpart 2 of part B of title IV of the Social Security Act, $305,000,000. In addition, for such purposes, $70,000,000 to carry out such subpart.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For making payments to States or other non-Federal entities under title IV–E of the Social Security Act, $4,885,600,000.

For making payments to States or other non-Federal entities under title IV–E of the Social Security Act, for the first quarter of fiscal year 2003, $1,754,000,000.

ADMINISTRATION ON AGING
AGING SERVICES PROGRAMS

For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965, as amended, and section 398 of the Public Health Service Act, $1,199,814,000, of which $5,000,000 shall be available for activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions.

OFFICE OF THE SECRETARY
GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six sedans, and for carrying out titles III, XVII, and XX of the Public Health Service Act, and the United States-Mexico Border Health Commission Act, $341,703,000, together with $5,851,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund: Provided, That of the funds made available under this heading for carrying out title XX of the Public Health Service Act, $11,885,000 shall be for activities specified under section 2003(b)(2), of which $10,157,000 shall be for prevention service demonstration grants under section 510(b)(2) of title V of the Social Security Act, as amended, without application of the limitation of section 2010(c) of said title XX: Provided further, That of this amount, $50,000,000 is for minority AIDS prevention and treatment activities; and $21,998,000 shall be for an Information Technology Security and Innovation Fund for Department-wide activities involving cybersecurity, information technology security, and related innovation projects.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $35,786,000: Provided, That, of such amount, necessary sums are available for providing protective services to the Secretary and investigating non-payment of child support cases for which non-payment is a Federal offense under 18 U.S.C. section 228.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $28,691,000, together with not to exceed $3,314,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act and title III of the Public Health Service Act, $2,500,000: Provided, That in addition to amounts provided herein, funds from amounts available under section 241 of the Public Health Service Act may be used to carry out national health or human services research and evaluation activities: Provided further, That the expenditure of any funds available under section 241 of the Public Health Service Act are subject to the requirements of section 205 of this Act.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan, for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year.

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

For expenses necessary to support activities related to countering potential biological, disease and chemical threats to civilian populations, $242,949,000: Provided, That this amount is distributed as follows: Centers for Disease Control and Prevention, $181,919,000, of which $52,000,000 shall remain available until expended for the National Pharmaceutical Stockpile; and Office of Emergency Preparedness, $61,030,000.

GENERAL PROVISIONS

SEC. 201. Funds appropriated in this title shall be available for not to exceed $37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 202. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 203. None of the funds appropriated under this Act may be used to implement section 399L(b) of the Public Health Service Act or section 1503 of the National Institutes of Health Revitalization Act of 1993, Public Law 103–43.

SEC. 204. None of the funds appropriated in this Act for the National Institutes of Health, the Agency for Healthcare Research and Quality, and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level I.

SEC. 205. None of the funds appropriated in this Act may be expended pursuant to section 241 of the Public Health Service Act, except for funds specifically provided for in this Act, or for other taps and assessments made by any office located in the Department of Health and Human Services, prior to the Secretary's preparation and submission of a report to the Committee on Appropriations of the Senate and of the House detailing the planned uses of such funds.

SEC. 206. Notwithstanding section 241(a) of the Public Health Service Act, such portion as the Secretary shall determine, but not more than 1.25 percent, of any amounts appropriated for programs authorized under said Act shall be *made available for the evaluation (directly, or by grants or contracts) of the implementation and effectiveness of such programs.*

(TRANSFER OF FUNDS)

SEC. 207. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the current fiscal year for the Department of Health and Human Services in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: Provided, That an appropriation may be increased by up to an additional 2 percent subject to approval by the House and Senate Committees on Appropriations: Provided further, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

SEC. 208. The Director of the National Institutes of Health, jointly with the Director of the Office of AIDS Research, may transfer up to 3 percent among institutes, centers, and divisions from the total amounts identified by these two Directors as funding for research pertaining to the human immunodeficiency virus: Provided, That the Congress is promptly notified of the transfer.

SEC. 209. Of the amounts made available in this Act for the National Institutes of Health, the amount for research related to the human immunodeficiency virus, as jointly determined by the Director of the National Institutes of Health and the Director of the Office of AIDS Research, shall be made available to the "Office of AIDS Research" account. The Director of the Office of AIDS Research shall transfer from such account amounts necessary to carry out section 2353(d)(3) of the Public Health Service Act.

SEC. 210. None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities.

SEC. 211. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare+Choice program if the Secretary denies participation in such program to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: Provided, That the Secretary shall make appropriate prospective adjustments to the capitation payment to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity's enrollees): Provided further, That nothing in this section shall be construed to change the Medicare program's coverage for such services and a Medicare+Choice organization described in this section shall be responsible for informing enrollees where to obtain information about all Medicare covered services.

SEC. 212. Notwithstanding any other provision of law, no provider of services under title X of the Public Health Service Act shall be exempt from any State law requiring notification or the reporting of child abuse, child molestation, sexual abuse, rape, or incest.

SEC. 213. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking "1997, 1998, 1999, 2000, and 2001" and inserting "1997, 1998, 1999, 2000, 2001, and 2002"; and

(B) in subsection (e), by striking "October 1, 2001" each place it appears and inserting "October 1, 2002"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking "September 30, 2001" and inserting "September 30, 2002".

SEC. 214. (a) Except as provided by subsection (e) none of the funds appropriated by this Act may be used to withhold substance abuse funding from a State pursuant to section 1926 of the Public Health Service Act (42 U.S.C. 300x–26) if such State certifies to the Secretary of Health and Human Services by May 1, 2002 that the State will commit additional State funds, in accordance with subsection (b), to ensure compliance with State laws prohibiting the sale of tobacco products to individuals under 18 years of age.

(b) The amount of funds to be committed by a State under subsection (a) shall be equal to 1 percent of such State's substance abuse block grant allocation for each percentage point by which the State misses the retailer compliance rate goal established by the Secretary of Health and Human Services under section 1926 of such Act.

(c) The State is to maintain State expenditures in fiscal year 2002 for tobacco prevention programs and for compliance activities at a level that is not less than the level of such expenditures maintained by the State for fiscal year 2001, and adding to that level the additional funds for tobacco compliance activities required under subsection (a). The State is to submit a report to the Secretary on all fiscal year 2001 State expenditures and all fiscal year 2002 obligations for tobacco prevention and compliance activities by program activity by July 31, 2002.

(d) The Secretary shall exercise discretion in enforcing the timing of the State obligation of the additional funds required by the certification described in subsection (a) as late as July 31, 2002.

(e) None of the funds appropriated by this Act may be used to withhold substance abuse funding pursuant to section 1926 from a territory that receives less than $1,000,000.

SEC. 215. In order for the Centers for Disease Control and Prevention to carry out international health activities, including HIV/AIDS and other infectious disease, chronic and environmental disease, and other health activities abroad during fiscal year 2002, the Secretary of Health and Human Services is authorized to—

(1) utilize the authorities contained in subsection 2(c) of the State Department Basic Authorities Act of 1956, as amended, and

(2) utilize the authorities contained in 22 U.S.C. sections 291 and 292 and directly or through contract or cooperative agreement to lease, alter or renovate facilities in foreign countries, to carry out programs supported by this appropriation notwithstanding PHS Act section 307.

In exercising the authority set forth in (1) and (2), the Secretary of Health and Human Services shall consult with the Department of State to assure that planned activities are within the legal strictures of the State Department Basic Authorities Act of 1956, as amended, and other applicable parts of U.S.C. Title 22.

SEC. 216. The Division of Federal Occupational Health may utilize personal services contracting to employ professional management/administrative and occupational health professionals.

SEC. 217. Notwithstanding any other provision of law relating to vacancies in offices for which appointments must be made by the President, including any time limitation on serving in an acting capacity, the Acting Director of the National Institutes of Health as of January 12, 2000, may serve in that position until a new Director of the National Institutes of Health is confirmed by the Senate.

SEC. 218. Section 582 of the Public Health Service Act (42 U.S.C. 290hh–1(f)) is amended by adding at the end the following:

"(g) SHORT TITLE.—This section may be cited as the 'Donald J. Cohen National Child Traumatic Stress Initiative'.".

This title may be cited as the "Department of Health and Human Services Appropriations Act, 2002".

TITLE III—DEPARTMENT OF EDUCATION

EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965 ("ESEA") and section 418A of the Higher Education Act of 1965, $12,346,900,000, of which $4,777,199,000 shall become available on July 1, 2002, and shall remain available through September 30, 2003, and of which $7,383,301,000 shall become available on October 1, 2002, and shall remain available through September 30, 2003, for academic year 2002–2003: Provided, That $235,000,000 shall be available for comprehensive school reform grants under part F of the ESEA: Provided further, That $15,000,000 of the amount appropriated for title I, part B, subpart 1 shall become available October 1, 2001, and shall remain available through September 30, 2003, for evaluation and technical assistance: Provided further, That the funds provided for title I, part B, subpart 2 shall become available October 1, 2001, and shall remain available through September 30, 2003: Provided further, That $7,172,971,000 shall be available for basic grants under section 1124: Provided further, That up to $3,500,000 of these funds shall be available to the Secretary of Education on October 1, 2001, to obtain updated educational-agency-level census poverty data from the Bureau of the Census: Provided further, That $1,365,031,000 shall be available for concentration grants under section 1124A: Provided further, That $1,018,499,000 shall be available for targeted grants under section 1125: Provided further, That $793,499,000 shall be available for education finance incentive grants under section 1125A.

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, $1,143,500,000, of which $982,500,000 shall be for basic support payments under section 8003(b), $50,000,000 shall be for payments for children with disabilities under section 8003(d), $48,000,000 shall be for construction under section 8007 and shall remain available through September 30, 2003, $55,000,000 shall be for Federal property payments under section 8002, and $8,000,000, to remain available until expended, shall be for facilities maintenance under section 8008: Provided, That $3,000,000 of the funds for section 8007 shall be available for the local educational agencies and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by titles II, IV, V, VI, and parts B and C of title VII of the Elementary and Secondary Education Act of 1965; part B of title II of the Higher Education Act; the McKinney-Vento Homeless Assistance Act; and the Civil Rights Act of 1964, $7,827,473,000, of which $1,717,609,000 shall become available October 1, 2001, and shall remain available through September 30, 2003, of which $2,801,597,000 shall become available on July 1, 2002, and remain available through September 30, 2003, and of which $1,765,000,000 shall become available on October 1, 2002, and shall remain available through September 30, 2003, for academic year 2002–2003: Provided, That $75,000,000 for continuing and new grants to demonstrate effective *approaches to comprehensive school reform shall be allocated and expended in the same manner as the funds provided under the Fund for the Improvement of Education for this purpose were allocated and expended in fiscal year 2001: Provided further, That $142,189,000 shall be available to support the activities authorized under subpart 4 of part D of title V of the ESEA, of which up to 5 percent shall become available on October 1, 2001, for evaluation, technical assistance, school networking, peer review of applications, and program outreach activities and of which not less than 95 percent shall become available on July 1, 2002, and remain available through September 30, 2003, for grants to local educational agencies: Provided further, That funds made available to local educational agencies under this subpart shall be used only for activities related to establishing smaller learning communities in high schools: Provided further, That of the amount made available for subpart 3, part C, of title II of the ESEA, $2,000,000 shall be used by the Center for Civic Education to implement a comprehensive program to improve public knowledge, understanding, and support of the Congress and the state legislatures: Provided further, That $269,906,000 of the funds for subpart 1, part D of title V of the ESEA shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.*

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the Elementary and Secondary Education Act of 1965, $120,368,000.

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out title III, part A of the ESEA, $665,000,000, of which $415,000,000 shall become available on July 1, 2002, and shall remain available through September 30, 2003.

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, $8,672,804,000, of which $3,315,233,000 shall become available for obligation on July 1, 2002, and shall remain available through September 30, 2003, and of which $5,072,000,000 shall become available on October 1, 2002, and shall remain available through September 30, 2003, for academic year 2002–2003: Provided, That $9,500,000 shall be for Recording for the Blind and Dyslexic to support the development, production, and circulation of recorded educational materials: Provided further, That $1,500,000 shall be for the recipient of funds provided by Public Law 105–78 under section 687(b)(2)(G) of the Act to provide information on diagnosis, intervention, and teaching strategies for children with disabilities: Provided further, That the amount for section 611(c) of the Act shall be equal to the amount available for that section under Public Law 106–554, increased by the amount of inflation as specified in section 611(f)(1)(B)(ii) of the Act: Provided further, That $8,380,000 of the funds for section 672 of the Act shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Assistive Technology Act of 1998, and the Helen Keller National Center Act, $2,945,813,000, of which $56,552,000 shall remain available through September 30, 2003: Provided, That the funds provided for title I of the Assistive Technology Act of 1998 ("the AT Act") shall be allocated notwithstanding section 105(b)(1) of the AT Act: Provided further, That in the case of a State that was in the third year of a 3-year extension grant made pursuant to section 101(f) of the Assistive Technology Act of 1998 for fiscal year 2001, the Secretary of Education shall award under such section an additional 1-year extension of the grant to such State for fiscal year 2002 in an amount equal to the amount the State received under such section for fiscal year 2001: Provided further, That each State shall be provided $50,000 for activities under section 102 of the AT Act: Provided further, That $36,552,000 shall be used to support grants for up to 3 years to States under title III of the AT Act, of which the Federal share shall not exceed 75 percent in the first year, 50 percent in the second year, and 25 percent in the third year, and that the requirements in section 301(c)(2) and section 302 of that Act shall not apply to such grants: Provided further, That $3,746,000 of the funds for section 303 of the Rehabilitation Act of 1973 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), $14,000,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), $55,376,000, of which $5,376,000 shall be for construction and shall remain available until expended: Provided, That from the total amount available, the Institute may at its discretion use funds for the endowment program as authorized under section 207.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), $96,938,000: Provided, That from the total amount available, the University may at its discretion use funds for the endowment program as authorized under section 207.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education and Family Literacy Act, and title VIII–D of the Higher Education Act of 1965, as amended, and Public Law 102–73, $1,934,060,000, of which $1,136,560,000 shall become available on July 1, 2002 and shall remain available through September 30, 2003 and of which $791,000,000 shall become available on October 1, 2002 and shall remain available through September 30, 2003: Provided, That of the amounts made available for the Carl D. Perkins Vocational and Applied Technology Education Act, $6,500,000 shall be for tribally controlled postsecondary vocational and technical institutions under section 117: Provided further, That notwithstanding any other provision of law or any regulation, the Secretary of Education shall not require the use of a restricted indirect cost rate for grants issued pursuant to section 117 of the Carl D. Perkins Vocational and Applied Technology Education Act: Provided further, That $9,500,000 shall be for carrying out section 118 of such Act: Provided further, That of the amounts made available for the Carl D. Perkins Vocational and Applied Technology Education Act, $5,000,000 shall be for demonstration activities authorized by section 207: Provided further, That of the amount provided for Adult Education State Grants, $70,000,000 shall be made available for integrated English literacy and civics education services to immigrants and other limited English proficient populations: Provided further, That of the amount reserved for integrated English literacy and civics education, notwithstanding section 211 of the Adult Education and Family Literacy Act, 65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the Immigration and Naturalization Service data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which Immigration and Naturalization Service data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than $60,000: Provided further, That of the amounts made available for the Adult Education and Family Literacy Act, $9,500,000 shall be for national leadership activities under section 243 and $6,560,000 shall be for the National Institute for Literacy under section 242: Provided further, That $22,000,000 shall be for Youth Offender Grants, of which $5,000,000 shall be used in accordance with section 601 of Public Law 102–73 as that section was in effect prior to the enactment of Public Law 105–220.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 3 and 4 of part A, section 428K, part C and part E of title IV of the Higher Education Act of 1965, as amended, $12,285,500,000, which shall remain available through September 30, 2003.

The maximum Pell Grant for which a student shall be eligible during award year 2002–2003 shall be $4,000.

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

For Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act of 1965, as amended, $49,636,000.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, section 121 and titles II, III, IV, V, VI, and VII of the Higher Education Act of 1965, as amended, section 1543 of the Higher Education Amendments of 1992, title VIII of the Higher Education Amendments of 1998, and the Mutual Educational and Cultural Exchange Act of 1961, $2,031,048,000, of which $5,000,000 for interest subsidies authorized by section 121 of the Higher Education Act of 1965, shall remain available until expended: Provided, That $10,000,000, to remain available through September 30, 2003, shall be available to fund fellowships for academic year 2003–2004 under part A, subpart 1 of title VII of said Act, under the terms and conditions of part A, subpart 1: Provided further, That $1,000,000 is for data collection and evaluation activities for programs under the Higher Education Act of 1965, including such activities needed to comply with the Government Performance and Results Act of 1993: Provided further, That $17,500,000 shall be available for tribally controlled colleges and universities under section 316 of the Higher Education Act of 1965: Provided further, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the Higher Education Act of 1965, as amended, and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: Provided further, That up to one percent of the funds referred to in the preceding proviso may be used for program evaluation, national outreach, and information dissemination activities: Provided further, That $149,722,000 of the funds for part B of title VII of the Higher Education Act of 1965 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), $237,474,000, of which not less than $3,600,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act (Public Law 98–480) and shall remain available until expended.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses authorized under section 121 of the Higher Education Act of 1965, $762,000 to carry out activities related to existing facility loans entered into under the Higher Education Act of 1965.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

The total amount of bonds insured pursuant to section 344 of title III, part D of the Higher Education Act of 1965 shall not exceed $357,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title III, part D of the Higher Education Act of 1965, as amended, $208,000.

EDUCATION RESEARCH, STATISTICS, AND ASSESSMENT

For carrying out activities authorized by the Educational Research, Development, Dissemination, and Improvement Act of 1994, including part E; the National Education Statistics Act of 1994, including sections 411 and 412; section 4 of the No Child Left Behind Act of 2001; and title VI, part A of the Elementary and Secondary Education Act, $443,870,000: Provided, That $58,000,000 of the amount available for the national education research institutes shall be allocated notwithstanding section 912(m)(1)(B–F) and subparagraphs (B) and (C) of section 931(c)(2) of Public Law 103–227.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of two passenger motor vehicles, $424,212,000.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $79,934,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $38,720,000.

GENERAL PROVISIONS

SEC. 301. No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 302. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 303. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: Provided, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

SEC. 305. (a) Section 1543(a) of the Higher Education Amendments of 1992 (20 U.S.C. 1070 note) is amended by striking paragraph (2) and inserting the following:

"(2) AWARD DETERMINATION.—The amount of the financial assistance provided to an athlete described in paragraph (1) shall be determined in accordance with criteria, and in amounts, specified in the application of the center under subsection (c). Such assistance shall not exceed the athlete's cost of attendance as determined under section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll).

"(3) INFORMATION ON DISTRIBUTION OF ASSISTANCE.—Each center providing such assistance shall annually report to the Secretary such information as the Secretary may reasonably require on the distribution of such assistance among athletes and institutions of higher education. The Secretary shall compile such reports and submit them to the Committees on Education and the Workforce and Appropriations of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Appropriations of the Senate.".

(b) The amendments made by subsection (a) shall apply with respect to any funds appropriated pursuant to section 1543(d) of the Higher Education Amendments of 1992, including funds appropriated pursuant to that section in fiscal years 2000 and 2001, that are available for financial assistance under section 1543 on or after the date of enactment of this Act.

SEC. 306. (a) Notwithstanding sections 413D, 442, and 488 of the Higher Education Act of 1965, the Secretary of Education may reallocate, from funds made available under the heading "Student Financial Assistance" to carry out part C of title IV of that Act, excess allocations for fiscal year 2002 in an amount not to exceed $1,000,000 in the aggregate to institutions of higher education described in subsection (b) for the purposes described in subsection (c). The reallocation to each such institution shall be made in accordance with subsection (d). Such excess allocations shall remain available for obligation until March 31, 2004.

(b) An institution of higher education may receive a reallocation under subsection (a) if the institution—

(1) is, on the date of enactment of this Act, participating in the Federal Supplemental Educational Opportunity Grant and Federal Work Study programs under subpart 3 of part A, and part C of title IV of that Act, respectively;

(2) initially began participating in both such programs during or after 1989, but not later than 1999;

(3) has a current enrollment of not less than 2,000 students;

(4) provides educational programs for which the institution awards baccalaureate and graduate degrees;

(5) has experienced an actual enrollment increase of 75 percent or more since the institution began participating in such programs; and

(6) charged, for academic year 2000–2001, in-State tuition and fees for a full-time undergraduate student that were less than such tuition and fees charged by the institution for academic year 1998–1999.

(c) An institution of higher education that receives a reallocation under subsection (a) may use that reallocation for Federal Supplemental Educational Opportunity Grants or Federal Work Study awards.

(d)(1) A reallocation made under subsection (a) to an institution described in subsection (b) shall be determined by calculating the difference between—

(A) the amount (commonly referred to as the "base guarantee") that the institution received under section 413D(a) or 442(a) of that Act, as the case may be; and

(B) the amount that the institution would receive pursuant to section 413D(a)(2)(B)(ii) or 442(a)(2)(B)(ii) of that Act, as the case may be, if the institution were beginning its program participation in the 2002–2003 academic year.

(2) If the amounts available for reallocation under subsection (a) are insufficient to fully fund the amounts determined under paragraph (1) of this subsection to each institution described in subsection (b), then the amount to be reallocated to each such institution shall be ratably reduced.

(e) The Secretary may use such data as he determines appropriate in order to carry out this section.

SEC. 307. If this Act is enacted before H.R. 1, the No Child Left Behind Act of 2001, is enacted, then references to the Elementary and Secondary Education Act of 1965 or to any other Acts that would be amended by H.R. 1 shall be read to be references to those Acts as they would be amended by H.R. 1 (including amendments made by H. Con. Res. 289, as passed by the House and the Senate).

This title may be cited as the "Department of Education Appropriations Act, 2002".

TITLE IV—RELATED AGENCIES

ARMED FORCES RETIREMENT HOME

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the United States Soldiers' and Airmen's Home and the United States Naval Home, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, $71,440,000, of which $9,812,000 shall remain available until expended for construction and renovation of the physical plants at the United States Soldiers' and Airmen's Home and the United States Naval Home: Provided, That, notwithstanding any other provision of law, a single contract or related contracts for development and construction, to include construction of a long-term care facility at the United States Naval Home, may be employed which collectively include the full scope of the project: Provided further, That the solicitation and contract shall contain the clause "availability of funds" found at 48 CFR 52.232–18 and 252.232–7007, Limitation of Government Obligations.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

For expenses necessary for the Corporation for National and Community Service to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, $328,895,000: Provided, That none of the funds made available to the Corporation for National and Community Service in this Act for activities authorized by part E of title II of the Domestic Volunteer Service Act of 1973 shall be used to provide stipends or other monetary incentives to volunteers or volunteer leaders whose incomes exceed 125 percent of the national poverty level.

CORPORATION FOR PUBLIC BROADCASTING

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 2004, $380,000,000: Provided, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: Provided further, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex: Provided further, That in addition to the amounts provided above, $25,000,000, for costs related to digital program production, development, and distribution, associated with the transition of public broadcasting to digital broadcasting, to be awarded as determined by the Corporation in consultation with public radio and television licensees or permittees, or their designated representatives.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor Management Relations Act, 1947 (29 U.S.C. 171–180, 182–183), including hire of passenger motor vehicles; for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95–454 (5 U.S.C. ch. 71), $39,982,000, including $1,500,000, to remain available through September 30, 2003, for activities authorized by the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a): Provided, That notwithstanding 31 U.S.C. 3302, fees charged, up to full-cost recovery, for special training activities and other conflict resolution services and technical assistance, including those provided to foreign governments and international organizations, and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: Provided further, That fees for arbitration services shall be available only for education, training, and professional development of the agency workforce: Provided further, That the Director of the Service is authorized to accept and use on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $6,939,000.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

OFFICE OF LIBRARY SERVICES: GRANTS AND ADMINISTRATION

For carrying out subtitle B of the Museum and Library Services Act, $197,602,000: Provided, That of the amount provided, $2,000,000 shall be awarded to the National Museum of African American History and Culture Plan for Action Presidential Commission, $250,000 shall be awarded to American Village Project in Montevallo, Alabama, $20,000 shall be awarded to Evergreen-Conecuh Public Library, Alabama, $50,000 shall be awarded to Gordo Public Library, Pickens County Commission, Alabama, $300,000 shall be awarded to Mobile Museum of Art, Mobile, Alabama, $1,500,000 shall be awarded to National Museum for Women in the Arts, $300,000 shall be awarded to Tuskegee Human and Civil Rights Multicultural Center, $50,000 shall be awarded to Heard Museum, Phoenix, Arizona, $800,000 shall be awarded to Children's Museum of Los Angeles, California, $150,000 shall be awarded to Chinese American Museum, Los Angeles, California, $750,000 shall be awarded to Natural History Museum of Los Angeles County, California, $290,000 Santa Barbara Maritime Museum, $25,000 Santa Maria Valley Discovery Museum, California, $1,000,000 shall be awarded to The Fine Arts Museums of San Francisco, $150,000 shall be awarded to Bethel Public Library, Connecticut, $500,000 shall be awarded to Mattatuck Museum in Waterbury, Connecticut, $250,000 shall be awarded to Museum of Aviation, Warner Robins, Georgia, $700,000 shall be awarded to Bishops Museum in Honolulu, Hawaii, $500,000 shall be awarded to Grout Museum in Waterloo, Iowa, $61,000 shall be awarded to Iowa State Historical Society, $389,000 shall be awarded to The National Audobon Society's ARK Museum in Dubuque, Iowa, $750,000 shall be awarded to University of Idaho Performance and Education Facility, $50,000 shall be awarded to Adler Planetarium and Astronomy Museum, $100,000 shall be awarded to Johnson County Museum of History, Franklin, Indiana, $125,000 shall be awarded to Plimoth Plantation, Plymouth, Massachusetts, $1,000,000 shall be awarded to Shakespeare Rose Theater, $150,000 shall be awarded to Springfield-Greene County Library, Springfield, Missouri, $1,160,000 shall be awarded to Webster University, St. Louis, Missouri, $850,000 shall be awarded to University of Mississippi Foundation, Oxford, Mississippi, $350,000 shall be awarded to University of Mississippi, Oxford, Mississippi, $132,000 shall be awarded to Lois Morgan Edward Memorial Library, Nashville, North Carolina, $100,000 shall be awarded to Rocky Mount Children's Museum, $100,000 shall be awarded to Confluence Visitor Center in Williston, North Dakota and the North Dakota State Historical Society, $100,000 shall be awarded to Fort Mandan Visitor's Center, $100,000 shall be awarded to Mandan-on-a-Slant Museum, $1,000,000 shall be awarded to Franklin Pierce College, $160,000 shall be awarded to Monmouth University, West Long Branch, New Jersey, $100,000 shall be awarded to Princeton Public Library, Mercer County, New Jersey, $125,000 shall be awarded to Albany Institute for History and Art, $1,000,000 shall be awarded to Brooklyn Historical Society, New York, $22,500 shall be awarded to Buffalo and Erie County Library System, Buffalo, New York, $250,000 shall be awarded to Center for Jewish History, New York, New York, $150,000 shall be awarded to Children's Museum of Manhattan, New York, $105,000 shall be awarded to Four County Library System, Vestal, New York, $500,000 shall be awarded to Hunter College, New York, $200,000 shall be awarded to Long Island Maritime Museum in West Sayville, New York, $750,000 shall be awarded to Lower East Side Tenement Museum, New York, $1,000,000 shall be awarded to New York Hall of Science, $22,500 shall be awarded to NIOGA Library System of Niagara and Orleans County, New York, $100,000 shall be awarded to The Woodstock Guild of Craftsmen, Inc., Woodstock, New York, $100,000 shall be awarded to Clark County Historical Museum, $40,000 shall be awarded to Cleveland Botanical Garden, Cleveland, Ohio, $500,000 shall be awarded to Crawford Museum, Cleveland, Ohio, $42,000 shall be awarded to Farmer's Castle Museum in Belpre, $500,000 shall be awarded to MAPS Air Museum, Canton Ohio, $44,000 shall be awarded to McKinley Museum, Canton, Ohio, $50,000 shall be awarded to University of Oregon Museum of Natural History in Eugene, Oregon, $150,000 shall be awarded to Academy of Natural Sciences in Philadelphia County, $100,000 shall be awarded to Beaver Area Memorial Library, Beaver County, Pennsylvania, $300,000 shall be awarded to Delaware Valley Historical Aircraft Association, $100,000 shall be awarded to Discovery Square, Inc. in Erie, Pennsylvania, $200,000 shall be awarded to Everhart Museum in Scranton, Pennsylvania, $300,000 shall be awarded to National Liberty Museum in Philadelphia, Pennsylvania, $126,000 shall be awarded to Northland Public Library Authority, Pittsburgh, Pennsylvania, $235,000 shall be awarded to Penn Hills Public Library in Pittsburgh, Pennsylvania, $250,000 shall be awarded to Philadelphia Zoo, $100,000 shall be awarded to Pittsburgh Children's Museum, $700,000 shall be awarded to Please Touch Museum at the Children's Museum of Philadelphia, Pennsylvania, $50,000 shall be awarded to Wayne Art Center in Wayne, Pennsylvania, $50,000 shall be awarded to Bamberg County Library in Bamberg, South Carolina, $50,000 shall be awarded to Clarendon County Library in Manning, South Carolina, $500,000 shall be awarded to Marion Wright Edelman Public Library, Bennettsville, South Carolina, $600,000 shall be awarded to The Children's Discovery House, Murfreesboro, Tennessee, $150,000 shall be awarded to The International Storytelling Center in Jonesborough, Tennessee, $500,000 shall be awarded to El Progreso Library, Uvalde, Texas, $500,000 shall be awarded to Vietnam Archive Center, Texas Tech University, Lubbock, Texas, $800,000 shall be awarded to Children's Museum of Virginia, Portsmouth, Virginia, $325,000 shall be awarded to Virginia Living Museum, $100,000 shall be awarded to Burlington City Arts in Burlington, Vermont, $125,000 shall be awarded to Lake Champlain Science Center in Burlington, Vermont, $175,000 shall be awarded to Vermont Historical Society in Montpelier, Vermont, $100,000 shall be awarded to Beaver Creek Reserve Education Center, Fall Creek, Wisconsin, $500,000 shall be awarded to The Kenosha Civil War Museum in Kenosha, Wisconsin, $75,000 shall be awarded to Village of Hawkins, Wisconsin, and $500,000 shall be awarded to Weis Earth Science Museum in Menasha, Wisconsin.

MEDICARE PAYMENT ADVISORY COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1805 of the Social Security Act, $8,250,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91–345, as amended), $1,000,000.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, $2,830,000.

NATIONAL EDUCATION GOALS PANEL

For expenses necessary for costs associated with the termination of the National Education Goals Panel, $400,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141–167), and other laws, $226,438,000: Provided, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188), including emergency boards appointed by the President, $10,635,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), $8,964,000.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $146,000,000, which shall include amounts becoming available in fiscal year 2002 pursuant to section 224(c)(1)(B) of Public Law 98–76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds $146,000,000: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $150,000, to remain available through September 30, 2003, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, $97,700,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than $6,261,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account: Provided, That none of the funds made available in any other paragraph of this Act may be transferred to the Office; used to carry out any such transfer; used to provide any office space, equipment, office supplies, communications facilities or services, maintenance services, or administrative services for the Office; used to pay any salary, benefit, or award for any personnel of the Office; used to pay any other operating expense of the Office; or used to reimburse the Office for any service provided, or expense incurred, by the Office.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance trust funds, as provided under sections 201(m), 217(g), 228(g), and 1131(b)(2) of the Social Security Act, $134,400,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, $332,840,000, to remain available until expended.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 2003, $108,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92–603, section 212 of Public Law 93–66, as amended, and section 405 of Public Law 95–216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $21,277,412,000, to remain available until expended: Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

In addition, $200,000,000, to remain available until September 30, 2003, for payment to the Social Security trust funds for administrative expenses for continuing disability reviews as authorized by section 103 of Public Law 104–121 and section 10203 of Public Law 105–33. The term "continuing disability reviews" means reviews and redeterminations as defined under section 201(g)(1)(A) of the Social Security Act, as amended.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2003, $10,790,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed $35,000 for official reception and representation expenses, not more than $7,035,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: Provided, That not less than $1,800,000 shall be for the Social Security Advisory Board: Provided further, That unobligated balances at the end of fiscal year 2002 not needed for fiscal year 2002 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: Provided further, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to section 7131 of title 5, United States Code, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

From funds provided under the first paragraph, not less than $200,000,000 shall be available for conducting continuing disability reviews.

In addition to funding already available under this heading, and subject to the same terms and conditions, $433,000,000, to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of Public Law 104–121 and section 10203 of Public Law 105–33. The term "continuing disability reviews" means reviews and redeterminations as defined under section 201(g)(1)(A) of the Social Security Act, as amended.

In addition, $100,000,000 to be derived from administration fees in excess of $5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To the extent that the amounts collected pursuant to such section 1616(d) or 212(b)(3) in fiscal year 2002 exceed $100,000,000, the amounts shall be available in fiscal year 2003 only to the extent provided in advance in appropriations Acts.

From funds previously appropriated for this purpose, any unobligated balances at the end of fiscal year 2001 shall be available to continue Federal-State partnerships which will evaluate means to promote Medicare buy-in programs targeted to elderly and disabled individuals under titles XVIII and XIX of the Social Security Act.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $19,000,000, together with not to exceed $56,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses", Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: Provided, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House and Senate.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, $15,104,000.

TITLE V—GENERAL PROVISIONS

SEC. 501. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: Provided, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any State legislature itself.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature.

SEC. 504. The Secretaries of Labor and Education are authorized to make available not to exceed $23,000 and $15,000, respectively, from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

SEC. 506. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 507. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state: (1) the percentage of the total costs of the program or project which will be financed with Federal money; (2) the dollar amount of Federal funds for the project or program; and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

SEC. 508. (a) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for any abortion.

(b) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

SEC. 509. (a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds).

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).

SEC. 510. (a) None of the funds made available in this Act may be used for—

(1) the creation of a human embryo or embryos for research purposes; or

(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).

(b) For purposes of this section, the term "human embryo or embryos" includes any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

SEC. 511. (a) None of the funds made available in this Act may be used for any activity that promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812).

(b) The limitation in subsection (a) shall not apply when there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

SEC. 512. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity if—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

SEC. 513. None of the funds made available in this Act may be used to promulgate or adopt any final standard under section 1173(b) of the Social Security Act (42 U.S.C. 1320d-2(b)) providing for, or providing for the assignment of, a unique health identifier for an individual (except in an individual's capacity as an employer or a health care provider), until legislation is enacted specifically approving the standard.

SEC. 514. (a) Section 10 of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11709) is amended—

(1) in subsection (a) in the matter preceding paragraph (1), by striking "Kamehameha School/Bishop Estate" and inserting "Papa Ola Lokahi"; and

(2) in subsection (b)(1)(C), by striking "Kamehameha School/Bishop Estate" and inserting "Papa Ola Lokahi".

(b) Section 338K(a) of the Public Health Service Act (42 U.S.C. 254s(a)) is amended by striking "Kamehameha School/Bishop Estate" and inserting "Papa Ola Lokahi".

SEC. 515. (a) In this section the term "qualified magistrate judge" means any person who—

(1) retired as a magistrate judge before November 15, 1988; and

(2) on the date of filing an election under subsection (b)—

(A) is serving as a recalled magistrate judge on a full-time basis under section 636(h) of title 28, United States Code; and

(B) has completed at least 5 years of full-time recall service.

(b) The Director of the Administrative Office of the United States Courts may accept the election of a qualified magistrate judge to—

(1) receive an annuity under section 377 of title 28, United States Code; and

(2) come within the purview of section 376 of such title.

(c) Full-time recall service performed by a qualified magistrate judge shall be credited for service in calculating an annuity elected under this section.

(d) The Director of the Administrative Office of the United States Courts may promulgate regulations to carry out this section.

SEC. 516. Amounts made available under this Act for the administrative and related expenses for departmental management for the Department of Labor, the Department of Health and Human Services, and the Department of Education, shall be reduced on a pro rata basis by $25,000,000: Provided, That this provision shall not apply to the Food and Drug Administration and the Indian Health Service: Provided further, That not later than 15 days after the enactment of this Act, the Director of the Office of Management and Budget shall report to the House and Senate Committees on Appropriations the accounts subject to the pro rata reductions and the amount to be reduced in each account.

TITLE VI—EXTENSION OF MARK-TO-MARKET PROGRAM FOR MULTIFAMILY ASSISTED HOUSING

SEC. 601. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Mark-to-Market Extension Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

TITLE VI—EXTENSION OF MARK-TO-MARKET PROGRAM FOR MULTIFAMILY ASSISTED HOUSING
Sec. 601. Short title and table of contents.
Sec. 602. Purposes.
Sec. 603. Effective date.
Subtitle A—Multifamily Housing Mortgage and Assistance Restructuring and Section 8 Contract Renewal
Sec. 611. Definitions.
Sec. 612. Mark-to-market program amendments.
Sec. 613. Consistency of rent levels under enhanced voucher assistance and rent restructurings.
Sec. 614. Eligible inclusions for renewal rents of partially assisted buildings.

Sec. 615. Eligibility of restructuring projects for miscellaneous housing insurance.
Sec. 616. Technical corrections.
Subtitle B—Office of Multifamily Housing Assistance Restructuring
Sec. 621. Reauthorization of Office and extension of program.
Sec. 622. Appointment of Director.
Sec. 623. Vacancy in position of Director.
Sec. 624. Oversight by Federal Housing Commissioner.
Sec. 625. Limitation on subsequent employment.
Subtitle C—Miscellaneous Housing Program Amendments
Sec. 631. Extension of CDBG public services cap exception.
Sec. 632. Use of section 8 enhanced vouchers for prepayments.
Sec. 633. Prepayment and refinancing of loans for section 202 supportive housing.
Sec. 634. Technical correction.

SEC. 602. PURPOSES.

The purposes of this title are—

(1) to continue the progress of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (referred to in this section as "that Act");

(2) to ensure that properties that undergo mortgage restructurings pursuant to that Act are rehabilitated to a standard that allows the properties to meet their long-term affordability requirements;

(3) to ensure that, for properties that undergo mortgage restructurings pursuant to that Act, reserves are set at adequate levels to allow the properties to meet their long-term affordability requirements;

(4) to ensure that properties that undergo mortgage restructurings pursuant to that Act are operated efficiently, and that operating expenses are sufficient to ensure the long-term financial and physical integrity of the properties;

(5) to ensure that properties that undergo rent restructurings have adequate resources to maintain the properties in good condition;

(6) to ensure that the Office of Multifamily Housing Assistance Restructuring of the Department of Housing and Urban Development continues to focus on the portfolio of properties eligible for restructuring under that Act;

(7) to ensure that the Department of Housing and Urban Development carefully tracks the condition of those properties on an ongoing basis;

(8) to ensure that tenant groups, nonprofit organizations, and public entities continue to have the resources for building the capacity of tenant organizations in furtherance of the purposes of subtitle A of that Act; and

(9) to encourage the Office of Multifamily Housing Assistance Restructuring to continue to provide participating administrative entities, including public participating administrative entities, with the flexibility to respond to specific problems that individual cases may present, while ensuring consistent outcomes around the country.

SEC. 603. EFFECTIVE DATE.

Except as provided in sections 616(a)(2), 633(b), and 634(b), this title and the amendments made by this title shall take effect or are deemed to have taken effect, as appropriate, on the earlier of—

(1) the date of the enactment of this title; or

(2) September 30, 2001.

Subtitle A—Multifamily Housing Mortgage and Assistance Restructuring and Section 8 Contract Renewal

SEC. 611. DEFINITIONS.

Section 512 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding at the end the following new paragraph:

"(19) OFFICE.—The term 'Office' means the Office of Multifamily Housing Assistance Restructuring established under section 571.".

SEC. 612. MARK-TO-MARKET PROGRAM AMENDMENTS.

(a) FUNDING FOR TENANT AND NONPROFIT PARTICIPATION.—Section 514(f)(3)(A) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) by striking "Secretary may provide not more than $10,000,000 annually in funding" and inserting "Secretary shall make available not more than $10,000,000 annually in funding, which amount shall be in addition to any amounts made available under this subparagraph and carried over from previous years."; and

(2) by striking "entities), and for tenant services," and inserting "entities), for tenant services, and for tenant groups, nonprofit organizations, and public entities described in section 517(a)(5),".

(b) EXCEPTION RENTS.—Section 514(g)(2)(A) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking "restructured mortgages in any fiscal year" and inserting "portfolio restructuring agreements".

(c) NOTICE TO DISPLACED TENANTS.—Section 516(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking "Subject to" and inserting the following:

"(1) NOTICE TO CERTAIN RESIDENTS.—The Office shall notify any tenant that is residing in a project or receiving assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) at the time of rejection under this section, of such rejection, except that the Office may delegate the responsibility to provide notice under this paragraph to the participating administrative entity.

"(2) ASSISTANCE AND MOVING EXPENSES.—Subject to".

(d) RESTRUCTURING PLANS FOR TRANSFERS OF PREPAYMENT PROJECTS.—The Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) in section 524(e), by adding at the end the following new paragraph:

"(3) MORTGAGE RESTRUCTURING AND RENTAL ASSISTANCE SUFFICIENCY PLANS.—Notwithstanding paragraph (1), the owner of the project may request, and the Secretary may consider, mortgage restructuring and rental assistance sufficiency plans to facilitate sales or transfers of properties under this subtitle, subject to an approved plan of action under the Emergency Low Income Housing Preservation Act of 1987 (12 U.S.C. 1715l note) or the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4101 et seq.), which plans shall result in a sale or transfer of those properties."; and

(2) in the last sentence of section 512(2), by inserting ", but does include a project described in section 524(e)(3)" after "section 524(e)".

(e) ADDITION OF SIGNIFICANT FEATURES.—Section 517 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) by striking subsection (c) (except that the striking of such subsection may not be construed to have any effect on the provisions of law amended by such subsection, as such subsection was in effect before the date of the enactment of this Act);

(2) in subsection (b)—

(A) in paragraph (7), by striking "(7)" and inserting "(1)"; and

(B) by adding at the end the following new paragraph:

"(2) ADDITION OF SIGNIFICANT FEATURES.—

"(A) AUTHORITY.—An approved mortgage restructuring and rental assistance sufficiency plan may require the improvement of the project by the addition of significant features that are not necessary for rehabilitation to the standard provided under paragraph (1), such as air conditioning, an elevator, and additional community space. The Secretary shall establish guidelines regarding the inclusion of requirements regarding such additional significant features under such plans.

"(B) FUNDING.—Significant features added pursuant to an approved mortgage restructuring and rental assistance sufficiency plan may be paid from the funding sources specified in the first sentence of paragraph (1)(A).

"(C) LIMITATION ON OWNER CONTRIBUTION.—An owner of a project may not be required to contribute from non-project resources, toward the cost of any additional significant features required pursuant to this paragraph, more than 25 percent of the amount of any assistance received for the inclusion of such features.

"(D) APPLICABILITY.—This paragraph shall apply to all eligible multifamily housing projects, except projects for which the Secretary and the project owner executed a mortgage restructuring and rental assistance sufficiency plan on or before the date of the enactment of the Mark-to-Market Extension Act of 2001."; and

(3) by inserting after paragraph (6) of subsection (b) the following:

"(c) REHABILITATION NEEDS AND ADDITION OF SIGNIFICANT FEATURES.—".

(f) LOOK-BACK PROJECTS.—Section 512(2) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding after the period at the end of the last sentence the following: "Notwithstanding any other provision of this title, the Secretary may treat a project as an eligible multifamily housing project for purposes of this title if (I) the project is assisted pursuant to a contract for project-based assistance under section 8 of the United States Housing Act of 1937 renewed under section 524 of this Act, (II) the owner consents to such treatment, and (III) the project met the requirements of the first sentence of this paragraph for eligibility as an eligible multifamily housing project before the initial renewal of the contract under section 524.".

(g) SECOND MORTGAGES.—Section 517(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) in paragraph (1)(B), by striking "no more than the" and inserting the following: "not more than the greater of—

"(i) the full or partial payment of claim made under this subtitle; or

"(ii) the"; and

(2) in paragraph (5), by inserting "of the second mortgage, assign the second mortgage to the acquiring organization or agency," after "terms".

(h) EXEMPTIONS FROM RESTRUCTURING.—Section 514(h)(2) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by inserting before the semicolon the following: ", or refinanced pursuant to section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note)".

SEC. 613. CONSISTENCY OF RENT LEVELS UNDER ENHANCED VOUCHER ASSISTANCE AND RENT RESTRUCTURINGS.

Subtitle A of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding at the end the following new section:

"SEC. 525. CONSISTENCY OF RENT LEVELS UNDER ENHANCED VOUCHER ASSISTANCE AND RENT RESTRUCTURINGS.

"(a) IN GENERAL.—The Secretary shall examine the standards and procedures for determining and establishing the rent standards described under subsection (b). Pursuant to such examination, the Secretary shall establish procedures and guidelines that are designed to ensure that the amounts determined by the various rent standards for the same dwelling units are reasonably consistent and reflect rents for comparable unassisted units in the same area as such dwelling units.

"(b) RENT STANDARDS.—The rent standards described in this subsection are as follows:

"(1) ENHANCED VOUCHERS.—The payment standard for enhanced voucher assistance under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)).

"(2) MARK-TO-MARKET.—The rents derived from comparable properties, for purposes of section 514(g) of this Act.

"(3) CONTRACT RENEWAL.—The comparable market rents for the market area, for purposes of section 524(a)(4) of this Act.".

SEC. 614. ELIGIBLE INCLUSIONS FOR RENEWAL RENTS OF PARTIALLY ASSISTED BUILDINGS.

Section 524(a)(4)(C) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding after the period at the end the following: "Notwithstanding any other provision of law, the Secretary shall include in such budget-based cost increases costs relating to the project as a whole (including costs incurred with respect to units not covered by the contract for assistance), but only (I) if inclusion of such costs is requested by the owner or purchaser of the project, (II) if inclusion of such costs will permit capital repairs to the project or acquisition of the project by a nonprofit organization, and (III) to the extent that inclusion of such costs (or a portion thereof) complies with the requirement under clause (ii).".

SEC. 615. ELIGIBILITY OF RESTRUCTURING PROJECTS FOR MISCELLANEOUS HOUSING INSURANCE.

Section 223(a)(7) of the National Housing Act (12 U.S.C. 1715n(a)(7)) is amended—

(1) by striking "under this Act: Provided, That the principal" and inserting the following: "under this Act, or an existing mortgage held by the Secretary that is subject to a mortgage restructuring and rental assistance sufficiency plan pursuant to the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note), provided that—

"(A) the principal";

(2) by striking "except that (A)" and inserting "except that (i)";

(3) by striking "(B)" and inserting "(ii)";

(4) by striking "(C)" and inserting "(iii)";

(5) by striking "(D)" and inserting "(iv)";

(6) by striking ": Provided further, That a mortgage" and inserting the following "; and

"(B) a mortgage";

(7) by striking "or" at the end; and

(8) by adding at the end the following new subparagraph:

"(C) a mortgage that is subject to a mortgage restructuring and rental assistance sufficiency plan pursuant to the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) and is refinanced under this paragraph may have a term of not more than 30 years; or".

SEC. 616. TECHNICAL CORRECTIONS.

(a) EXEMPTIONS FROM RESTRUCTURING.—

(1) IN GENERAL.—Section 514(h) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended to read as if the amendment made by section 531(c) of Public Law 106–74 (113 Stat. 1116) were made to "Section 514(h)(1)" instead of "Section 514(h)".

(2) RETROACTIVE EFFECT.—The amendment made by paragraph (1) of this subsection is deemed to have taken effect on the date of the enactment of Public Law 106–74 (113 Stat. 1109).

(b) OTHER.—The Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) in section 511(a)(12), by striking "this Act" and inserting "this title";

(2) in section 513, by striking "this Act" each place such term appears in subsections (a)(2)(I) and (b)(3) and inserting "this title";

(3) in section 514(f)(3)(B), by inserting "Housing" after "Multifamily";

(4) in section 515(c)(1)(B), by inserting "or" after the semicolon;

(5) in section 517(b)—

(A) in each of paragraphs (1) through (6), by capitalizing the first letter of the first word that follows the paragraph heading;

(B) in each of paragraphs (1) through (5), by striking the semicolon at the end and inserting a period; and

(C) in paragraph (6), by striking "; and" at the end and inserting a period;

(6) in section 520(b), by striking "Banking and"; and

(7) in section 573(d)(2), by striking "Banking and".

Subtitle B—Office of Multifamily Housing Assistance Restructuring

SEC. 621. REAUTHORIZATION OF OFFICE AND EXTENSION OF PROGRAM.

Section 579 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

"(a) REPEALS.—

"(1) MARK-TO-MARKET PROGRAM.—Subtitle A (except for section 524) is repealed effective October 1, 2006.

"(2) OMHAR.—Subtitle D (except for this section) is repealed effective October 1, 2004.";

(2) in subsection (b), by striking "October 1, 2001" and inserting "October 1, 2006";

(3) in subsection (c), by striking "upon September 30, 2001" and inserting "at the end of September 30, 2004"; and

(4) by striking subsection (d) and inserting the following new subsection:

"(d) TRANSFER OF AUTHORITY.—Effective upon the repeal of subtitle D under subsection (a)(2) of this section, all authority and responsibilities to administer the program under subtitle A are transferred to the Secretary.".

SEC. 622. APPOINTMENT OF DIRECTOR.

(a) IN GENERAL.—Section 572 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking subsection (a) and inserting the following new subsection:

"(a) APPOINTMENT.—The Office shall be under the management of a Director, who shall be appointed by the President from among individuals who are citizens of the United States and have a demonstrated understanding of financing and mortgage restructuring for affordable multifamily housing.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to the first Director of the Office of Multifamily Housing Assistance Restructuring of the Department of Housing and Urban Development appointed after the date of the enactment of this Act, and any such Director appointed thereafter.

SEC. 623. VACANCY IN POSITION OF DIRECTOR.

(a) IN GENERAL.—Section 572 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking subsection (b) and inserting the following new subsection:

"(b) VACANCY.—A vacancy in the position of Director shall be filled by appointment in the manner provided under subsection (a). The President shall make such an appointment not later than 60 days after such position first becomes vacant.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any vacancy in the position of Director of the Office of Multifamily Housing Assistance Restructuring of the Department of Housing and Urban Development which occurs or exists after the date of the enactment of this Act.

SEC. 624. OVERSIGHT BY FEDERAL HOUSING COMMISSIONER.

(a) IN GENERAL.—Section 578 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended to read as follows:

"SEC. 578. OVERSIGHT BY FEDERAL HOUSING COMMISSIONER.

"All authority and responsibilities assigned under this subtitle to the Secretary shall be carried out through the Assistant Secretary of the Department of Housing and Urban Development who is the Federal Housing Commissioner.".

(b) REPORT.—The second sentence of section 573(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking "Secretary" and inserting "Assistant Secretary of the Department of Housing and Urban Development who is the Federal Housing Commissioner".

SEC. 625. LIMITATION ON SUBSEQUENT EMPLOYMENT.

Section 576 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking "2-year period" and inserting "1-year period".

Subtitle C—Miscellaneous Housing Program Amendments

SEC. 631. EXTENSION OF CDBG PUBLIC SERVICES CAP EXCEPTION.

Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "through 2001" and inserting "through 2003".

SEC. 632. USE OF SECTION 8 ENHANCED VOUCHERS FOR PREPAYMENTS.

Section 8(t)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)(2)) is amended by inserting after "insurance contract for the mortgage for such housing project" the following: "(including any such mortgage prepayment during fiscal year 1996 or a fiscal year thereafter or any insurance contract voluntary termination during fiscal year 1996 or a fiscal year thereafter)".

SEC. 633. PREPAYMENT AND REFINANCING OF LOANS FOR SECTION 202 SUPPORTIVE HOUSING.

(a) IN GENERAL.—Section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended by striking subsection (e).

(b) EFFECTIVENESS UPON DATE OF ENACTMENT.—The amendment made by subsection (a) of this section shall take effect upon the date of the enactment of this Act and the provisions of section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note), as amended by subsection (a) of this section, shall apply as so amended upon such date of enactment, notwithstanding—

(1) any authority of the Secretary of Housing and Urban Development to issue regulations to implement or carry out the amendments made by subsection (a) of this section or the provisions of section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note); or

(2) any failure of the Secretary of Housing and Urban Development to issue any such regulations authorized.

SEC. 634. TECHNICAL CORRECTION.

(a) IN GENERAL.—Section 101(a) of Public Law 100–77 (42 U.S.C. 11301 note) is amended to read as if the amendment made by section 1 of Public Law 106–400 (114 Stat. 1675) were made to "Section 101" instead of "Section 1".

(b) RETROACTIVE EFFECT.—The amendment made by subsection (a) of this section is deemed to have taken effect immediately after the enactment of Public Law 106–400 (114 Stat. 1675).

TITLE VII—MENTAL HEALTH PARITY

SEC. 701. EXTENSION OF CERTAIN PROVISIONS

(a) ERISA.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by striking "September 30, 2001" and inserting "December 31, 2002".

(b) PHSA.—Section 2705(f) of the Public Health Service Act (42 U.S.C. 300gg-5(f)) is amended by striking "September 30, 2001" and inserting "December 31, 2002".

(c) INTERNAL REVENUE CODE OF 1986.—Section 9812(f) of the Internal Revenue Code of 1986 is amended by striking "September 30, 2001" and inserting "December 31, 2002".

SEC. 702. CONGRESSIONAL BUDGET ACT.

Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217, the provisions of this title that would have been estimated by the Office of Management and Budget as changing direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were it included in an Act other than an appropriations Act shall be treated as direct spending or receipts legislation, as appropriate, under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and by the Chairmen of the House and Senate Budget Committees, as appropriate, under the Congressional Budget Act.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002".

And the Senate agree to the same.

RALPH REGULA,
C.W. BILL YOUNG,
ERNEST J. ISTOOK, Jr.,
DAN MILLER,
ROGER F. WICKER,
ANNE M. NORTHUP,
RANDY "DUKE" CUNNINGHAM,
KAY GRANGER,
JOHN E. PETERSON,
DON SHERWOOD,
DAVID OBEY,
STENY HOYER,
NANCY PELOSI,
NITA LOWEY,
ROSA DELAURO,
JESSE JACKSON, Jr,
PATRICK J. KENNEDY,
Managers on the Part of the House.

TOM HARKIN,
ERNEST HOLLINGS,
DANIEL INOUYE,
HARRY REID,
HERB KOHL,
PATTY MURRAY,
MARY LANDRIEU,
ROBERT C. BYRD,
ARLEN SPECTER,
THAD COCHRAN,
JUDD GREGG,
LARRY E. CRAIG,
TED STEVENS,
KAY BAILEY HUTCHISON,
MIKE DEWINE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies for the fiscal year ending September 30, 2002, and for other purposes, submit the following joint statement of the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

In implementing this agreement, the Departments and agencies should comply with the language and instructions set forth in House Report 107–229 and Senate Report 107–84.

In the case where the language and instructions in either report specifically address the allocation of funds, the Departments and agencies are to follow the funding levels specified in the Congressional budget justifications accompanying the fiscal year 2002 budget or the underlying authorizing statute and should give full consideration to all items, including items allocating specific funding included in the House and Senate reports. With respect to the provisions in the House and Senate reports that specifically allocate funds, each has been reviewed and those that are jointly concurred in have been included in this joint statement.

The conferees specifically endorse the provisions of the House Report 105–205 directing ". . . the Departments of Labor, Health and Human Services, and Education, and the Social Security Administration and the Railroad Retirement Board to submit operating plans with respect to discretionary appropriations to the House and Senate Committees on Appropriations. These plans, which are to be submitted within 30 days of the final passage of the bill, must be signed by the respective Departmental Secretaries, the Social Security Commissioner and the Chairman of the Railroad Retirement Board."

The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002 incorporates the following agreements of the managers:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

The conference agreement includes $5,630,282,000 for training and employment services instead of $5,583,147,000 as proposed by the House and $5,533,281,000 as proposed by the Senate. Of the amount appropriated, $2,463,000,000 is an advance appropriation for fiscal year 2003, as proposed by the Senate.

The conference agreement includes $1,127,965,000 for Youth Training, which is the Senate level. Funding for the Youth Opportunity Grants, $225,100,000, provided within the total for this activity in the House bill, is provided separately in the conference agreement as proposed by the Senate. These grants are aimed at increasing the long-term employment of youth who live in empowerment zones, enterprise communities, and other high-poverty areas.

The conference agreement includes $1,549,000,000 for the Dislocated Worker program, which is the same as the Senate level. The conferees intend that 80 percent of the funds provided will be used for State formula grants and 20 percent for National Emergency Grants as authorized under the Workforce Investment Act of 1998 and provided in the House bill.

The conferees have been informed that the Department plans to cut dislocated worker funding in program year 2001 for community-based organizations and, therefore, strongly urge the Administration to continue, at least at current services levels, job training activities for these organizations.

The conference agreement includes $57,000,000 for Native Americans instead of $55,000,000 as proposed by the House and $57,800,000 as proposed by the Senate.

The conference agreement includes $80,770,000 for activities authorized under Section 167 of the Workforce Investment Act, reflected in two separate line items on the table accompanying the conference agreement: "Migrant and Seasonal Farmworkers" and "National Activities/Other". Under the Migrant and Seasonal Farmworkers line item, the conference agreement provides $79,751,000. The agreement includes bill language directing that $4,786,000 of this amount be used for migrant and seasonal farmworker housing grants. The conferees agree that the remaining amount should be used for State service area grants, including funding grantees in those States impacted by formula changes at their comparable 1998 levels. Within the National Activities/Other line item, the conference agreement includes $1,019,000 to be used for Section 167 training, technical assistance and related activities, including funds for migrant rest center activities. The agreement anticipates that the Department will continue valuable technical assistance services provided by the Association of Farmworker Opportunity Programs.

The conference agreement includes $1,459,200,000 for Job Corps. Within the total, $1,328,825,000 is provided for continuing operations of the program and $130,375,000 is for renovation and construction of Job Corps centers. The additional $10,000,000 above the request in construction and renovation is for the first year costs for a minimum of two new Job Corps centers. The Secretary is urged to initiate the process of selecting and designing these new centers in the 2002 fiscal year and to include additional required funding in subsequent budget requests, beginning with fiscal year 2003.

The conference agreement includes a citation to the Women in Apprenticeship and Nontraditional Occupations Act as proposed by the House. The Senate bill did not cite this Act.

The conference agreement provides that funds for the National Skill Standards Board shall become available October 1, 2001 as proposed by the Senate. The House bill did not contain this provision.

The conferees urge the Secretary to target funds to fill vacancies in caring for our nation's elderly and disabled with those workers recently unemployed. Training for long-term care workers should be a high priority for the use of Workforce Investment Act funds both at the federal level and in the States.

The conferees urge the Department of Labor, in cooperation with the Health Resources and Services Administration, to assess the shortage of frontline caregivers in long-term care settings (certified nurse aids, licensed practical nurses) and make comprehensive recommendations to address the increasing demand of an aging baby-boomer generation, and report findings and recommendations to the House and Senate Appropriations Committees by June 2002.

With respect to the projects listed below for pilots and demonstrations, the conferees encourage the Department to ensure that these projects are coordinated with local Workforce Investment Boards. The conferees also encourage the Department to ensure that project performance is adequately documented and evaluated. The conference agreement includes the following amounts for the following projects and activities:

Bristol Bay Native Association vocational job training program	$500,000
Recruitment and retention of Alaska Natives in nursing at University of Alaska in Anchorage	500,000
Center for Textile Training and Apparel Technology at Central Alabama Community College	750,000
Arkansas Enterprise Group's Good Faith Fund to focus on employment training and career path development for low-income residents of the Delta Region in Arkansas	150,000
University of Arkansas Medical Sciences BioVentures Incubator for equipment needed for wetlabs used in training	200,000
California State Polytechnic University, Pomona, CA, to develop technology training programs	250,000
City of Compton to support the Compton Youth Succeed Initiative	250,000
Greater Sacramento Urban League, Sacramento, CA, for job training activities	270,000
Los Medanos College, Pittsburg, CA, for the Brentwood Outreach Center to develop model program to serve low-income minorities	440,000
Pride Industries, Roseville, CA, to create long-term jobs for persons with disabilities and other barriers to employment	1,000,000
Sacramento Housing and Redevelopment Agency for the Sacramento Pre-Apprenticeship Construction Job Training Program	800,000
Urban League of Metropolitan Denver, CO, for Project Connect Technical Training Program	100,000
Asnuntuck Community College, Enfield, CT, to develop skills sets for the manufacturing sector	500,000
Hispanic Center of Greater Danbury, Danbury, CT, to provide career services to minority populations	$150,000
National Student Partnerships continuation project for expansion to 10 new sites	550,000
Waterbury Adult Education Technical Center to provide occupational training to workers at small firms.	400,000
Jobs for America's Grads (JAG) program $1,000,000	1,000,000
Florida Agency for Workforce Innovation, Tallahassee, FL, for a pilot program to recruit and train health care workers	2,000,000
American Indian Science and Engineering Society for the Rural Computer Utilization Training Program	500,000
Bishops Museum	800,000
High Tech Training—Maui, HI	500,000
Maui Economic Development Board for the Rural Computer Utilization Training Program	1,000,000
Remote Rural Hawaii Job Training Project	5,000,000
Samoan/Asian Pacific Job Training—Hawaii	3,500,000
Training & Education Opportunities at the University of Hawaii at Maui	5,000,000
Iowa Policy Project for a study on temporary and contingent workers	500,000
The Joblinks program	1,000,000
University of Northern Iowa's Program for Integrating Immigrants and Refugees into the Workforce	250,000
Harvey Community Center, Harvey, IL, for a demonstration project to provide job training for low income individuals/families	200,000
Lakeside Community Committee, Chicago, IL, for a job training program targeting the hard core unemployed	440,000
Opportunity, Inc. in Highland Park, IL to implement a model job training program to integrate workers with disabilities into a manufacturing workplace	125,000
Policy Research Action Group in Chicago to train inner-city residents for careers in the automotive industry	125,000
Safer Foundation, Chicago, IL to continue the Workplace Acclimation Program for Ex-Offenders	400,000
Labor Institute for Training, Indianapolis, IN, to expand and improve services to newly dislocated and incumbent workers	152,000
Career Resources, Inc., Louisville, KY, to establish a workforce computer training program	100,000
Career Vision Inc., Louisville, KY, to establish a distance learning pilot program for computer-based employment skills for youths and adults with disabilities	100,000
Center for Women and Families, Louisville, KY, to expand technology training and professional education for women affected by domestic violence	700,000
Clifty Heights Community Development Organization, Inc, Science Hill, KY, for program development, operation and equipment	200,000
Custom Quality Services, Louisville, KY, for training for their disabled employees	30,000
New Vision Enterprises, Louisville, KY, for an employment program for people with disabilities	100,000
University of Louisville Center for Supply Chain Workforce Development	800,000
Louisiana National Guard for the Louisiana Job Challenge Program to fund a trade/skill training program for at-risk teenagers	200,000
Military Educational Training Enhancement Fund, Carville, LA, for a job challenge program for at risk youth	500,000
Kennebec Valley Technical College to develop a Precision Machining Technology Program to address the critical workforce shortage in Maine's metal products industry	400,000
United Technologies Center to develop a Photonics Training Pilot Project, to regional technical high school students in the field of photonics	400,000
Focus: HOPE in Detroit, MI to provide training programs to women and minorities through their Information Tech Center	500,000
Michigan Technology Commercialization, Inc., Ann Arbor, MI, for planning activities	350,000
Mott Community College, Flint, MI to develop simulation curriculum in virtual machining	1,000,000
Minnesota Assistance Council for Veterans to support their workforce readiness program for homeless veterans	500,000
Northeast Higher Education District (NHED) in Minnesota to design a Rural Telework Center which will provide workforce programs and employment opportunities in IT jobs	1,000,000
Southeast Missouri State University, Cape Girardeau, MO, for economic and workforce development	900,000
Alcorn Biotechnology Center, Lorman, MS for entrepreneurial training	150,000
Mississippi Delta Community College Business Services Center	300,000
Mississippi State Board for Community and Junior Colleges for an automotive workforce training program in Madison County, MS	5,000,000
Mississippi State University Nursery Assistance	800,000
Mississippi State University, Center for Advanced Vehicular Systems, Mississippi State, MS, for automotive engineering training	200,000
Mississippi Valley Biometric Technology, Itta Bena, MS	150,000
Minot State University, Minot, ND, for the Minot Job Corps Fellowship Training Program	385,000
Traill County Technology Center at Mayville State University to retain graduates in business in Traill County, ND	175,000
New Hampshire Motor Transport Association to recruit, train, and retrain truck drivers in Concord, NH	375,000
Youth Opportunities in Retailing, Inc., to work in cooperation with schools and community organizations to teach sales and service skills to develop a future workforce	200,000
City of Las Vegas for worker initiatives in response to post-terrorist attack layoffs	1,750,000
NevadaWorks to create a job skills training program to help residents meet the employment needs of new businesses in the area	250,000
Reno/Sparks Chamber of Commerce—Workforce Learning Academy Summit	150,000
Audrey Cohen College, New York City, for Welfare to Careers Program	475,000

Healthcare Association of New York State to develop the Center for Health Care Workforce Innovations	150,000
Westchester-Putnam Counties Consortium for Worker Education and Training, Inc., Yonkers, NY, for outreach and training for construction workers	500,000
Eastern Ohio Training Center, Cambridge, OH, for instructional software, training materials, computer hardware and accessories	300,000
Westside Industrial Retention and Expansion Network to expand metalworking training programs	500,000
State Board of Career and Technology Education, Stillwater, OK, to develop and update training modules	300,000
Altoona Blair County Development Corporation Workforce Initiative	200,000
College Consortium for Workforce and Economic Development to expand training programs in Philadelphia	300,000
Community Empowerment Association, Inc. for community reentry of offenders job training in Allegheny County	100,000
Community Loan Fund of Southwestern Pennsylvania to expand its "Family-Wage Job Initiative"	200,000
Economic Growth Connection of Westmoreland, PA, to establish a training network consortium	250,000
Lehigh Valley Workforce Investment Board for the implementation of a training and curriculum program	100,000
National Student Partnerships for the opening of drop-in centers at Temple University, establishing staffed centers at the University of Pennsylvania and the University of Pittsburgh, and 18 current sites	150,000
Northwest Pennsylvania Industrial Resources Center, Inc., Erie, PA, for development and distribution of Foundation Skills Curriculum for Wood/Forest Industry	100,000
Nueva Esperanza for the administration of the Nueva Esparanza Telework Center in Philadelphia.	200,000
Ogontz Avenue Revitalization Corporation to provide support services in the community for workers seeking technology training in Philadelphia.	100,000
Olde Kensington Redevelopment Corporation in Philadelphia for the establishment of the North Philadelphia Senior Development Project—to maximize seniors' self-sufficiency and independent community residence through technology training.	100,000
Pennsylvania Association of Individuals with Disabilities to develop programs to help disabled individuals to move into the workforce	500,000
Three Rivers Workforce Investment Board to train workforce in technology occupations in Alleghany County	200,000
UMWA Career Centers, Inc. to provide training and placement services to dislocated coalminers	$2,000,000
University Technology Park/Westchester University to establish a Computer and Internet Training Center	200,000
Venango Economic Development Corporation, Oil City, PA, to quantify the need for technology training in rural areas	200,000
Intertribal Bison Cooperative in Rapid City, SD to provide employment training	300,000
Midland College, Midland, TX, for training and safety programs for students desiring to work in the oil and gas industry	1,600,000
Permian Basin Energy Education Project, Midland Community College and Odessa College	250,000
Project Quest for innovations to improve program performance in the delivery of training to the unemployed and the underemployed	440,000
Alexandria/Arlington Workforce Investment Board to increase employment of the disabled	300,000
Chantilly Mews Preservation Program, Springfield, VA, to purchase educational equipment and software	100,000
Martinsville-Henry County Chamber of Commerce, Martinsville, VA, for Workforce Learning Academies	50,000
SERVE, Inc., Manassas, VA, for job training and employment services	400,000
Southwest Virginia Community College for Work Keys	70,000
Champlain College in Burlington, VT, for the Vermont Telecommunications Application Center (VTAC) to understand, plan and leverage the opportunities of advanced technology	250,000
Cyberskills Vermont Workforce Development Initiative in Burlington, VT, to provide community-based job training programs for low and medium income residents	200,000
Lake Champlain Life-Long Learning Fund in Burlington, VT, to plan development of a fully integrated academic and technical curriculum for secondary and adult technical education	50,000
Vermont Department of Employment and Training in Montpelier to develop a Registered Apprenticeship Program designed to provide opportunities to a wider range of individuals who are not bound for college but require instruction in new occupational areas	200,000
Vermont Technical College in Randolph Center to work in collaboration with the Vermont State College System to develop a Vermont Workforce and Training Initiative which will be a regional system for technological and skills development	300,000
Seattle King County Workforce Development Council, Seattle, WA, for the purpose of retraining displaced Boeing employees	800,000
Green Bay Area Workforce Development Board in Green Bay, WI, to create a public-private partnership providing training for specific employer needs in the area	1,200,000
The Superior-Douglas County Senior Computer Training in Superior, WI, to expand a computer lab used to train the senior workforce for new technologies	32,000
University of Wisconsin-Extension Service for the Northern Economic Development Initiative for baseline analysis, strategic planning and workforce training in northern Wisconsin	175,000
Workforce Development Board of South Central WI, located in Madison, WI, to create an industry partnership that develops workers for targeted applications	1,140,000
West Virginia High Technology Consortium Foundation to expand IT training and establish a pilot curriculum	700,000

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

The conference agreement appropriates $445,100,000 for Community Service Employment for Older Americans, instead of $440,200,000 as proposed by the House and $450,000,000 as proposed by the Senate.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

The conference agreement provides $415,650,000 for Federal Unemployment Benefits and Allowances as proposed by the House and the Senate. The conferees did not provide these funds contingent upon enactment of authorizing legislation as proposed by the House. The Senate bill did not include this provision.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

The conference agreement provides $3,401,338,000 for State Unemployment Insurance and Employment Service Operations instead of $3,400,338,000 as proposed by the House and $3,430,338,000 as proposed by the Senate.

The conferees include $50,680,000 instead of the $49,680,000 proposed by the House and $51,680,000 proposed by the Senate for employment service national activities.

The conferees include $120,000,000 for One-Stop/America's Labor Market Information system as proposed by the House, instead of $148,000,000 as proposed by the Senate.

The conferees include a provision directing that funds recovered in the settlement of litigation between the State of Mississippi and a contractor relating to the acquisition of an automated system for benefit payments be transferred from the Treasury to the State of Mississippi.

PROGRAM ADMINISTRATION

The conference agreement appropriates $161,863,000 for Program Administration, the same as the House level. The detailed table at the end of this joint statement reflects the activity distribution agreed to by the conferees.

The conferees also include funding, as listed in the Senate report, for management and oversight of pilot and demonstration projects.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement appropriates $109,866,000 for the Pension and Welfare Benefits Administration, salaries and expenses, as proposed by the House instead of $112,418,000 as proposed by the Senate. Within the total, $85,525,000 is provided for enforcement and compliance, $20,205,000 is provided for policy, regulation, and public service, and $4,136,000 is included for program oversight.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement appropriates $371,201,000 for the Employment Standards Administration, salaries and expenses, instead of the $369,631,000 as proposed by the House and $377,145,000 as proposed by the Senate. Within the total, $156,092,000 is provided for enforcement of wage and hour standards, $30,632,000 is provided for the office of labor-management standards, $77,914,000 for federal contractor EEO standards enforcement, $91,356,000 for federal programs for worker compensation, and $13,226,000 for program direction and support.

The Senate conferees do not concur with the House report language regarding Davis-Bacon wage determination process reforms. The conferees request the Department of Labor to submit a report not later than June 30, 2002, outlining specific changes, which are proposed to modernize the Davis-Bacon wage determination process under the re-engineering approach.

ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION FUND

The conference agreement includes $136,000,000 for the administrative expenses related to the processing of claims for the Energy Employees Occupational Illness Compensation Act, the same as both the House and Senate.

The conferees are aware that a significant number of possible beneficiaries reside in West Texas near the Pantex facility. The conferees encourage the Secretary to establish a full-time resource center in West Texas in order to provide sufficient services to those who may qualify for benefits under the law.

BLACK LUNG DISABILITY TRUST FUND

The conference agreement includes a definite annual appropriation of $1,035,759,000 for black lung benefit payments and interest payments on advances made to the Trust Fund as proposed by the House instead of an indefinite permanent appropriation as proposed by the Senate.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement includes $443,651,000 for the Occupational Safety and Health Administration instead of $435,307,000 as proposed by the House and $450,262,000 as proposed by the Senate. The detailed table at the end of this joint statement reflects the activity distribution agreed to by the conferees.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement includes $254,768,000 for the Mine Safety and Health Administration instead of $251,725,000 as proposed by the House and $256,093,000 as proposed by the Senate. The detailed table at the end of this joint statement reflects the activity distribution agreed to by the conferees.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

The conference agreement includes $476,554,000 for the Bureau of Labor Statistics rather than $477,108,000 as provided by the House and $476,000,000 as proposed by the Senate. The detailed table at the end of this joint statement reflects the activity distribution agreed to by the conferees.

OFFICE OF DISABILITY EMPLOYMENT POLICY

SALARIES AND EXPENSES

The conference agreement includes $38,158,000 for the Office of Disability Employment Policy instead of $33,053,000 as proposed by the House and $43,263,000 as proposed by the Senate. Within the total, $2,640,000 is specifically for the President's Task Force on Employment of Adults with Disabilities, the same as in the House bill.

The conference agreement includes $1,000,000, as provided by the Senate, for three pilot programs for Federal employment for individuals with significant disabilities from home-based workstations. The conferees intend that Federal agencies include in these pilots all appropriate positions, whether the work is performed in-house, contracted, or outsourced in the types of jobs which can be performed from home, such as customer service/call contact centers, and claims, loan or financial transaction processing operations.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

The conference agreement includes $379,088,000 for Departmental Management, salaries and expenses, instead of $383,878,000 as proposed by the House and $361,834,000 as proposed by the Senate. The detailed table at the end of this joint statement reflects the activity distribution agreed to by the conferees.

Within the total provided for this account, the conference agreement appropriates $50,000,000 for the Department-wide information technology crosscut.

The conference agreement includes $148,282,000 for the Bureau of International Labor Affairs (ILAB), instead of $147,982,000 as provided in both the House and Senate bills. The conference agreement also includes language authorizing the expenditure of funds for bilateral and multilateral technical assistance and other international labor activities, and general grant authority for the agency. Within the total provided, $82,000,000 is to assist developing countries with the elimination of child labor. Of this amount, $45,000,000 is for the International Labor Organization's International Programme for the Elimination of Child Labor. In addition, $37,000,000 is provided for bilateral assistance, made available through September 30, 2003, to improve access to basic education in international areas with a high rate of abusive and exploitative child labor. The conference agreement further includes $20,000,000 for multilateral technical assistance and $17,000,000 for bilateral technical assistance. These funds help developing countries implement core labor standards, strengthen the capacities of Ministries of Labor to enforce national labor laws, and protect internationally-recognized worker rights. The conference agreement further includes $5,000,000 for ILAB to build its own permanent capacity to monitor and report regularly and in-depth to the Congress on the extent to which foreign countries with trade and investment agreements with the United States respect internationally-recognized worker rights and effectively promote core labor standards. The conference agreement also includes $10,000,000 for global workplace-based HIV-AIDS education and prevention programs. The conferees agree that the Secretary may transfer up to 5 percent of ILAB funding, exempting child labor protection and monitoring amounts, for other unspecified ILAB activities. The conferees also agree that no funds shall be transferred from amounts included for child labor protection and monitoring activities.

The conferees also include funding for the following activity:

—$300,000 to the University of Iowa for work on child labor.

Within the total amount provided for ILAB, the conferees expect the Department to work with the U.S. Department of State to post additional labor attachés overseas. The conferees expect the Department to submit a plan detailing the countries with which the U.S. has bilateral or regional trade and investment agreements and to which it would propose to send labor attachés, as well as the entire cost attendant to such overseas assignments. The conferees also strongly encourage the Secretary to continue the Labor Exchange Program with the State Department through which employees throughout the Labor Department have the opportunity to serve as labor attachés abroad in countries that ILAB and State determine to have significant problems with respect to child labor and other core labor standards. The conferees expect the Department to submit a draft of the plan, developed in collaboration with the Department of State, to the Committees on Appropriations no later than March 31, 2002.

The conferees urge ILAB to submit a report by September 1, 2002 to the Committees on Appropriations on the nature and scope of technical assistance funds already appropriated in prior fiscal years. Similar language was included in the Senate report. In addition, the conferees urge ILAB to report by June 30, 2002 on the study that was undertaken by the Department with regard to regular reporting of working conditions in the production of apparel imported into the U.S. The Senate report contained similar language.

The conferees note that the Department had a significant lapse in full-time equivalent usage at the end of fiscal year 2001, particularly in the worker protection programs. The conferees recognize that this was partly due to the transition from the previous Administration to the current one, as well as to some uncertainty regarding the final 2001 budget level. It is the conferees' intention that the Department should make every effort to ensure that the programs are appropriately staffed to perform their mandated responsibilities and meet performance goals. The conferees are pleased to note, from the data most recently available, that the Department has been able to achieve wholly, in part, or exceed over 90 percent of its performance objectives. The conference agreement directs the Department to prepare a report detailing its hiring plans for fiscal year 2002 and to submit the report no later than January 15, 2002.

The conferees are aware of the important work the Department is doing to encourage small businesses to develop alcohol and drug-free workplace programs. Therefore, the conferees recommend continuation of the Working Partners Program within the Department's Office of Policy.

VETERANS EMPLOYMENT AND TRAINING

The conferees appropriate $212,703,000 for veterans employment and training, instead of the $211,703,000 as proposed by the House and $213,703,000 as proposed by the Senate. Within the funds provided, $18,250,000 is included for the homeless veterans program and $7,550,000 is included for the veterans workforce investment programs.

GENERAL PROVISIONS

DISLOCATED WORKER ASSISTANCE TO AIRPORT CAREER CENTERS

The conferees delete without prejudice a Sense of the Senate provision regarding appropriations to enable airport career centers in New York and New Jersey to provide dislocated worker employment and training assistance to workers in the airline and related industries who have been dislocated as a result of the September 11, 2001 attack. The House bill contains no similar provision.

VOCATIONAL REHABILITATIVE SERVICES

The conferees delete without prejudice a Sense of the Senate provision regarding assistance to individuals with disabilities from New York and New Jersey who require vocational rehabilitative services as a result of September 11. The House bill contains no similar provision.

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The conference agreement includes $6,081,237,000 for health resources and services instead of $5,691,480,000 as proposed by the House and $5,501,343,000 as proposed by the Senate.

The conference agreement includes bill language identifying $311,978,000 for the construction and renovation of health care and other facilities instead of $10,000,000 as proposed by the Senate. The House bill contained no similar provision. These funds are to be used for the following projects: Prince George's Hospital Center, Cheverly, Maryland; Whitman-Walker Clinic, Inc., Washington, D.C.; ARCH (Adolescent Residential Center for Help) Facility, Anchorage, Alaska; Southcentral Foundation's Pathways Home Residential Substance Abuse Treatment Facility, Anchorage, Alaska; Baptist Health Foundation, Inc., Birmingham, Alabama; Pickens County Medical Center, Carrollton, Alabama; Thomas Hospital, Fairhope, Alabama; University of South Alabama Gulf Coast Cancer Center and Research Institute; University of Alabama School of Medicine, Huntsville Primary Care Center; Cooper Green Hospital in Alabama; Hospice of West Alabama; University of Alabama, Birmingham, Interdisciplinary Biomedical Research Institute; Arkansas Children's Hospital; Children's Health Fund in Arkansas; Advance Care Hospital, Hot Springs, Arkansas; College of Nursing, University of Arkansas for Medical Sciences; Community Healthcare of Douglas, Douglas, Arizona; Copper Queen Community Hospital, Bisbee, Arizona; Sierra Vista Health Center, Sierra Vista, Arizona; University of Arizona, Tucson, Arizona; Cochise County Department of Health, Arizona; Pima County Department of Health, Arizona; Santa Cruz County Department of Health, Arizona; Yuma County Department of Health, Arizona; Maricopa Integrated Health System, Maricopa Medical Center, Phoenix, Arizona; University of Southern California Alfred E. Mann Institute and Biomedical Engineering Center; California School of Professional Psychology, Center for Innovation in Behavioral Health, San Diego; Children's Regional Emergency Care Center at Children's Hospital and Health Center, San Diego, California; Sharp Coronado Hospital, Coronado, California; Placer County Children's Emergency Shelter, Auburn, California; Psychiatric Emergency Services Center, San Mateo County, California Health Center; Hartnell College, Regional Health Occupations Resource Center, Salinas, California; The Children's Hospital of Los Angeles; University of Southern California Keck School of Medicine; Paradise Valley Hospital, Complementary Medicine Center, National City, California; Grossmont College, El Cajon, California; Riverside-San Bernardino South Clinic, Temecula, California; La Clinica de la Raza, Oakland, California; Loma Linda University Medical Center, Trauma/Emergency Medical Services Center, Loma Linda, California; Los Angeles Eye Institute, Los Angeles, California; Touro University School of Osteopathic Medicine, Mare Island, California; San Francisco Community Clinic Consortium, San Francisco, California; Community Medical Centers, Fresno, California; AltaMed Health Services Corporation, Los Angeles, California; Pediatric and Family Medical Center, Los Angeles, California; East Los Angeles Health Task Force, Los Angeles, California; Alliance Medical Center, Healdsburg, California; Center Point, Inc., San Rafael, California; Colorado State University Bioenvironmental Hazards Level-3 Facility; University of Northern Colorado Low-Incidence Disabilities Center; The Rocky Mountain Regional Trauma Center at Denver Health; National Jewish Medical and Research Center, Denver, Colorado; Boys Village Youth and Family Services, Milford, Connecticut; John D. Thompson Hospice Institute for Education, Training and Research, Branford, Connecticut; Southern Connecticut State University, School of Nursing, New Haven, Connecticut; Jefferson Senior Citizens Center, Monticello, Florida; Northwest Florida Community Hospital; Camillus House, Inc., Miami, Florida; Ambulatory Care Center at Miami Children's Hospital, Miami, Florida; Economic Opportunity Family Health Center, Miami, Florida; Florida Association of Community Health Centers; University of Florida College of Dentistry; University of Miami School of Medicine, Batchelor Children's Health Center; Columbia County Senior Services, Lake City Florida; Enrichment Center, Brooksville, Florida; Bridges of America, Inc., St. Petersburg, Florida; Community Health Centers of Pinellas, Inc., Johnnie Ruth Clark Health Center, St. Petersburg, Florida; University of South Florida Health Sciences Center and College of Medicine, Tampa, Florida; Paul D. Coverdell Building at the Institute of Biomedical and Health Sciences at the University of Georgia; Marcus Institute, Atlanta, Georgia; West End Medical Centers, Atlanta, Georgia; J.P. Carr Human Services Complex in Rockdale County, Georgia; Oakhurst Medical Centers, Decatur and Stone Mountain, Georgia; Maui Community Health Center; Molokai General Hospital; Community Health Care Inc., Davenport, Iowa; Des Moines University Osteopathic Medical Center; Grandview Health Center, Des Moines, Iowa; Mercy Medical Center, Des Moines, Iowa; Neumann College, Aston, Pennsylvania; Palmer Chiropractic College, Davenport, Iowa; Peoples Community Health Clinic, Waterloo, Iowa; Primary Health Care Inc., Des Moines, Iowa; River Hills Community Health Center, Ottumwa, Iowa; Siouxland Community Health Center, Sioux City, Iowa; South East Iowa Community Health Centers, Burlington, Iowa; University of Northern Iowa, Cedar Falls, Iowa; Children's Memorial Hospital, Children's Memorial Institute for Education and Research, Chicago, Illinois; Loretto Hospital, Chicago, Illinois; Prentice Women's Hospital, Northwestern Memorial Hospital, Chicago, Illinois; Edward Health Services Women's & Children's Pavilion, Naperville, Illinois; La Rabida Children's Hospital, Chicago, Illinois; Community Health Care, Inc., Rock Island, Illinois; Carl Sandburg College, Galesburg, Illinois; Access Community Health Center, Chicago, Illinois; Marklund Children's Home, West Chicago, Illinois; Rush-Copley Medical Center, Aurora, Illinois; Valley West Community Hospital, Sandwich, Illinois; Marklund Children's Home, Bloomingdale, Illinois; Chicago Family Health Center, Chicago, Illinois; The Clinic in Altgeld, Chicago, Illinois; Condell Medical Center, Libertyville, Illinois; Lake County Health Department and Community Health Center, Waukegan, Illinois; Edward Hospital, Naperville, Illinois; Northwestern University Center for Genomics and Molecular Medicine, Evanston, Illinois; Women's Health Center at Proctor Hospital in Peoria, Illinois; Southern Illinois University School of Medicine, Springfield, Illinois; Riverside Medical Center, Kankakee, Illinois; Union Hospital, Midwest Center for Rural Health, Terre Haute, Indiana; Indiana University Midwest Proton Radiation Institute, Bloomingdale, Indiana; Indiana Genomics Initiative, Indiana University School of Medicine; Bethany Medical Center, Kansas City, Kansas; Kansas University Imaging Facilities; Harrison Memorial Hospital Dialysis Center, Cynthiana, Kentucky; Jane Todd Crawford Hospital, Greensburg, Kentucky; St. Catharine's College, St. Catharine, Kentucky; University of Louisville Cardiac Assist Device Center; James Taylor Memorial Nursing Home, Louisville, Kentucky; Park DuValle Community Health Center, Louisville, Kentucky; Kentucky Communities Economic Opportunity Council, Inc., Appalachian Regional Wellness Center, Barbourville, Kentucky; Martin County Community Center, Inc., Health and Wellness Resource Center, Inez, Kentucky; University of Kentucky College of Medicine, Lexington, Kentucky; Lake Charles Memorial Hospital, Lake Charles, Louisiana; Allied Health Sciences Building at the University of Louisiana, Monroe; East Jefferson Community Health Center, Jefferson Parish, Louisiana; Innis, Louisiana Community Health Center; Louisiana Memorial Hospital, Lake Charles, Louisiana; Louisiana State University Pennington Biomedical Center; Louisiana State University Health Science Center, Shreveport, Louisiana; Louisiana State University Health Sciences Center, New Orleans, Louisiana; Manet Community Health Center, Massachusetts; Jaharis Family Center on Biomedical Research and Nutrition; Massachusetts Biologic Laboratories at the University of Massachusetts; Northeastern University Bouve College of Health Sciences; Caritas Good Samaritan Medical Center, Brockton, Massachusetts; J. Joseph Moakley Medical Services Building, Boston Medical Center, Boston, Massachusetts; Brandeis University National Center for Behavioral Genomics, Waltham, Massachusetts; City of Malden, Massachusetts, Urgent Care Clinic and Family Health Center at Malden Hospital; University of Massachusetts Memorial Medical Center, University Campus, Worcester, Massachusetts; Lowell Community Health Center, Lowell, Massachusetts; Pioneer Valley Life Sciences Joint Venture between the University of Massachusetts and Baystate Medical Center; Holyoke Hospital, Holyoke, Massachusetts;

Jackson Laboratory in Maine; Saginaw Cooperative Hospitals, Saginaw, Michigan; Detroit Medical Center, Detroit, Michigan; Community Health and Social Services, Detroit, Michigan; Samaritan Center, Detroit, Michigan; Madonna University, Livonia, Michigan; Charlevoix Area Hospital in Traverse City, Michigan; Marquette General Health System; Wayne State University and the University of Detroit Mercy; Ele's Place Healing Center, Lansing, Michigan; Hillsdale Community Health Center, Hillsdale, Michigan; American Lung Association of Minnesota, St. Paul, Minnesota; Model Cities Health Center, St. Paul, Minnesota; North End Health Center, St. Paul, Minnesota; West Side Community Health Services Dental Clinic, St. Paul, Minnesota; Fairview University Medical Center, Minneapolis, Minnesota; West Side Community Health Services Minneapolis Clinic, St. Paul, Minnesota; Ozark Tri-County Health Care Consortium Inc., Anderson, Missouri; University of Missouri Center for Molecular and Cellular Bioengineering Research, Kansas City; Cross Trails Medical Center, Bollinger County, Missouri; Douglas County Public Health Services Group; Northeast Missouri Health Council, Kirksville, Missouri; Samuel U. Rodgers Community Health Center, Kansas City, Missouri; Christian Hospital, St. Louis, Missouri; Logan College of Chiropractic, Chesterfield, Missouri; Operation Breakthrough, Kansas City, Missouri; University of Missouri-Kansas City Institute for Biomedical Research; Family Care Health Centers, St. Louis, Missouri; Kansas City Area Life Sciences Institute, Kansas City, Missouri; Center for Delta Health, Stoneville, Mississippi; Guyton Building, University of Mississippi Medical Center; Mississippi State School of Agriculture/Agromedicine; Mississippi State University Social Science Research Center; Neshoba County General Hospital, Philadelphia, Mississippi; Health and Wellness Center at Jackson State University, Jackson, Mississippi; Gilmore Hospital, Amory, Mississippi; McLaughlin Animal Facility and Research Laboratories, Great Falls, Montana; University of Montana National Center for Health Care Informatics; Greene County Health Care, Inc., North Carolina; Northeast Medical Center and the Carrabus College of Health Sciences, Concord, North Carolina; Ruth and Billy Graham Children's Center, Asheville, North Carolina; Durham County Hospital Corporation, Durham, North Carolina; McDowell Hospital, McDowell County, North Carolina; Education and Research Consortium of Western North Carolina, Inc., Asheville, North Carolina; University of North Carolina Biomedical Research and Teaching Facility; University of North Dakota School of Medicine and Health Sciences, Grand Forks, North Dakota; Ai Ki Ruti Substance Abuse Treatment Center in Winnebago, Nebraska; Boys Town National Research Hospital National Learning and Technology Center for Childhood Deafness and Vision Disorders,, Omaha, Nebraska; Nebraska Health Systems, Omaha, Nebraska; University of Nebraska Medical Center, Omaha, Nebraska; University of Medicine and Dentistry of New Jersey Cancer Institute, New Brunswick, New Jersey; Hunterdon Medical Center, Flemington, New Jersey; Child Health Institute of New Jersey, New Brunswick, New Jersey; Leon G. Smith Infectious Disease Institute, Saint Michael's Medical Center, Newark, New Jersey; Englewood Hospital and Medical Center Advanced Breast Care Center, Englewood, New Jersey; Hackensack University Medical Center, Hackensack, New Jersey; Holy Name Hospital, Teaneck, New Jersey; Cooper Hospital, Camden New Jersey; Kessler Rehabilitation Research Institute in West Orange, New Jersey; First Choice Community Clinic, Albuquerque, New Mexico; New Mexico State University, College of Health and Social Services, Las Cruces, New Mexico; University of Nevada, Reno Biotechnology and Genomics Center; Huntsman Cancer Institute, Salt Lake City, Utah; University Medical Center Neonatal Intensive Care Unit, Las Vegas, Nevada; University of Nevada, Las Vegas Cancer Institute; North Shore Long Island Jewish Health System, Hillside Hospital; Little Falls Hospital and Residential Health Care Facility, Little Falls, New York; University of Buffalo Bioinformatics Center; New York University School of Medicine; The National Center for Muskuloskeletal Research at the Hospital for Special Surgery, New York, New York; Dominican College Center for Health Sciences, Orangeburg, New York; Village of Kiryas Joel, Maternal and Infant Health Care Convalescence Center, Monroe, New York; Ellenville Regional Hospital, Ellenville, New York; Kingston Hospital, Kingston, New York; Putnam Hospital, Camel, New York; Nassau University Medical Center, East Meadow, New York; Open Door Family Medical Center, Edison School Clinic, Port Chester, New York; Mount Sinai Hospital, New York, New York; Lewis County General Hospital, Lowville, New York; Albany Medical Center, Albany, New York; Joseph P. Addabbo Family Health Center, New York, New York; New York University Downtown Hospital, New York, New York; State University of New York Downstate Medical Center, Advanced Biotechnology Incubator, Brooklyn, New York; Children's Hospital, Buffalo, New York; North General Hospital, New York, New York; University of Rochester Medical Center, Children's Hospital at Strong Clinical Genetics Center; Columbia Memorial Hospital, Hudson, New York; Glens Falls Hospital, Glens Falls, New York; Mary McClellan Hospital, Inc., Cambridge, New York; Kings County Hospital Center, Brooklyn, New York; Department of Emergency Medicine, State University of New York Upstate Medical University, Syracuse, New York; Hospice of Finger Lakes, Auburn, New York; National Kidney Foundation of Central New York; State University of New York Upstate Medical University; St. Joseph Community Center, Lorain, Ohio; Akron Children's Hospital; Cincinnati's Children's Hospitals; Columbus Children's Hospital; Huron Hospital Emergency Department; Mercy Hospital, Hamilton, Ohio; Rainbow Babies' and Children's Hospital, Cleveland, Ohio; Stella Maris Detoxification Center, Cleveland, Ohio; Hopeland Health Center, Grandview Hospital and Medical Center, Dayton, Ohio; Hospice and Health Services of Fairfield County, Lancaster, Ohio; Mary Rutan Hospital, Bellefontaine, Ohio; Regional Outpatient Cancer Center, Springfield, Ohio; Tecumseh YMCA Health and Wellness Center, New Carlisle, Ohio; University Hospitals of Cleveland, Department of Psychiatry, Center of Excellence for the Care of Adolescents and Adults with Bipolar Illness and Other Severe Mental Disorders, Cleveland, Ohio; Barnesville Hospital, Barnesville, Ohio; Beallsville E-Squad, Beallsville, Ohio; Belmont Community Hospital, Bellaire, Ohio; University of Findlay, Findlay, Ohio; University of Cincinnati Medical Center, Medical Sciences Building; Joel Pomerene Hospital, Millersburg, Ohio; Knox Community Hospital, Mt. Vernon, Ohio; Ohio State University Biomedical Research and Education Center, Columbus, Ohio; Red Center, Massillon, Ohio; Stark State College of Technology, Canton, Ohio; Walsh University Bioinformatics Laboratory, Medical Sciences Building, North Canton, Ohio; Malone College Health and Wellness Center, Canton, Ohio; Mercy Hospital, Scranton, Pennsylvania; NorthEast Ohio Neighborhood Health Services, Cleveland, Ohio; Family and Children's Services, Tulsa, Oklahoma; St Anthony Hospital, Oklahoma City, Oklahoma; Oklahoma Medical Research Foundation; Virginia Garcia Collaborative Health Center in Hillsboro, Oregon; Volunteers in Medicine Clinic, Eugene, Oregon; Community Outreach, Corvallis, Oregon; Salud Medical Center, Woodburn, Oregon; Delaware Valley Community Health, Inc., Maria de los Santos Community Health Center, Philadelphia, Pennsylvania; Lake Erie College of Osteopathic Medicine, Erie, Pennsylvania; United Cerebral Palsy of Southwestern Pennsylvania, Washington, Pennsylvania; Brookville Hospital, Brookville, Pennsylvania; Bucktail Medical Center, Renova, Pennsylvania; Charles Cole Memorial Hospital, Coudersport, Pennsylvania; Clarion Hospital, Clarion, Pennsylvania; Jersey Shore Hospital, Jersey Shore, Pennsylvania; Kane Community Hospital, Kane, Pennsylvania; Punxsutawney Area Hospital, Punxsutawney, Pennsylvania; Soldier and Sailors Memorial Hospital, Wellsboro, Pennsylvania; Warren General Hospital, Warren, Pennsylvania; Philadelphia College of Osteopathic Medicine Clinical Learning and Assessment Center; Endless Mountains Health Systems, Montrose, Pennsylvania; Memorial Hospital Inc., Towanda, Pennsylvania; Moses Taylor Health Care System, Scranton, Pennsylvania; Philadelphia College of Osteopathic Medicine's Sullivan County Medical Clinic, LaPorte, Pennsylvania; Fulton County Medical Center, McConnellsberg, Pennsylvania; Albert Einstein Healthcare Network in Philadelphia; Carnegie Mellon University; Children's Hospital of Pittsburgh; Crozer-Keystone Health System, Philadelphia, Pennsylvania; Fox Chase Cancer Center and Lombardi Cancer Center at Georgetown University; Inner Harmony Wellness Center, Clarks Summit, Pennsylvania; Kidspeace National Outpatient Health Center; Magee-Womens Hospital, Pittsburgh, Pennsylvania; Sacred Heart Hospital, Allentown, Pennsylvania; Shamokin Area Community Hospital, Coal Township, Pennsylvania; Susquehanna School for the Blind and Vision Impaired; Temple University Health System, Episcopal Hospital campus; University of Pennsylvania, Comprehensive Cancer Treatment and Research Center; Wills Eye Hospital, National Center for Clinical Research, Philadelphia, Pennsylvania; Wistar Institute; Children's Health Fund; Caribbean Primate Research Center, University of Puerto Rico; Emma Pendleton Bradley Hospital, East Providence, Rhode Island; Thundermist Health Associates, Woonsocket, Rhode Island; Cancer Prevention Research Center, University of Rhode Island, Kingston; Newport Hospital, Newport, Rhode Island; Women and Infants Hospital, Providence, Rhode Island; Williamsburg Regional Hospital, Kingstree, South Carolina; Medical University of South Carolina Oncology Center, Charleston, South Carolina; Voorhees College, Center of Excellence in Rural and Minority Health; University of South Carolina School of Public Health, Columbia, South Carolina; Community Memorial Hospital, Redfield, South Dakota; Crow Creek Sioux Tribe, Fort Thompson, South Dakota; Ellen Stephen Hospice, Kyle, South Dakota;

Wakanyeja Pawicayapi, Inc., Porcupine, South Carolina; St. Bernard's Hospital, Milbank, South Dakota; University of South Dakota, School of Medicine; Children's Hospital at Vanderbilt University Medical Center, Nashville, Tennessee; East Tennessee State University, Quillen College of Medicine, Johnson City, Tennessee; Tennessee Tech, School of Nursing, Chattanooga, Tennessee; University of Texas M.D. Anderson Cancer Center, Houston, Texas; Institute for Research and Rehabilitation, Houston, Texas; Val Verde Regional Medical Center, Del Rio, Texas; Memorial Hermann The Woodlands Hospital, The Woodlands, Texas; Fort Bend Hospital, Missouri City, Texas; Pediatric Intensive Care Unit at Cook Children's Medical Center, Fort Worth, Texas; University of North Texas Health Science Center; Driscoll Children's Hospital, Pediatric Clinic, McAllen, Texas; Baylor College of Medicine and Texas A&M University, Michael E. DeBakey Institute; University of Texas, Southwestern Comprehensive Stroke Center; Houston County Hospital, Crockett, Texas; University of Texas Health Science Center, Texas Diabetes Institute, San Antonio; Eastern Virginia Medical School, Norfolk, Virginia; Massey Cancer Center, Virginia Commonwealth University, Richmond, Virginia; Medical Clinic, Haysi, Virginia; Northwest Community Services, Front Royal, Virginia; Our Health, Inc., Winchester, Virginia; Rutland Regional Medical Center, Rutland, Vermont; Spectrum Youth and Family Services, Burlington, Vermont; Vermont Department of Health, Division of Alcohol and Drug Abuse Programs, Primary Care Facility; University of Vermont College of Medicine and Fletcher Allen Health Care; Northeast Washington County Community Health Center, Plainfield, Vermont; University of Washington, Life Sciences Facility, Seattle, Washington; Lourdes Health Network, Pasco, Washington; Puget Sound Blood Center, Seattle, Washington; Memorial Hospital of Iowa County, Dodgeville, Wisconsin; Northcentral Technical College, Wausau, Wisconsin; Chippewa Valley Technical College Health Education Center, Eau Claire, Wisconsin; Marquette University School of Dentistry in Milwaukee, Wisconsin; Marshfield Clinic, Marshfield, Wisconsin; Marshall University Biotechnology Science Center; University of Charleston, Riggleman Hall; West Virginia School of Osteopathic Medicine, Ambulatory Care Facility; and Friends-R-Fun, Summersville, West Virginia.

The conferees urge HRSA to give full and fair consideration to a proposal from Yeshiva University, Einstein Medical College.

The conference agreement includes bill language to limit the amount available for Federal tort claims within community health centers funding to not more than $15,000,000 as proposed by the House instead of $5,000,000 as proposed by the Senate.

The conference agreement includes bill language identifying $265,085,000 for family planning instead of $264,170,000 as proposed by the House and $266,000,000 as proposed by the Senate.

The conference agreement does not include bill language to provide $30,000,000 for abstinence education in fiscal year 2003 as proposed by the Senate. The House bill contained no similar provision. The conferees agree with the President's request to fund this program on a current year basis.

The conference agreement includes $1,343,723,000 for community health centers as proposed by the Senate instead of $1,318,559,000 as proposed by the House. The conferees concur with language contained in the Senate report that not less than $7,000,000 be provided for Native Hawaiian health care activities.

The conferees urge HRSA to give full and fair consideration to proposals to support expanded services to reach priority populations in under-served communities in Kane, Marion, Saline, and Will, Illinois counties on the southwest side of Chicago and in the AAPI community on the north side of Chicago.

The conferees urge HRSA to give full and fair consideration to proposals to support expanded services to reach priority populations in under-served communities in Greene, Howell, Washington, Benton, Sullivan, Vernon, and Ozark counties, Missouri.

The conference agreement includes $46,511,000 for the national health service corps, field placements instead of $42,511,000 as proposed by the House and $49,511,000 as proposed by the Senate.

The conference agreement includes $107,000,000 for national health service corps, recruitment instead of $100,000,000 as proposed by the House and $104,916,000 as proposed by the Senate. Within the total provided, $8,000,000 is for State offices of rural health.

The conference agreement includes $662,768,000 for health professions instead of $669,992,000 as proposed by the House and $596,369,000 as proposed by the Senate. Within the total provided, $285,000,000 is for children's hospitals graduate medical education.

The conferees provide $2,000,000 to establish a graduate psychology education program. These funds are to be used consistent with language contained in the House report.

The conferees provide $8,000,000 to expand graduate medical education curriculum in geriatrics. These funds are to be used consistent with language contained in the House report.

In convening the panel to examine the education and training requirements for all nursing occupations, as directed in the Senate report, the Secretaries of the Department of Health and Human Services and the Department of Labor shall also collaborate with the American Association of Community Colleges, the American Organization of Nurse Executives, and the National League for Nursing, and ensure that a representative spectrum of views on relevant issues is considered.

The conferees note the value of the Native Hawaiian Center of Excellence in Nursing in addressing the nursing shortage in Hawaii.

The conference agreement includes $17,841,000 for Hansen's disease services instead of $17,491,000 as proposed by the House and $18,391,000 as proposed by the Senate. Within the total provided, $350,000 is for the Diabetes Lower Extremity Amputation Prevention program at the University of South Alabama.

The conference agreement includes $731,615,000 for the maternal and child health block grant instead of $740,000,000 as proposed by the House and $719,087,000 as proposed by the Senate.

The conference agreement includes bill language designating $115,236,000 of the funds provided for the block grant for special projects of regional and national significance (SPRANS) instead of $116,145,000 as proposed by the House. The Senate bill did not earmark funds for this purpose. It is intended that $4,000,000 of the SPRANS amount will be used to enhance the sickle cell newborn screening program and its locally based outreach and counseling efforts. The conferees urge HRSA to give full and fair consideration to a proposal by the Sickle Cell Disease Association of America. It is also intended that $4,000,000 of the SPRANS amount will be used for Columbia Hospital for Women Medical Center in Washington, D.C., to support community outreach programs for women, $565,000 will be used for the Milwaukee Health Department for a pilot program providing health care services to at-risk children in day care, and $50,000 will be used for the Center for Great Expectations, Somerville, New Jersey to provide prenatal health care, education, and counseling for pregnant teens.

Funding for the continuation of the traumatic brain injury State demonstration projects is provided as a separate line item in the table as proposed by the Senate. The House provided funding for this purpose within the SPRANS amount.

The conference agreement includes $10,000,000 for abstinence education as proposed by the House instead of $15,000 as proposed by the Senate. This additional funding brings the total discretionary amount available for abstinence education in fiscal year 2002 to $40,000,000.

The conference agreement includes $99,000,000 for healthy start instead of $102,000,000 as proposed by the House and $89,996,000 as proposed by the Senate. The conferees urge HRSA to give preference to current and former grantees with expiring or recently expired project periods, including grantees that did not receive renewed funding but whose grant applications were approved but not funded during fiscal year 2001.

The conference agreement includes $51,928,000 for rural health outreach grants instead of $51,863,000 as proposed by the House and $52,921,000 as proposed by the Senate.

The conferees continue to be concerned about the health care needs of those in the Mississippi River Delta region. The conferees concur with the budget request and provide $6,800,000 to continue HRSA's ongoing initiative which is providing funding and technical assistance to help underserved rural communities identify and better address their health care needs and to help small rural hospitals improve their financial and operational performance. The conferees recommend that HRSA consult with the Delta Regional Authority (DRA), given DRA's ongoing relationship with communities in the Delta.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$75,000 is for Ellen Stephen Hospice in Kyle, South Dakota to provide end-of-life care for Native Americans on the Pine Ridge Indian Reservation;

—$100,000 is for the Mississippi Disease State Management program at the University of Mississippi School of Pharmacy, which focuses on providing information and medications to the underserved, particularly those with diabetes and asthma;

—$100,000 is for the Northwest Health Center in Pascoag, Rhode Island to support health care services for low-income individuals;

—$100,000 is for the People of Color AIDS Foundation in Santa Fe, New Mexico for education, prevention, and HIV testing services in northern New Mexico;

—$200,000 is for the Louisiana Public Health Institute, Center for Community Capacity Enhancement to promote community partnerships in order to address health improvement priorities;

—$200,000 is for Health Centers of Northern New Mexico in Espanola, San Miguel and

Truchas, New Mexico to improve service delivery and access to care for low-income families in Northern New Mexico;

—$200,000 is for the Geisinger Health Systems Rural Stroke Care Partnership in Danville, Pennsylvania;

—$200,000 is for the Eastside Neighborhood Center, Inc. in Pierre, South Dakota for the Frontier School Health Initiative to provide health care services to children in rural areas who do not receive regular health care services;

—$215,000 is for Jefferson Memorial Hospital in Crystal City, Missouri for its rural health outreach activities;

—$250,000 is for the St. Nicholas Free Clinic in Paducah, Kentucky to establish health education and wellness promotion programs for the working-poor of Ballard, Calloway, Carlisle, Fulton, Graves, Hiuskman, Livingston, McCracken, and Marshall Counties;

—$250,000 is for the Buncombe County Medical Society in North Carolina for Project Access;

—$300,000 is for the Western Kentucky University Healthy Farm Families Initiative;

—$300,000 is for the Carolina's Health Care Systems;

—$300,000 is for the University of Nebraska Medical Center, 500 mile medical center;

—$330,000 is for Mercy Housing health care technical support, to provide health care in coordination with affordable housing to low income families, seniors, and individuals with disabilities;

—$370,000 is for the Clackamas County, Oregon, Public Health Division, for rural outreach activities;

—$400,000 is for the Red Cliff Band of Lake Superior in Bayfield, Wisconsin for dental services;

—$425,000 is for the Southern University Nurse Managed Family Health Center in Baton Rouge for a health clinic on campus and a mobile health clinic;

—$500,000 is for the State of Alaska: "A Counselor in Every Village" program to train behavioral health counselors and provide their services in Alaskan villages; and Alaska Native Health Board to expand the Alaska Community Health Aide program in rural Alaska and to update training materials;

—$500,000 is for the Western Kentucky University Emergency Medical Services Academy;

—$500,000 is for the Western Kentucky University Mobile Health Screening program;

—$500,000 is for the Louisiana State University Health Science Center in New Orleans to reduce diabetes-related foot amputations in a high-risk population;

—$500,000 is for the Penn State Hershey Medical Center to expand access to healthcare in rural areas of central Pennsylvania;

—$500,000 is for the Huntsman Cancer Institute to develop a pilot project involving mobile clinics equipped with Positron Emission Tomography to educate Native Americans on cancer risk, early detection, prevention and treatment;

—$550,000 is for the Center for Sustainable Health Outreach at the University of Southern Mississippi;

—$800,000 is for the Tennessee Hospital Education Research Foundation in Nashville, Tennessee for the Center for Health Workforce Planning;

—$500,000 is for the Cooperative Education Service Agency #11 in Turtle Lake, Wisconsin for dental services;

—$1,000,000 is for the Aberdeen Area Tribal Chairman's Health Board in Aberdeen, South Dakota to support the Northern Plains Healthy Start project;

—$1,000,000 is for the Center for Acadiana Genetics and Hereditary Health Care at Louisiana State University Medical Center to continue and expand the development of the center;

—$1,200,000 is for Creighton University's Accelerated Nursing Program in Omaha, Nebraska; and

—$1,250,000 is for the Montana Comprehensive Health Association in Helena, Montana to develop a demonstration program to bring insurance coverage to high-risk individuals.

The conference agreement includes $16,810,000 for rural health research instead of $12,099,000 as proposed by the House and $15,000,000 as proposed by the Senate.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$200,000 is for the University of Pittsburgh at Bradford, Center for Rural Health Practices;

—$250,000 is for the Healthcare Association of New York State for a Center for Health Care Workforce Innovations

—$300,000 is for Bassett Healthcare to develop and initiate a comprehensive cardiovascular research initiative to demonstrate the effectiveness of an integrated cardiac care program in rural New York;

—$360,000 is for the University of South Dakota to establish a cooperative academic Rural Primary Care and Health Service Research Center to help define the status of health care delivery in South Dakota;

—$400,000 is for the Texas Tech University Health Sciences Center at El Paso and the University of Texas at El Paso for joint research and education on the health problems of migrant workers;

—$400,000 is for the University of Vermont, School of Nursing in Burlington, Vermont to create a nursing center of excellence that will assist policy formulation regarding the severe shortage of nurses, especially in rural areas;

—$1,400,000 is for Avera McKennan Hospital in Sioux Falls, South Dakota to develop and apply computerized radiography within multiple rural and tertiary level medical care settings;

—$1,500,000 is for the University of North Dakota School of Medicine to support its rural health program in preventative medicine and behavioral sciences; and

—$2,000,000 is for the Raleigh County Commission in Beckley, West Virginia for an Educational Mall to serve as a coordinating and research location for rural health initiatives, especially in preventative medicine.

The conference agreement includes $39,197,000 for telehealth instead of $27.609.000 as proposed by the House and $5,609,000 as proposed by the Senate.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$45,000 is for the Oregon Community Health Information Network for technology upgrades;

—$75,000 is for the University of South Alabama for the Southwest Alabama Network for Education and Telemedicine;

—$100,000 is for the Oklahoma State Department of Health, Oklahoma City for planning and development of a rural telemedicine system;

—$100,000 is for the Coalition for Ultrasound Education and Training to develop a comprehensive multi-institution model distance learning network for the training of ultrasound technologists and medical sonographers;

—$100,000 is for the University of Pittsburgh School of Nursing, Nurse Anesthesia Program and LaRoche College for the Nurse Anesthesia Rural and Elderly Expansion project;

—$200,000 is for the Primary Care Association of Hawaii;

—$200,000 is for Logan College of Chiropractic in Chesterfield, Missouri for a distance learning project;

—$200,000 is for Clarion University and the Primary Care Council of Pennsylvania's State System of Higher Education;

—$250,000 is for Molokai General Hospital to use the latest technology advances to provide health care in rural areas;

—$250,000 is for Greene Memorial Hospital in Xenia, Ohio for a Medical Safety Modernization project;

—$250,000 is for the Pennsylvania School of Optometry in Philadelphia to establish a network of urban community-based satellite centers to provide access to inner city, underserved persons who need vision care;

—$250,000 is for the Pennsylvania Association of Home Health Agencies to conduct a multi-facility examination of telehomecare and concurrent development and analysis of the Telenursing role as a solution to the nursing shortage, working with Penn State University Health Policy and Administration;

—$300,000 is for the University of Virginia for telemedicine projects in southwest Virginia;

—$350,000 is for Fairview Ridges Hospital for a demonstration to reduce maternal and neonatal morbidity using technology and communications methodologies;

—$400,000 is for Deaconess Billings Clinic Northwest Area Center for Studies on Aging in Billings, Montana to address healthcare problems associated with rural aging, and expand access to specialty health care via telemedicine;

—$400,000 is for the Rocky Mountain Technology Foundation in Billings, Montana through Rocky Mountain College and Deaconess Billings College to provide telemedicine links to rural areas;

—$400,000 is for the University of Vermont College of Medicine and Fletcher Allen Health Care to support its use of two-way interactive video telemedicine systems to reduce disparities in the clinical care and medical education of trauma;

—$440,000 is for the Telehealth Resource Center at the University of Texas Medical Branch in Galveston, Texas for a telehealth initiative;

—$450,000 is for St. Vincent Hospital in Billings, Montana to establish a regional video telecommunications network for healthcare providers;

—$500,000 is for Central Michigan University in Mt. Pleasant for the rural telehealth and community education network to improve access and quality of health care to migrants and underserved in rural populations;

—$500,000 is for the Alaska Telemedicine Advisory Council for an Alaska telemedicine project;

—$500,000 is for Memorial Medical Center in Springfield, Illinois for an automated clinical information system;

—$500,000 is for the University of Montana, ImProving Health Among Rural Montanans project for expansion of existing capabilities of the campus-based Drug Information Service;

—$500,000 is for the New Mexico-Hawaii Telehealth Outreach for Unified Community Health (TOUCH) project in remote and rural areas;

—$500,000 is for the Penn State Cancer Institute at Hershey Medical Center to develop a digital informatics and communications system to provide a virtual work environment offering patient services across central and northeastern Pennsylvania;

—$550,000 is for the North Idaho Rural Telehealth program to help provide for the logical extension of more complete telehealth services to additional, high-priority participants and rural areas;

—$600,000 is for the Institute for Urban Family Health in New York, New York for an information technology initiative;

—$600,000 is for North Dakota State University College of Pharmacy to conduct a pilot study testing the safety, cost-effectiveness and access to health care provided by new telepharmacy technology in rural communities;

—$750,000 is for Susquehanna Health Systems in Williamsport, Pennsylvania for an Electronic Medical Information and Physician Access project;

—$750,000 is for the Morehouse School of Medicine to develop networking capability at the National Center of Primary Care;

—$800,000 is for the Fairview Lakes Regional Medical Center in Wyoming, Minnesota for its telemedicine program;

—$800,000 is for the University of South Dakota in Vermillion to implement a distance learning project to train entry-level nursing home workers to become nurses;

—$850,000 is for the New York Presbyterian Hospital telehealth initiative;

—$900,000 is for South Dakota State University to develop and evaluate on-line health tracking to help manage chronic conditions in tribal communities;

—$982,000 is for the Maricopa County, Arizona Correctional Health Telemedicine Initiative;

—$1,000,000 is for Baycare Health Systems in Clearwater, Florida for a Medical Information Systems Initiative;

—$1,000,000 is for Case Western Reserve University in Cleveland, Ohio for a Netwellness Internet health program;

—$1,000,000 is for Beaufort-Jasper-Hampton Comprehensive Health Services for Phase II of a telemedicine system to link its patients with the research capabilities of the American Health Foundation;

—$1,100,000 is for Northeastern Ohio Universities College of Medicine in Rootstown, Ohio for implementation of the Medical Education Network Teaching Ohio Region III;

—$1,500,000 is for the Idaho State University Telehealth Integrated Care Center to improve the quality and quantity of access to healthcare for people living in Idaho's rural and frontier areas by providing consultation and diagnosis over long distance;

—$1,500,000 is for the Northeast Ohio Health Outreach Network in Massillon, Ohio for a patient safety pilot program;

—$1,721,000 is for the University of Nevada, Las Vegas for its e-Health program to improve access to specialized and high quality health care in rural Nevada;

—$1,940,000 is for the University of Pittsburgh Medical Center for support of the development and deployment of its state of the art health care information technology system;

—$2,000,000 is for the University of South Dakota School of Medicine;

—$2,085,000 is for the Education and Research Consortium of Western North Carolina, Inc., Western North Carolina Health Care Regional Center to provide computer hardware/software acquisition, upgrade and installation as well as training and consultation services for medical staff and administrators; and

—$2,900,000 is for West Virginia University to provide medical care to rural communities through the Mountaineer Doctor Television (MDTV) program.

The conference agreement includes $20,000,000 for authorized health-related activities of the Denali Commission as proposed by the Senate. The House bill contained no similar provision.

The conference agreement includes $18,993,000 for emergency medical services for children instead of $19,000,000 as proposed by the House and $18,986,000 as proposed by the Senate.

The conference agreement includes $21,210,000 for poison control instead of $16,421,000 as proposed by the House and $24,000,000 as proposed by the Senate.

The conference agreement includes $7,500,000 for traumatic brain injury instead of $10,000,000 as proposed by the Senate. The House bill provided $5,000,000 for this purpose within the maternal and child health block grant SPRANS funding. Within the total provided, $1,500,000 is for protection and advocacy services. These funds are to be used consistent with language contained in the Senate report.

The conference agreement includes $6,000,000 for black lung clinics as proposed by the House instead of $7,000,000 as proposed by the Senate.

The conference agreement includes $3,500,000 for trauma care instead of $3,000,000 as proposed by the House and $4,000,000 as proposed by the Senate.

The conference agreement includes $10,240,000 for nursing loan repayment for shortage area service instead of $2,279,000 as proposed by the House and $15,000,000 as proposed by the Senate.

The conference agreement includes a total of $1,910,806,000 for Ryan White programs instead of $1,919,609,000 as proposed by the House and $1,883,000,000 as proposed by the Senate. Included in this amount is $619,585,000 for emergency assistance, $977,485,000 for comprehensive care, $193,939,000 for early intervention, $70,998,000 for women, infants, children, and youth, $13,500,000 for dental services, and $35,299,000 for education and training centers.

The conference agreement includes bill language identifying $639,000,000 for the Ryan White Title II State AIDS drug assistance programs instead of $649,000,000 as proposed by the House and $610,000,000 as proposed by the Senate.

Within the total provided, $123,200,000 is for the Minority HIV/AIDS initiative. These funds are to be used consistent with language contained in the House report.

The conferees concur with House report language under title IV regarding the distribution of title IV funds.

The conferees are concerned about the increasing incidence of HIV/AIDS infection in rural regions of the United States, and are aware that HIV/AIDS disproportionately impacts minority communities in underserved rural areas, particularly in the Southeast. Therefore, States should utilize funds provided under the Minority HIV/AIDS Initiative to fund outreach strategies that assist in linking underserved minority populations with State ADAPs, primary care, and other HIV/AIDS treatment services.

The conferees are concerned about the formula-based distribution of discretionary supplemental ADAP grant awards to States with demonstrated need. The conferees encourage HRSA to distribute these grant awards to eligible States based on needs identified by the States, rather than a formula based solely on living AIDS cases. The conferees also encourage HRSA to consider capped program enrollment and client waiting lists, in conjunction with the eligibility, formulary, and medical criteria as among the ADAP access restrictions that may qualify a State or territory for these grant awards. The conferees also urge HRSA to provide supplemental awards to States with an ADAP eligibility limit in excess of 200 percent of the Federal poverty level when those States meet any of the statutorily defined criteria.

The conference agreement includes $40,000,000 for rural hospital flexibility grants instead of $35,000,000 as proposed by the House and $25,000,000 as proposed by the Senate. Within the total provided, $15,000,000 is for a rural hospital performance improvement program. These funds would be used for the small rural hospital prospective payment systems grant program as created in section 409 of the Balanced Budget Relief Act of 1999 and authorized in section 1820(g)(3) of the Social Security Act. These funds would also be used to help rural hospitals comply with provisions of the Health Insurance Portability and Accountability Act of 1996 and to reduce medical errors and support quality improvement. The funds would be geared toward small rural hospitals that are essential access points for Medicare and Medicaid beneficiaries.

The conference agreement includes $4,000,000 for the Radiation Exposure Compensation Act instead of $5,000,000 as proposed by the Senate. The House bill contained no similar provision.

The conference agreement includes $120,041,000 for the community access program as proposed by the House instead of $15,041,000 as proposed by the Senate. These funds are to be used consistent with language contained in the House report.

The conference agreement includes $149,154,000 for program management instead of $147,049,000 as proposed by the House and $135,991,000 as proposed by the Senate. Of the increase provided, $2,500,000 is for information technology.

The conferees are concerned by the recently announced plan to abolish the Office for the Advancement of Telehealth and reassign these functions to the HIV/AIDS Bureau. The conferees have provided sufficient funds to continue the operations of this Office as a component of the Office of the Administrator.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$80,000 is for the Wausau Health Foundation in Wausau, Wisconsin for a survey and analysis of local health professionals' career paths to better understand entry into and exit from health professions;

—$100,000 is for the University of San Diego Institute for the Advancement of Health Policy to assess through teaching, research and delivery of services the impact of public policy on families from vulnerable populations;

—$200,000 is for Luna County, New Mexico and the Columbus Volunteer Fire Department to provide emergency medical services to immigrants;

—$350,000 is for the Clinical Pharmacy Training program at the University of Hawaii at Hilo;

—$475,000 is to support the efforts of the American Federation of Negro Affairs Education and Research Fund of Philadelphia;

—$500,000 is for the University of Washington Center for Health Workforce Studies in Seattle, Washington for a demonstration project to collect and analyze health workforce data;

—$800,000 is for the University of Iowa for the training of Certified Registered Nurse Anesthetists;

—$1,000,000 is for the Washington Health Foundation for a comprehensive demonstration project on improving nurse retention; and

—$1,100,000 is for the Iowa Department of Public Health to create a Center for Health Care Workforce Shortage.

Centers for Disease Control and Prevention

DISEASE CONTROL, RESEARCH, AND TRAINING

The conference agreement includes $4,293,151,000 for disease control, research, and training instead of $4,077,060,000 as proposed by the House and $4,418,910,000 as proposed by the Senate.

The conference agreement includes bill language to earmark $250,000,000 for equipment, construction, and renovation of facilities as proposed by the Senate instead of $175,000,000 as proposed by the House. Within the total provided, $6,000,000 is for data storage infrastructure hardware and software upgrades to provide for the remote mirroring of information between CDC data centers, and provide heterogeneous connectivity to existing systems used at CDC, to ensure protection, recovery, and availability of critical data resources.

The conference agreement includes bill language to allow the Centers for Disease Control and Prevention (CDC) to enter into a single contract or related contracts for the full scope of development and construction of facilities as proposed by the Senate. The House bill contained no similar provision.

The conference agreement includes bill language to earmark $143,763,000 for international HIV/AIDS instead of $137,527,000 as proposed by the House and $154,527,000 as proposed by the Senate.

The conference agreement does not include bill language to earmark funds for the National Pharmaceutical Stockpile within CDC. The agreement includes bill language for this purpose within the Public Health and Social Services Emergency Fund.

The conference agreement includes a total of $126,978,000 for the National Center for Health Statistics as proposed by both the House and the Senate. The agreement also includes bill language designating $23,286,000 of the total to be available to the Center from the Public Health Service Act evaluation set-aside as proposed by the House. The Senate bill contained no similar provision.

The conferees urge CDC to review the Pregnancy Risk Assessment Monitoring Survey to explore the feasibility of establishing a uniform State and national reporting system of pregnancy related complications for women, to provide technical assistance to States in examining pregnancy related health data, to track interventions and patterns of care received, and to conduct research into the causes of and interventions for pregnancy complications, especially for complications relating to disparities in mother and infant outcomes for different racial and ethnic populations.

The conference agreement includes $90,078,000 for birth defects, developmental disabilities, disability and health instead of $80,280,000 as proposed by the House and $88,748,000 as proposed by the Senate.

Within the total provided, $12,000,000 is for fetal alcohol syndrome, $3,000,000 is to support the Christopher Reeve Paralysis Foundation, and $2,000,000 is to expand surveillance and epidemiological efforts of Duchenne and Becker muscular dystrophy in the United States.

Within the total provided, $2,800,000 is for a Special Olympics Healthy Athletes Initiative to help train health professionals and sensitize health care systems and institutions to the special needs of individuals with mental retardation; expand systems to make them accessible for special needs individuals; help identify the nature and scope of health challenges and health access barriers to persons with mental retardation; and create and test models for athlete health promotion at the local level.

Within the total provided, $2,500,000 above the budget request is to expand autism and developmental disability surveillance activities in additional States and $1,250,000 above the budget request is to establish an attention deficit/hyperactivity disorder resource center.

The conferees support CDC's prevention activities for folic acid and urge the agency to expand efforts to enhance State and local activities to educate women about this effective prevention strategy.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$100,000 for the Birth Defects Monitoring and Prevention Center at the University of South Alabama;

—$150,000 for the California Teratogen Information Center at the University of California, San Diego;

—$300,000 for the Children and Adults with Attention Deficit Hyperactivity Disorder (CHADD); and

—$750,000 for the University of Louisville Craniofacial Birth Defects Research Center.

The conference agreement includes $747,823,000 for chronic disease prevention and health promotion instead of $722,495,000 as proposed by the House and $701,654,000 as proposed by the Senate. Programs within this account are funded at the following levels:

Arthritis	$13,896,000
Breast and Cervical Cancer	192,598,000
Cancer Prevention and Control	76,662,000
Cancer Registries	(40,000,000)
Colorectal Cancer	(12,000,000)
Other Cancers	(4,357,000)
Ovarian Cancer	(4,596,000)
Prostate Cancer	(14,062,000)
Skin Cancer	(1,647,000)
Community Health Promotion	15,243,000
Diabetes	61,754,000
Epilepsy	6,527,000
Heart Disease and Stroke	37,384,000
Iron Overload	477,000
National Campaign to Change Children's Health Behaviors	68,400,000
Nutrition/Physical Activity	27,505,000
Oral Health	10,839,000
Prevention Centers	26,182,000
Safe Motherhood/Infant Health	50,790,000
School Health	58,495,000
Tobacco	101,071,000

Within the total provided, $68,400,000 is for the National Campaign to Change Children's Health Behaviors. These funds are to be used consistent with language contained in the House report. The conferees do not provide funds to continue the Health Resources and Services Administration and the National Institute of Child Health and Human Development activities.

The conferees concur with the Senate report language encouraging CDC to continue public and professional awareness activities with respect to pulmonary hypertension.

With the additional funding provided for oral health, the conferees understand that priority will be given to completing the funding of cooperative agreements to strengthen State oral disease prevention programs. These programs may include projects that will include dental sealant programs for children and community fluoridation projects.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

Within the total for breast and cervical cancer, $50,000 is for SHAREing & CAREing, Inc., Astoria, New York for an outreach, education and breast cancer screening program; $150,000 is for a breast cancer demonstration project at the Healthcare Association of New York State; and $250,000 is for the Swope Parkway Health Center Breast and Cervical Cancers Demonstration and Outreach project in Kansas City, Missouri.

Within the total for comprehensive cancer control, $250,000 is for the Rhode Island Cancer Council in Pawtucket, Rhode Island for public education and professional outreach; $440,000 is for the University of Texas M.D. Anderson Cancer Center in Houston, Texas for a comprehensive cancer control program to address minority and medically underserved populations; and $500,000 is for the St. Mary's Medical Center Comprehensive Cancer Care Center in Long Beach, California.

Within the total provided for prostate cancer, $290,000 is for the M.D. Anderson Cancer Center in Houston, Texas for satellite prostate cancer testing centers to carry out programs of prevention, education and testing related to prostate cancer.

Within the total provided for community health promotion, $2,800,000 is to develop a model project to test the efficacy of glaucoma screening using mobile units. The conferees further suggest the program establish protocols to conduct outreach, identify staffing needs, provide patient education regarding glaucoma management, address other eye conditions, and make appropriate referrals to eye care professionals.

Within the total provided for community health promotion, $1,200,000 is for the Mind-Body Medical Institute in Boston, Massachusetts to continue practice-based assessments, identification, and study of promising and heavily used mind/body practices.

Within the total provided for community health promotion, $225,000 is for the Roger Williams Medical Center Healthlink in Providence, Rhode Island for a disease prevention initiative for senior retirees; $250,000 is for Valley Children's Hospital in California for a mobile asthma care program to reduce the incidence of asthma in the region and reduce the related costs of hospital-based treatment; $300,000 is for Pikeville College, School of Osteopathic Medicine to conduct epidemiological studies in the Appalachian Region of Southeastern Kentucky; $500,000 is for Community Health Centers in Hawaii for a childhood rural asthma project; $500,000 is for the State of Alaska for a program to reduce high anemia rates of children in the Yukon Delta and the Bristol Bay region; and $1,000,000 is for the University of Texas, Dallas for the Southwestern Medical Center, National Multiple Sclerosis Training Center.

Within the total for diabetes prevention, $100,000 is a diabetes care program at the Clinica Monsenor Oscar A. Romero in Los Angeles, California; $250,000 is for a diabetes and diabetic retinopathy demonstration at the Oklahoma Center for the Advancement of Science and Technology in Oklahoma City, Oklahoma; $440,000 is for the University of Arizona in Tucson for a Border Health Initiative; $500,000 is for the Texas Tech University Center for Diabetes Prevention and Control; and $1,600,000 is for the Standing Rock Sioux Tribe and Cheyenne Sioux Tribe for the Dakota Plains Diabetes Center.

Within the total provided for heart disease and stroke, $4,500,000 is for the Paul Coverdell National Acute Stroke Registry.

Within the total for heart disease and stroke, $130,000 is for the Wausau Health Foundation in Wausau, Wisconsin, for a school-based program to increase awareness of cardiovascular disease and the importance of prevention and to document prevalence of cardiovascular disease in youth; $200,000 is for a Cardiac Outreach program at HealthReach NY in Flushing, New York; and $440,000 is for the Stroke Belt Research and Intervention Network at the University of Alabama, Birmingham.

Within the total provided for nutrition and physical activity, $5,000,000 is for efforts to eliminate micronutrient malnutrition and $475,000 is for a study by the Institute of Medicine on childhood obesity as described in the Senate report.

Within the total for nutrition and physical activity, $125,000 is for the Village of Park Forest, Illinois Health Department, for preventive health education and screening projects in fields such as nutrition, chronic illness, food safety, health screening, and hygiene, and nutrition education for school children; $200,000 is for the Great South Bay YMCA in Bay Shore, New York, for its Fit Kids education and health promotion program; $500,000 is for the State of Alaska Department of Health and Social Services for an Obesity Prevention and Control program; and $2,000,000 is for West Virginia University to establish the Center on Obesity.

Within the total for prevention centers, $250,000 is for the Kansas City Area Life Sciences Institute to support infectious disease, cancer and cardiovascular disease, and prevention research at the Kansas City Proteomics Consortium.

Within the total for safe motherhood, $2,650,000 is for the Lawton and Rhea Chiles Center for Healthy Mothers and Babies in Tampa, Florida, of which $1,500,000 is for training paraprofessionals in the health-care field.

Within the total for school health, $225,000 is for the School of Optometry at the University of Missouri, St. Louis for a program of mobile vision screenings for school children.

The conference agreement includes $153,753,000 for environmental health instead of $146,683,000 as proposed by the House and $171,863,000 as proposed by the Senate.

Within the total provided, $37,149,000 is for the environmental health laboratory, $33,201,000 is for environmental health activities, $35,193,000 is for asthma, and $42,140,000 is for lead poisoning.

Within the total provided, $2,200,000 is to expand the physician education and public awareness program for primary immune deficiency disease.

The conferees have included funds for a CDC assessment, in conjunction with the Iowa Department of Public Health, on the effect of environmental factors on rural health.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$130,000 is for Environment and Human Health, Inc. in North Haven, Connecticut to research and track asthma among the school-age population in Connecticut;

—$300,000 is for the Sustainable Resource Center in Minneapolis, Minnesota to focus on lead poisoning remediation and education;

—$300,000 is for Citizens Against Toxic Exposure in Pensacola, Florida to locate and screen individuals for health problems associated with local toxic pollution and to assist those who have been exposed to these environmental toxins;

—$350,000 is for the Community Lead Education and Reduction Corps (CLEARCorps) in St. Louis, Missouri to fight childhood lead poisoning;

—$440,000 is for the San Antonio Metropolitan Health District to expand an assessment of human exposure to environmental contaminants near Kelly Air Force Base, Texas;

—$700,000 is for the University of Montana at Missoula, Center for Environmental Health Sciences to support research on the impact of environmental factors in causing or exacerbating human diseases; and

—$850,000 is for the University of West Florida for an environmental health study in Escambia and Santa Rosa Counties.

The conference agreement includes $80,303,000 for epidemic services and response as proposed by the House instead of $85,303,000 as proposed by the Senate.

The conference agreement includes $1,135,532,000 for HIV/AIDS, STD and TB prevention instead of $1,148,452,000 as proposed by the House and $1,121,612,000 as proposed by the Senate. Included in this amount is $835,293,000 for HIV/AIDS activities, of which $143,763,000 is for global HIV/AIDS activities; $167,450,000 for STD activities; and $132,789,000 for TB activities.

Within the total provided for HIV/AIDS, $96,000,000 is for the Minority HIV/AIDS initiative. These funds are to be used consistent with language contained in the House report.

The conferees are concerned about the increasing incidence of HIV/AIDS infection in rural regions of the United States, and are aware that HIV/AIDS disproportionately impacts minority communities in underserved rural areas, particularly in the Southeast. Therefore, CDC should develop strategies with States to implement interventions targeted to these communities.

Within the total provided for tuberculosis, $500,000 is for the State of Alaska for a tuberculosis control and prevention program.

The conference agreement includes $627,895,000 for childhood immunization instead of $599,645,000 as proposed by the House and $637,145,000 as proposed by the Senate. Included in this amount is $223,527,000 for vaccine purchase, $200,697,000 for operation/infrastructure activities, $107,400,000 for global polio eradication activities, $26,388,000 for measles eradication activities, and $69,883,000 for prevention activities. In addition, the Vaccines for Children (VFC) program funded through the Medicaid program is expected to provide $795,553,000 in vaccine purchases and distribution support in fiscal year 2002, for a total program level of $1,423,448,000.

The conference agreement includes $344,858,000 for infectious diseases instead of $343,018,000 as proposed by the House and $331,518,000 as proposed by the Senate.

Within the total provided, $4,000,000 above the budget request is for a prevention program to control and reduce the incidents of hepatitis C. This funding is to develop State-based programs and demonstrations to learn the most feasible approach to integrating hepatitis C and B screening, counseling, and referral programs into existing HIV and STD State programs. The conferees also urge CDC to more aggressively undertake the implementation of the National Hepatitis C Prevention Strategy with greater emphasis on communication of information about hepatitis C to health care professionals, and educate the general public and groups at increased risk for infection.

Within the total provided, $4,000,000 above the budget request is to continue planned activities and expand efforts to control the West Nile virus.

Within the total provided, $2,200,000 is to establish a comprehensive thalassemia-based blood safety and surveillance program.

Within the total provided, $1,500,000 is for the establishment of a national autopsy network for prion disease surveillance. These funds are to be used consistent with language contained in the House report. The conferees urge CDC to give full and fair consideration to a proposal from the National Prion Disease Pathology Surveillance Center at Case Western Reserve University.

The conferees encourage CDC to consider funding the Pediatric Prevention Network (PPN) and its efforts to improve infection control for children. The PPN works to decrease health-care acquired infections in hospitalized children, with special emphasis on blood stream infections and the transmission of resistant organisms.

It is estimated that 30 million people reside in, or are adjacent to, areas considered endemic for the soil organism that causes Valley Fever. The conferees encourage CDC to support ongoing efforts in the development of a vaccine, including appropriate epidemiological and surveillance activities.

The conferees support the implementation of the demonstration project developed through the enhancing the monitoring of pharmaceutical services and patient safety through connectivity project.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$200,000 for the Border Health Institute in El Paso, Texas for research related to infectious diseases and other public health problems affecting the U.S.-Mexico border region;

—$440,000 for the Children's Medical Center of Dallas, Center for Infectious Diseases, Advanced Diagnostics, and Emerging Pathogens for efforts to improve the early detection, prevention and control of meningitis, sepsis, pneumonia and myocarditis and for research on the immune responses of at-risk populations;

—$500,000 is for the University of Idaho, Post Falls for biomedical sensor electronics development; and

—$500,000 for the State of Utah Health Department to assist local health authorities in ensuring the safety of food and to protect against communicable disease outbreaks during the 2002 Winter Olympic and Paralympic Games in Salt Lake City.

The conference agreement includes $149,767,000 for injury control instead of $143,655,000 as proposed by the House and $146,655,000 as proposed by the Senate.

Within the total provided, $2,000,000 above the budget request is to expand current activities to better understand the scope of child abuse and neglect and its consequences. These activities could include examining child fatality review systems, supporting States in their collection of surveillance data, improving data collection on the incidence of child maltreatment through the development of consensus definitions, and supporting the implementation and evaluation of interventions aimed at the prevention of child maltreatment.

Within the total provided, $1,500,000 above the budget request is for the National Violent Death Reporting System to gather information on the circumstances of violent deaths and develop effective methods of prevention and intervention.

Within the total provided, $125,000 is for the trauma information and exchange program.

The conferees have included funds for the continuation of the Iowa Injury Control Center.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$37,000 for the Save A Life Foundation, Inc. in Schiller Park, Illinois to expand the training of its basic life supporting first aid program;

—$100,000 for the Westchester County, New York, Department of Emergency Services to develop and implement a training program in pediatric trauma for pre-hospital providers; and

—$450,000 for the National SAFE KIDS Campaign, Washington DC for its SAFE KIDS AT HOME project to improve child health through outreach to public housing and other at-risk communities.

The conference agreement includes $276,460,000 for occupational safety and health instead of $270,135,000 as proposed by the House and $276,135,000 as proposed by the Senate.

Within the total provided, $2,000,000 is for the Education and Research Centers to expand research activities in support of implementation of NORA and $2,000,000 is to develop an intramural and extramural prevention research program that will target all aspects of workplace violence and to coordinate its efforts with the Departments of Justice and Labor.

The conferees have provided sufficient funds for NIOSH to carry out research and related activities aimed at protecting workers who respond to public health needs in the event of a terrorist incident.

The conferees are aware of the research on construction worker safety and health being done by the Center to Protect Worker Rights.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$125,000 for the University of Buffalo, Division of Pulmonary and Critical Care Medicine for a joint educational program with Millard Fillmore Hospital's Sleep Disorder Center in Buffalo, New York and Mount St. Mary's Hospital Sleep Disorder Center in Lewiston, New York to increase knowledge of sleep disorders; and

—$200,000 is for the Occupational and Environmental Health Center of Rhode Island for research, tracking and investigation of employment-related disease.

The conference agreement includes $148,520,000 for public health improvement instead of $149,910,000 as proposed by the House and $114,910,000 as proposed by the Senate.

Within the total provided, $17,500,000 is for development and implementation of a nationwide environmental health tracking network and capacity development in environmental health at State and local health Departments.

Within the total provided, $2,500,000 above the budget request is for prevention research. These funds are to be used consistent with language contained in the Senate report.

The conferees urge CDC to give full and fair consideration to a proposal from the CNA Corporation.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$60,000 is for the Lawrence-Douglas County Health Department in Lawrence, Kansas for assessment, training and equipment related to public health information systems infrastructure;

—$150,000 is for the Interstitial Cystitis (IC) Association CURE program in Rockville, Maryland for activities to broaden the understanding of IC;

—$350,000 is for the New England Medical Center to develop predictive instrument research in technology to reduce medical errors;

—$400,000 is for the University of Vermont College of Medicine to support the Vermont Oxford Network and its efforts to improve the quality of health care available to children born prematurely through the reduction of medical errors;

—$400,000 is for the Northeast Regional Cancer Institute Cancer Epidemiology Research Program in Northeastern Pennsylvania;

—$500,000 is for the Institute for Clinical Evaluation for the reduction of medical errors through the development and demonstration of virtual reality medical technology simulation training for training health care workers in medical procedures;

—$500,000 is for the University of Louisville and Kosair Children's Hospital Sleep Medicine Center;

—$500,000 is for the National Emergency Response and Rescue Training Center's Integrated Health and Medical Weapons of Mass Destruction Training Program in College Station, Texas;

—$650,000 is for the University of Georgia to establish a Center for Leadership in Education and Applied Research in Mass Destruction Defense to train health professionals to respond to chemical and biological attacks;

—$700,000 is for the Kirkwood Community College in Cedar Rapids, Iowa for the National Mass Fatalities Institute;

—$800,000 is to continue the development of the Delaware Electronic Reporting Systems (DEERS) to track diseases;

—$900,000 is for the Center for the Study of Bioterrorism and Emerging Infections at the St. Louis University School of Public Health;

—$1,000,000 is for Westchester County, New York to conduct readiness assessments of all response systems, including emergency response and management systems, hospitals, the county health department, equipment needs and communications systems, in the development of a comprehensive bioterrorism response plan;

—$1,000,000 is for the University of Kentucky Center for Improving Medication-Related Outcomes;

—$1,000,000 is for the Delta Health and Prevention Research Initiative at Delta State University;

—$1,000,000 is for the Public Health Service Noble Training Center for the development of a comprehensive bioterrorism curriculum and the conduct of on-site training for health care professionals to be done in conjunction with appropriate Federal agencies, Auburn University and the University of Alabama at Birmingham;

—$1,000,000 is for Iowa State University for the creation of a Center for Food Security and Public Health;

—$1,000,000 is for the University of Iowa for the planning of a Hygienic Lab;

—$1,000,000 is for the Center for Civilian Biodefense Strategies at Johns Hopkins University to improve the nation's medical and public health preparedness and response to bioterrorism;

—$1,000,000 is for the University of Texas Medical Branch, National Rapid Response Bioterrorism Defense Center;

—$1,200,000 is for the Oral Vaccine Institute in Las Vegas, Nevada for the development of innovative oral vaccine delivery alternatives;

—$1,500,000 is for the University of Louisville Center for the Deterrence of Biowarfare and Bioterrorism; and

—$2,000,000 is for West Virginia University for continued development of the virtual medical campus.

National Institutes of Health

NATIONAL CANCER INSTITUTE

The conference agreement includes $4,190,405,000 for the National Cancer Institute instead of $4,146,291,000 as proposed by the House and $4,258,516,000 as proposed by the Senate.

The conferees urge NCI to continue supporting cancer genomics projects with the goal of identifying potential cancer therapies.

NATIONAL HEART, LUNG AND BLOOD INSTITUTE

The conference agreement includes $2,576,125,000 for the National Heart, Lung and Blood Institute instead of $2,547,675,000 as proposed by the House and $2,618,966,000 as proposed by the Senate.

NATIONAL INSTITUTE OF DENTAL AND CRANIOFACIAL RESEARCH

The conference agreement includes $343,327,000 for the National Institute of Dental and Craniofacial Research instead of $339,268,000 as proposed by the House and $348,767,000 as proposed by the Senate.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

The conference agreement includes $1,466,833,000 for the National Institute of Diabetes and Digestive and Kidney Diseases instead of $1,446,705,000 as proposed by the House and $1,501,476,000 as proposed by the Senate.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

The conference agreement includes $1,328,188,000 for the National Institute of Neurological Disorders and Stroke instead of $1,306,321,000 as proposed by the House and $1,352,055,000 as proposed by the Senate.

The conferees understand that over two million Americans suffer from epilepsy, with one million suffering from uncontrolled seizures. The conferees are interested in the acceleration of epilepsy research and encourage NINDS to take steps to jumpstart promising epilepsy research areas. In particular, the conferees urge NINDS to establish an annual lectureship in the epilepsy research field to provide the intellectual stimulation to prompt new findings in both the NINDS intramural program and the extramural community. The conferees request that NINDS consider naming the lectureship in memory of Judith Hoyer. Mrs. Hoyer had epilepsy; she spent her life helping families dealing with the condition and promoting research into a cure and a better quality of life for those with epilepsy. Such a lectureship would continue her legacy of stimulating important epilepsy research.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

The conference agreement includes $2,372,278,000 for the National Institute of Allergy and Infectious Diseases instead of $2,337,204,000 as proposed by the House and $2,375,836,000 as proposed by the Senate.

The conference agreement includes bill language to give the Director discretion to transfer up to $25,000,000 to International Assistance Programs, Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis as proposed by the House. The Senate bill included a general provision to transfer this amount to the Global Fund.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

The conference agreement includes $1,725,263,000 for the National Institute of General Medical Sciences instead of $1,706,968,000 as proposed by the House and $1,753,465,000 as proposed by the Senate.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

The conference agreement includes $1,113,605,000 for the National Institute of Child Health and Human Development instead of $1,088,208,000 as proposed by the House and $1,123,692,000 as proposed by the Senate.

The conferees note the achievements of the NICHD Study of Early Child Care and Youth Development and urge its continuation, including its program of data collection and dissemination of findings.

The conferees are pleased to hear that over the past year, NICHD has begun to plan a major initiative on stillbirth. In March, the Institute convened scientific and medical experts from around the country to explore the available information about the incidence of stillbirth, its varying causes, and the opportunities for research. The conferees urge NICHD to build upon this knowledge by planning for a prospective investigation of the scope and causes of stillbirth nationally and internationally. The conferees also encourage NICHD to work with professional organizations on this issue to assess current knowledge and develop research opportunities in the management of stillbirth.

NATIONAL EYE INSTITUTE

The conference agreement includes $581,366,000 for the National Eye Institute instead of $566,725,000 as proposed by the House and $614,000,000 as proposed by the Senate.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

The conference agreement includes $566,639,000 for the National Institute of Environmental Health Sciences instead of $557,435,000 as proposed by the House and $585,946,000 as proposed by the Senate.

NATIONAL INSTITUTE ON AGING

The conference agreement includes $893,443,000 for the National Institute on Aging instead of $873,186,000 as proposed by the House and $909,174,000 as proposed by the Senate.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

The conference agreement includes $448,865,000 for the National Institute of Arthritis and Musculoskeletal and Skin Diseases instead of $440,144,000 as proposed by the House and $460,202,000 as proposed by the Senate.

Eosinophilia-myalgia syndrome is a multisystemic disorder that was first recognized in 1989. The conferees encourage NIAMS to enhance research efforts to identify the cause of this disease and develop a better understanding of the characterization of pathophysiological events leading to the chronic phase of the disease.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

The conference agreement includes $342,072,000 for the National Institute on Deafness and Other Communication Disorders instead of $334,161,000 as proposed by the House and $349,983,000 as proposed by the Senate.

The conferees continue to support the expansion of NIDCD's research on the efficacy of new hearing screening technologies through all available mechanisms, as appropriate, including clinical studies on screening methodologies and studies on the efficacy of intervention and follow-up, and related research.

NATIONAL INSTITUTE OF NURSING RESEARCH

The conference agreement includes $120,451,000 for the National Institute of Nursing Research instead of $116,773,000 as proposed by the House and $125,659,000 as proposed by the Senate.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

The conference agreement includes $384,238,000 for the National Institute on Alcohol Abuse and Alcoholism instead of $379,026,000 as proposed by the House and $390,761,000 as proposed by the Senate.

NATIONAL INSTITUTE ON DRUG ABUSE

The conference agreement includes $888,105,000 for the National Institute on Drug Abuse instead of $900,389,000 as proposed by the House and $902,000,000 as proposed by the Senate.

NATIONAL INSTITUTE OF MENTAL HEALTH

The conference agreement includes $1,248,626,000 for the National Institute of Mental Health instead-of $1,228,780,000 as proposed by the House and $1,279,383,000 as proposed by the Senate.

NATIONAL HUMAN GENOME RESEARCH INSTITUTE

The conference agreement includes $429,515,000 for the National Human Genome Research Institute instead of $423,454,000 as proposed by the House and $440,448,000 as proposed by the Senate.

NATIONAL INSTITUTE OF BIOMEDICAL IMAGING AND BIOENGINEERING

The conference agreement includes $111,984,000 for the National Institute of Biomedical Imaging and Bioengineering instead of $39,896,000 as proposed by the House and $140,000,000 as proposed by the Senate.

The conferees commend NIH for agreeing to establish a task force comprising both NIH staff and representatives of the extramural research community to review all current imaging and bioengineering grants and identify those that are appropriate for transfer to the newly-established National Institute of Biomedical Imaging and Bioengineering (NIBIB). Toward that end, the conferees support the agreement to create a nine-member task force that includes representatives of NIH (three members), the extramural imaging community (three members), and the bioengineering community (three members), with representatives of the outside groups to be appointed by the appropriate professional organizations in those fields. The conferees direct the task force to establish criteria to be applied consistently to all grants under consideration. The conferees urge that these criteria ensure that research projects with applications to multiple disease processes or organ systems should generally reside in NIBIB in accordance with the intent of Congress in creating the new Institute. The Director of the NIH shall submit a report on the findings of the task force to the House and Senate Appropriations Committees by March 31, 2002.

While the conferees are pleased that progress has been achieved in implementing the legislation that created NIBIB, they have been concerned that the amount of research grants proposed by the NIH for transfer to the new Institute falls short of previous assessments of NIH support for basic biomedical imaging and bioengineering as expressed in NIH statements to the Congress. Creation of the joint NIH-extramural task force should help to ensure that all parties have confidence in the process.

NATIONAL CENTER FOR RESEARCH RESOURCES

The conference agreement includes $1,011,594,000 for the National Center for Research Resources instead of $966,541,000 as proposed by the House and $1,014,044,000 as proposed by the Senate.

The conference agreement includes bill language to earmark $110,000,000 for extramural facilities construction grants instead of $97,000,000 as proposed by the House and $125,000,000 as proposed by the Senate. The agreement also includes bill language to earmark $5,000,000 of these funds to begin construction of facilities for a Chimp Sanctuary as proposed by the House. The Senate bill contained no similar provision.

Within the total provided, $160,000,000 is for the Institutional Development Awards program and $271,580,000 is for the General Clinical Research Centers.

NATIONAL CENTER FOR COMPLEMENTARY AND ALTERNATIVE MEDICINE

The conference agreement includes $104,644,000 for the National Center for Complementary and Alternative Medicine instead of $99,288,000 as proposed by the House and $110,000,000 as proposed by the Senate.

NATIONAL CENTER ON MINORITY HEALTH AND HEALTH DISPARITIES

The conference agreement includes $157,812,000 for the National Center on Minority Health and Health Disparities instead of $157,204,000 as proposed by the House and $158,421,000 as proposed by the Senate.

The conferees concur with language contained in the House report regarding the newly established National Center for Minority Health and Health Disparities. The conferees encourage the Center to move forward in implementing the Research Endowment and Centers of Excellence programs as ongoing initiatives.

JOHN E. FOGARTY INTERNATIONAL CENTER

The conference agreement includes $56,940,000 for the John E. Fogarty International Center instead of $56,021,000 as proposed by the House and $57,874,000 as proposed by the Senate.

NATIONAL LIBRARY OF MEDICINE

The conference agreement includes $277,658,000 for the National Library of Medicine instead of $273,610,000 as proposed by the House and $281,584,000 as proposed by the Senate.

OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $235,540,000 for the Office of the Director instead of $232,098,000 as proposed by the House and $236,408,000 as proposed by the Senate. The agreement includes a designation in bill language of $53,540,000 for the operations of the Office of AIDS Research.

Within the total provided, $10,341,000 is for the Office of Rare Diseases and $17,000,000 is for the Office of Dietary Supplements.

The conferees are agreed that NIH should continue to allocate funds for biomedical research on the basis of scientific opportunity, taking into consideration the many other factors identified by NIH as being relevant to funding decisions, such as the infectious nature of a disease, the number of cases and deaths associated with a disease, the costs of disease treatment, and/or other costs associated with a disease. The conferees also expect NIH to carefully consider the language in the House and Senate reports and give it appropriate weight when determining funding allocations across disease areas. Regarding the cases in which the House or Senate reports reference funding levels for a specific disease, the conferees are agreed that these are intended only to express relative priority and are not funding earmarks.

The conferees concur with language contained in the Senate report regarding the pediatric research initiative.

The conferees recognize the significance of child abuse and neglect as a serious public health problem. The conferees commend the efforts of NIH, under the leadership of NIMH, for convening a working group of organizations and relevant Federal agencies to facilitate collaborative and cooperative efforts on child abuse and neglect research. The conferees encourage NIH to continue to address this public health problem and request that the Director of NIH be prepared to report on the progress of this research at the fiscal year 2003 appropriations hearing.

The conferees are concerned about the impact of Tropical Storm Allison on the research programs and institutions located in Houston, Texas, in particular Baylor College of Medicine and the University of Texas at Houston Health Sciences Center. The conferees recognize the efforts of NIH to extend application deadlines and provide administrative supplements to affected grantees. The conferees strongly encourage NIH to continue this practice and, to the extent practicable, provide one-year extensions for those investigators who need them.

The conferees recognize the association between religion and positive health outcomes. This may be the result of the emphasis of some religions on healthy behaviors. For example, the Church of Jesus Christ of Latter Day Saints, also known as the Mormon religion, encourages members to adopt health-promoting behaviors and proscribes behaviors associated with poor health outcomes, such as smoking or substance abuse. The conferees encourage NIH to examine further the association between religion and health outcomes and how some religious organizations effectively promote healthy behaviors among their members.

The conferees continue to be very interested in matching the increased needs of researchers, particularly NIH grantees, as well as intramural and university-based researchers, who rely upon human tissues and organs to study human diseases and to search for cures. The conferees are aware that NIH is in the process of encouraging the Institutes and Centers to expand support for NDRI and urge NIH to submit a written progress report to the House and Senate Committees on Appropriations no later than February 1, 2002.

BUILDINGS AND FACILITIES

The conference agreement includes $309,600,000 for buildings and facilities instead of $311,600,000 as proposed by the House and $306,600,000 as proposed by the Senate.

The conference agreement includes bill language to give the Director discretion to transfer up to $75,000,000 to International Assistance Programs, Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis as proposed by the House. The Senate bill included a general provision to transfer $70,000,000 to the Global Fund.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

The conference agreement includes $3,138,279,000 for substance abuse and mental health services instead of $3,131,558,000 as proposed by the House and $3,088,456,000 as proposed by the Senate.

The conference agreement does not include bill language as proposed by the Senate to earmark funds to carry out subtitle C of title XXXVI of the Children's Health Act of 2000. The House bill contained no similar provision. The conferees provide funding for this purpose within the Center for Substance Abuse Prevention.

The conference agreement does not include bill language to earmark funds for mental health providers serving public safety workers affected by disasters of national significance. The House bill contained no similar provision. The conferees provide funding for this purpose within the Center for Mental Health Services.

Center for Mental Health Services

The conference agreement includes $433,000,000 for the mental health block grant instead of $440,000,000 as proposed by the House and $420,000,000 as proposed by the Senate.

The conference agreement includes $96,694,000 for children's mental health instead of $97,694,000 as proposed by the House and $91,694,000 as proposed by the Senate.

The conference agreement includes $32,500,000 for protection and advocacy instead of $33,000,000 as proposed by the House and $32,000,000 as proposed by the Senate.

The conference agreement includes $230,067,000 for programs of regional and national significance instead of $223,499,000 as proposed by the House and $208,599,000 as proposed by the Senate.

Within the total provided, $95,000,000 is for continuation and expansion of youth violence prevention programs.

Within the total provided, $20,000,000 is provided under section 582 of the Public Health Service Act to support grants to local mental health providers for the purposes of developing knowledge of best practices and providing mental health services to children and youth suffering from post-traumatic stress disorder as a result of having witnessed or experienced a traumatic event.

Within the total provided, $7,000,000 is for the Minority HIV/AIDS initiative. These funds are to be used consistent with language contained in the House report.

Within the total provided, $5,000,000 is to provide mental health outreach and treatment to the elderly.

Within the total provided, $4,000,000 is for grants to develop and implement programs to divert individuals with a mental health illness from the criminal justice system to community-based services and for related training and technical assistance as authorized by section 520G of the Public Health Service Act.

Within the total provided, $3,000,000 is to establish a National Suicide Prevention Resource Center to provide technical assistance in developing, implementing, and evaluating effective suicide prevention programs. These funds are to be used consistent with language contained in the Senate report.

Within the total provided, $2,500,000 is for mental health providers serving public safety workers affected by disasters of national significance.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$46,000 for Leo N. Levi Memorial Hospital Association, Hot Springs, Arkansas for a school-based student/family psychotherapy program;

—$50,000 is for the Wisconsin Primary Healthcare Association in Madison, Wisconsin to provide mental health services to farm families affected by economic problems related to agriculture;

—$100,000 is for American Trauma Society's 2nd Trauma Program;

—$150,000 is for the Weingart Center in Los Angeles, California to develop and expand mental health support and long-term case management within transitional housing and clinical programs;

—$160,000 is for the Hispanic Counseling Center in Hempstead, New York for mental health, alcoholism, and substance abuse treatment services;

—$172,000 is for Family Communications Inc. in Pittsburgh for an antiviolence program entitled the National Preschool Anger Management Project;

—$200,000 is for the Bert Nash Community Mental Health Center in Lawrence, Kansas to provide mental health services in schools and other settings to prevent juvenile crime and substance abuse among high-risk youth;

—$200,000 is for the Concord-Assabet Family Services Center for a model transitional living program for troubled youth;

—$250,000 is for the further development, testing, and implementation of the computerization of the Texas Medication Algorithm Project (T-MAP) in Tarrent County, Texas;

—$250,000 is for the Texas Department of Mental Health and Retardation for further development of Texas Medication Algorithm Project (T-MAP)

—$350,000 is for Casa Myrna Vazquez in Boston to support domestic violence services and related services;

—$350,000 is for Emma Pendleton Bradley Hospital in East Providence, Rhode Island for a school-based adolescent mental health initiative;

—$400,000 is for the Corporation for Supportive Housing, New York, New York to advise and assist supportive housing organizations in providing mental health and substance abuse services;

—$490,000 is for Pacific Clinics in Arcadia, California to support a school-based mental health demonstration program for Latina adolescents;

—$500,000 is for the Life Quest Community Mental Health Center for its program for treatment of co-occurring disorders among the population of Mat-Su Valley;

—$500,000 is for the University of Alabama in Tuscaloosa, Alabama for the Geriatric Mental Health Research Center;

—$650,000 is for the University of Connecticut for an urban health initiative, jointly with Yale University, to improve mental health services to underserved, high-risk urban residents;

—$700,000 is for the Providence Center for Counseling and Psychiatric Services in Providence, Rhode Island for an early intervention preschool and parent training program;

—$800,000 is for the Mentally Ill Offender Crime Reduction demonstration in Ventura County, California;

—$800,000 is for the Yale University, Child Study Center to support collaborative programs aimed at addressing the needs of children exposed to violence and based on the

Child Development-Community Policing program model;

—$850,000 is for the Iowa State University extension for the training of rural mental health providers; and

—$1,000,000 is for the Ch'eghutsen comprehensive mental health services program for children in Interior Alaska.

Center for Substance Abuse Treatment

The conference agreement includes $291,572,000 for programs of regional and national significance instead of $305,122,000 as proposed by the House and $276,122,000 as proposed by the Senate.

Within the total provided, $57,000,000 is for the Minority HIV/AIDS initiative. These funds are to be used consistent with language contained in the House report.

Within the total provided, $9,000,000 above last year's level is for grants to develop and expand mental health and substance abuse treatment services for homeless individuals as authorized by section 506 of the Public Health Service Act. The intent of this section was to permit grants to be made to projects which provide either mental health services, substance abuse services, or services in both fields. This allows communities greater flexibility to provide the services they believe to be the most urgent. While the resources have been included within the Center for Substance Abuse Treatment (CSAT), the conferees believe that the most effective outcomes will be achieved in addressing the multiple needs of homeless individuals if CSAT and the Center for Mental Health Services work cooperatively. The conferees further intend that these funds could be used in conjunction with permanent supportive housing programs for homeless people in support of the Secretary's initiative to reduce chronic homelessness.

Within the total provided, $10,000,000 is to expand support of clinically based treatment and related services for adult, juvenile, and family drug courts and individuals returning to the community who are on probation, parole, or unsupervised release.

Within the total provided, $3,000,000 is for the Addiction and Technology Transfer Center program. These funds are to be used consistent with language contained in the House report.

The conferees urge SAMHSA to give full and fair consideration to a proposal by the National Center on Addiction and Substance Abuse at Columbia University.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$50,000 is for Recovery House in Wallingford, Vermont to develop a day treatment program for substance abuse counseling and other support services for pregnant women and women with dependent children;

—$100,000 is for Haymarket West in Schaumburg, Illinois to expand its comprehensive substance abuse treatment and related services;

—$100,000 is for Treatment Alternatives for Safe Communities in Chicago, Illinois for a substance abuse treatment program;

—$100,000 is for ThedaCare Behavioral Health in Menasha, Wisconsin to establish pilot models for expanded regional substance abuse prevention and treatment services for youth and families;

—$200,000 is for the Dimock Community Health Center to support inpatient detoxification and behavioral health programs;

—$200,000 is for the Vinland Center in Loretto, Minnesota to offer specialized residential treatment programs for adults with cognitive and functional impairments;

—$200,000 is for the Vermont Department of Health, Division of Alcohol and Drug Abuse Programs for long-term residential treatment services for adolescents with significant substance abuse problems in Bradford, Vermont;

—$200,000 is for Lutheran Social Services in Appleton, Wisconsin to expand alcohol abuse prevention programs for older adults in northern Wisconsin;

—$250,000 is for the Pennington County Detention Center in South Dakota for mental health and substance abuse treatment services;

—$400,000 is for the WestCare Foundation, Inc. in Las Vegas, Nevada to demonstrate and evaluate the Batterers Intervention Demonstration project;

—$500,000 is for the Cook Inlet Tribal Council to treat women and children with substance abuse problems in Kenai;

—$500,000 is for the Vermont Department of Health, Division of Alcohol and Drug Abuse Programs to establish pilot projects in Rutland and Burlington that will develop prevention and treatment strategies for combating substance abuse problems in urban and rural settings;

—$500,000 is for the United Community Center/Centro de la Comunidad to establish a demonstration project integrating substance abuse treatment programs into domestic violence intervention and outreach programs geared toward Hispanic women;

—$750,000 is for the Cook Inlet Tribal Council's Ernie Turner Center to provide outpatient substance abuse treatment;

—$750,000 is for the Fairbanks Native Association's Lifegivers program;

—$750,000 is for the Southcentral Foundation's Pathways Home Residential Treatment Center for Adolescent Substance Abusers;

—$800,000 is for Diversion Alternatives, Inc. in Ft. Worth, Texas for a comprehensive outpatient substance abuse treatment program;

—$1,000,000 is for the San Francisco Department of Public Health, for its model substance abuse treatment on demand initiative; and

—$2,500,000 is for the City of Baltimore, Maryland to expand its drug treatment services.

Center for Substance Abuse Prevention

The conference agreement includes $198,140,000 for programs of regional and national significance instead of $187,215,000 as proposed by the House and $199,013,000 as proposed by the Senate.

Within the total provided, $38,100,000 is for the Minority HIV/AIDS initiative. These funds are to be used consistent with language contained in the House report.

Within the total provided, $12,500,000 is to expand efforts to identify, disseminate, and implement effective fetal alcohol syndrome prevention and treatment programs.

Within the total provided, $5,000,000 is to carry out the Ecstasy Anti-Proliferation Act of 2000.

Within the total provided, $5,000,000 is for grants to public and nonprofit entities to carry out school-based and community-based programs concerning the dangers of methamphetamine abuse and addiction.

The conferees urge SAMHSA to give full and fair consideration to a proposal by the National Center on Addiction and Substance Abuse at Columbia University.

The conferees include the following amounts for the following projects and activities in fiscal year 2002:

—$75,000 is for the Start S.M.A.R.T. Foundation in Bethlehem, Pennsylvania for the development of a pilot project to examine the optimal ways of distributing "QED," a new saliva alcohol test;

—$100,000 is for the Syracuse University for the Twelve Point for Substance Abuse Prevention program;

—$100,000 is for the Rock Island County Council on Addictions in East Moline, Illinois for its Healthy Youth Prevention Program;

—$150,000 is for the Palm Beach County Community Services Department for the Free to Grow Program that provides drug prevention services to families of preschoolers;

—$150,000 is for the State University of New York Upstate Medical University for the Developmental Exposure Alcohol Research Center;

—$250,000 is for the Northwestern Community Services Board in Front Royal, Virginia for a Warren County Drug Initiative;

—$300,000 is for the Orleans Parish, SE Louisiana Drug Prevention Education program for student drug testing assessment, counseling, treatment, drug education, outreach services and program evaluation;

—$400,000 is for the Institute for Research, Education, and Training in Addictions in Pittsburgh, Pennsylvania at St. Francis Health System to facilitate the coordination of approaches to research, treatment and health policy development;

—$500,000 is for Coalition for Safe and Drug Free St. Petersburg, Inc. in St. Petersburg, Florida for a demonstration project;

—$600,000 is for Chrysalis House, Inc. in Fayette County, Kentucky for substance abuse prevention programs;

—$750,000 is for the Anchorage Department of Health for drug and alcohol prevention programs to reach 50 percent of Alaska's population;

—$800,000 is for Fenway Community Health in Boston, Massachusetts to expand its HIV prevention, mental health, and substance abuse programs;

—$1,200,000 is for the Ohio Prevention in Education Resource Center in Cincinnati, Ohio for the Bridgebuilders project; and

—$1,250,000 is for Community Health Centers in the Big Island of Hawaii for a youth anti-drug program.

Program Management

The conference agreement includes $91,451,000 for program management instead of $80,173,000 as proposed by the House and $96,173,000 as proposed by the Senate.

Within the total provided, $3,278,000 is to continue testing the effectiveness of Community Assessment and Intervention Centers in providing integrated mental health and substance abuse services to troubled and at-risk children and youth, and their families in four Florida communities. Building upon successful juvenile programs, this effort responds directly to nationwide concerns about youth violence, substance abuse, declining levels of service availability and the inability of certain communities to respond to the needs of their youth in a coordinated manner.

AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

HEALTHCARE RESEARCH AND QUALITY

The conference agreement includes $2,600,000 in appropriated funds instead of $168,435,000 as proposed by the House and $291,245,000 as proposed by the Senate.

The conference agreement designates $296,145,000 to be available to the agency under the Public Health Service Act one percent evaluation set-aside instead of

$137,810,000 as proposed by the House. The Senate bill contained no similar provision.

Within the total provided, $55,000,000 is to determine ways to reduce medical errors.

CENTERS FOR MEDICARE AND MEDICAID SERVICES

PROGRAM MANAGEMENT

The conference agreement includes $2,440,798,000 for program management instead of $2,361,158,000 as proposed by the House and $2,464,658,000 as proposed by the Senate. An additional appropriation of $700,000,000 has been provided for the Medicare Integrity Program through the Health Insurance Portability and Accountability Act of 1996.

Research, Demonstration, and Evaluation

The conference agreement includes $118,201,000 for research, demonstration, and evaluation instead of $55,311,000 as proposed by the House and $125,311,000 as proposed by the Senate.

Within the total provided, $40,000,000 is for Real Choice Systems Change Grants to States. These funds are to be used consistent with language contained in the Senate report.

Within the total provided, $15,000,000 is to continue the Nursing Home Transition Initiative.

The conferees do not concur with the Senate report language regarding the extension of Disease State Management Programs to Medicare demonstration projects.

The conferees have included sufficient funds to continue a Medicare demonstration project to test the effectiveness of using lifestyle changes to treat heart disease.

The agreement includes bill language for the following projects and activities for fiscal year 2002:

—$100,000 is for the Regional Nursing Centers Consortium in Philadelphia to initiate a demonstration project to evaluate 15 nurse-managed health centers in urban and rural areas across Pennsylvania;

—$200,000 is for the Madonna Rehabilitation Center in Lincoln, Nebraska to create a new standard of rehabilitation practice and program design for children and adults with disabilities;

—$250,000 is for the Cook County, Illinois Bureau of Health for the Asthma Champion Initiative to reduce morbidity and mortality from asthma in high prevalence areas;

—$250,000 is for the Illinois Primary Health Care Association to implement the Shared Integrated Management Information System providing centralized case management, reimbursement and administrative support services;

—$500,000 is for Project Access in Muskegon, Michigan to offer affordable insurance to uninsured workers, primarily in small business, and low-income individuals;

—$590,000 is for Santa Clara County, California for the outreach and application assistance aspects of its Children's Health Initiative, to demonstrate means of expanding enrollment of eligible children in Medicaid, SCHIP and other available health care programs;

—$800,000 is for the Fishing Partnership Health Plan, based in Boston, Massachusetts for a demonstration project on the efficacy of using a community-based health benefit program to provide health care coverage for lower-income independently employed workers and their families;

—$800,000 is to continue a demonstration project being conducted at the Mind-Body Institute of Boston, Massachusetts, and expand the demonstration so that eligible patients shall also include those who have undergone coronary bypass surgery or angioplasty and do not have reduced blood flow to the heart, and/or angina;

—$900,000 is for the Children's Hospice International demonstration program to provide a continuum of care for children with life-threatening conditions and their families;

—$1,500,000 is for the Iowa Department of Public Health for the continuation of a prescription drug cooperative demonstration; and

—$2,000,000 is for the AIDS Healthcare Foundation in Los Angeles for a demonstration of residential and outpatient treatment facilities.

Medicare Contractors

The conference agreement includes $1,534,500,000 for Medicare contractors instead of $1,522,000,000 as proposed by the House and $1,547,000,000 as proposed by the Senate.

Within the total provided, $52,000,000 is for the Medicare+Choice information campaign and $12,500,000 is to support grants for State Health Insurance Counseling and Assistance programs.

State Survey and Certification

The conference agreement includes $256,397,000 for State survey and certification instead of $252,147,000 as proposed by the House and $260,647,000 as proposed by the Senate.

Federal Administration

The conference agreement includes $531,700,000 for Federal administration as proposed by both the House and the Senate.

The conferees understand that CMS is developing a comprehensive regulation establishing a new fee schedule for ambulance payments as required by the Balanced Budget Act of 1997. The conferees believe it is equally important to implement condition codes and urge CMS to do so simultaneously with the new fee schedule.

The conferees are aware of underpayment to certain hospitals that treat newborns with life threatening respiratory diseases and encourage CMS to implement a methodology to reimburse hospitals for inhaled nitric oxide treatment for neonatal hypoxic respiratory failure.

The conferees strongly concur with Senate report language regarding the Medicaid upper payment limit agreement that was included in the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 2001.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE

The conference agreement specifies that the contingency funds are for the unanticipated home energy assistance needs of one or more States, consistent with language contained in the House bill. The Senate bill did not include such a provision.

The conference agreement specifies that the contingency funds shall be made available only after submission to the Congress of an official budget request as proposed by the Senate, instead of a formal budget request as proposed by the House.

The conferees note that the amount provided by the Congress in the Supplemental Appropriations Act of 2001 was $150,000,000 more than requested by the Administration because of serious concerns about low-income households which had experienced significant increases in their home heating costs during the harsh winter of the past year. In addition, many States exhausted their LIHEAP allocations as the program served one million households more than it had in the previous year. The conferees are concerned that the combination of circumstances, according to objective data sources, has left many low income households with utility debts at levels considerably higher than the previous year, while applications for this coming heating season are coming in at rates significantly higher than last year. Therefore, the conferees encourage the Administration to release funds to reduce the energy burden on low income households throughout the nation. The conferees recognize that the contingency fund was authorized to meet the additional home energy assistance needs of one or more States arising from a natural disaster or other emergency, which includes a significant increase in the cost of home energy, a significant increase in home energy disconnections or a significant increase in unemployment, layoffs, or the number of households applying for unemployment benefits. The conferees understand that the latest Department of Labor employment data indicate the unemployment rate has risen almost one full percentage point in the last two months, while payroll employment has fallen by almost 800,000.

REFUGEE AND ENTRANT ASSISTANCE

The conference agreement appropriates $460,203,000, instead of $460,224,000 as proposed by the House and $445,224,000 proposed by the Senate. Within this amount, for Social Services, the agreement provides $158,600,000 instead of $156,621,000 as proposed by the House and $143,621,000 as proposed by the Senate.

The conferees specify that funds for section 414 of the Immigration and Nationality Act shall be available for three fiscal years, as proposed by the House.

The conference agreement includes $15,000,000 that is to be used under social services to increase educational support to schools with a significant proportion of refugee children, consistent with language contained in the House report.

The agreement also includes $19,000,000 for increased support to communities with large concentrations of refugees whose cultural differences make assimilation especially difficult justifying a more intense level and longer duration of Federal assistance, consistent with language contained in the House report.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

The conference agreement includes $2,099,994,000 for the Child Care and Development Block Grant, instead of $2,199,987,000 as proposed by the House and $2,000,000,000 as proposed by the Senate. Within the funds provided for child care resources and referrals, the agreement also includes $1,000,000 for the Child-Care Aware toll-free hotline operated by the National Association of Child Care Resource and Referral Agencies.

SOCIAL SERVICES BLOCK GRANT

The conference agreement provides that States may transfer up to 10 percent of TANF funds to SSBG as proposed by the House. The Senate proposed a transfer amount of 5.7 percent.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(INCLUDING RESCISSIONS)

The conference agreement includes $8,429,183,000 for children and families services programs instead of $8,275,442,000 as proposed by the House and $8,592,496,000 as proposed by the Senate. In addition, the agreement rescinds $21,000,000 from permanent appropriations as proposed by both the House and the Senate.

Head Start

The conference agreement includes $6,537,906,000 for Head Start instead of $6,475,812,000 as proposed by the House and $6,600,000,000 as proposed by the Senate. The agreement includes an advance appropriation of $1,400,000,000 for Head Start for fiscal year 2003 as proposed by both the House and the Senate.

Runaway Youth

The conference agreement includes $88,133,000 for runaway youth instead of $105,133,000 as proposed by the Senate and $71,133,000 as proposed by the House. Within the funds provided, $39,739,900 is available for the transitional living program (TLP). The conference agreement includes these additional resources to meet the needs of young people in need of services.

The Administration proposed $33,000,000 for a separate transitional living program designed to serve pregnant and parenting youth. The conferees are aware of the need for and share the Administration's interest in funding residential services for young mothers and their children who are unable to live with their own families because of abuse, neglect, or other circumstances. The conferees also recognize the need for and value of expanding transitional living opportunities for all homeless youth. Therefore, the conferees seek to preserve the flexibility afforded in current law to respond to the needs of the young people who are most at-risk and in greatest need of transitional living opportunities in their communities by providing additional resources to consolidated runaway and homeless youth act programs.

It is the conferees' expectation that current and future TLP grantees will continue to provide transitional living opportunities and supports to pregnant and parenting homeless youth, as is their current practice. To further ensure that pregnant and parenting homeless youth are able to access transitional living opportunities and supports in their communities, the conferees encourage the Secretary, acting through the network of federally-funded runaway and homeless youth training and technical assistance providers, to offer guidance to grantees and others on the programmatic modifications required to address the unique needs of pregnant and parenting youth and on the various sources of funding available for residential services to this population.

Child abuse

The conference agreement includes $22,013,000 for child abuse state grants, instead of $23,000,000 as proposed by the House and $21,026,000 as proposed by the Senate. The agreement also includes $26,178,000 for child abuse discretionary programs instead of $19,978,000 as proposed by the House and $33,717,000 as proposed by the Senate. Within the funds provided for child abuse prevention programs, the agreement includes the following items:

Agape of Central Alabama, Inc., Montgomery, AL, for their work with the children in need	$45,000
Alameda County Social Services Agency for the Alternative Response System	440,000
Alaska Native Health Board and the State of Alaska to develop and implement statewide child abuse prevention and treatment plan for Alaska Native children and parents	450,000
Center for Women and Families, Louisville, KY, for child abuse prevention	300,000
Child Advocacy Center of the Ozarks, Inc., Monett, MO, for equipment	50,000
Cornerstone Advocacy Service in Bloomington, MN, to provide prevention and education services to children and adults who are survivors of domestic violence	300,000
Family and Children's Services for a child abuse prevention program	400,000
Family social service provider in Yellowstone County, MT, to deliver early intervention services to at-risk families including the provision of family social services	400,000
Farm Resource Center, Mound City, IL, for mental health and substance abuse outreach to farm families	600,000
Healthy Families/Better Beginnings home visiting program for State of AK and regional Native non-profit organizations	2,000,000
Little Flower Children Services facility, Wading, NY, for a comprehensive child abuse prevention and remediation program	800,000
Missouri Bootheel Healthy Start to implement community-based education interventions	500,000
Ohel Family Services in Brooklyn, NY, to provide intensive treatment, crisis intervention, in-home support and rehabilitation services to abused and neglected children in foster care	275,000
Prevent Child Abuse Louisiana to train teachers in the Greater New Orleans area on how to recognize and report child abuse cases among their students	200,000
Project SafePlace in Louisville to conduct a demonstration project serving at-risk youth in Kentucky	150,000
Safe Harbor Crisis Nursery, Kennewick, WA, for child abuse prevention	200,000
University of Notre Dame to develop model intervention effort to help prevent child neglect and abuse	220,000

The conference agreement includes $7,498,000 for child welfare training, instead of $6,998,000 as proposed by the House and $7,998,000 as proposed by the Senate.

Adoption Awareness

The conference agreement includes $12,906,000 for adoption awareness as proposed by the Senate instead of $9,906,000 as proposed by the House. The conference agreement includes $3,000,000 above the budget request to implement the Special Needs Awareness Campaign in fiscal year 2002.

Compassion Capital Fund

The conference agreement includes $30,000,000 for the compassion capital fund as proposed by the House instead of $89,000,000 as proposed by the Senate. This new program is part of the Administration's Faith Based Initiative. Funds available for this program will be used for grants to public/private partnerships that help small faith-based and community-based organizations replicate or expand model social services programs. The conferees also intend that funding be used to support and promote rigorous evaluations on the "best practices" among charitable organizations so that successful models can be emulated and expanded by other entities. The conferees expect funds made available through this program to supplement and not supplant private resources and encourage the Secretary to require private resources to match grant funding provided to public/private partnerships.

Social Services and Income Maintenance Research

The conference agreement includes $31,250,000 for social services and income maintenance research instead of $27,000,000 as proposed by the House and $27,426,000 as proposed by the Senate. The conferees continue to support the agency's efforts to assist States in meeting the complex information and systems reporting requirements of TANF and have provided $1,000,000 to continue this initiative. The State Information Technology Consortium is coordinating this effort. Given the success of this effort, the conferees believe that there can be better coordination of child support enforcement activities. The flow of information between Federal and State agencies and the court system continues to be a critical factor in the success of the Child Support Enforcement program. While some States have succeeded in implementing seamless, cost-effective processes for information-sharing among their human service agencies and the courts, others have not. The conferees have included $2,000,000 to expand this ongoing initiative so that the State Information Technology Consortium can identify and widely disseminate methods for improving the flow of information between agencies and the court system. The conferees also provide sufficient funding for the following:

Metropolitan Family Services for a demonstration project encouraging more involved fathers	$400,000
Montana Child Care Financing Demonstration	200,000
National Center for Appropriate Technology in Butte, MT	150,000
University of Georgia to evaluate the feasibility of creating a commission to carry out a comprehensive program of economic and human resource development in the Southern Black Belt	250,000
University of Louisville Research Foundation, Inc., for a National Center on Child Welfare Training Evaluation	250,000

Community Services

The conference agreement includes $33,417,000 for community based resource centers, instead of $34,000,000 as proposed by the House and $32,834,000 as proposed by the Senate.

For Developmental Disabilities, the conference agreement includes $35,000,000 for protection and advocacy services as proposed by the Senate instead of $34,000,000 as proposed by the House. It also includes $11,734,000 for special projects as proposed by the Senate instead of $10,734,000 as proposed by the House. For university affiliated programs, the agreement includes $24,000,000 as proposed by the Senate instead of $21,800,000 as proposed by the House.

The conference agreement includes $45,946,000 for Native Americans, instead of $44,396,000 as proposed by the House and $45,996,000 as proposed by the Senate. The conferees recommend that the Administration on Native Americans increase support for Native Hawaiian educational programs which enhance their ability to participate effectively in the governmental process. Within the total the conferees provide funding for the following:

Cook Inlet Tribal Council, Inc.	$350,000
Kawerak, Inc.	150,000
Tanana Chiefs Conference in interior Alaska	250,000

The conference agreement includes $650,000,000 for the community services block grant instead of $620,000,000 as proposed by the House and $675,000,000 as proposed by the Senate. The conference agreement includes bill language stipulating that all local entities that are in good standing in the community services block grant program shall receive an increase in funding for the next program year that is proportionate to the overall increase in the appropriation provided for the block grant. The conference agreement also includes bill language proposed by the Senate that clarifies that the community economic development grant funds may be used to finance construction and rehabilitation.

The conference agreement also includes $32,517,000 for economic development, instead of $30,034,000 as proposed by the House and $35,000,000 as proposed by the Senate. The conferees also set aside $5,500,000 within the community economic development program for the job creation demonstration authorized under the Family Support Act. The conference agreement also includes $7,000,000 for the rural community facilities program described in the House and Senate reports, as proposed by the Senate, instead of $5,321,000 as proposed by the House.

For National Youth Sports, the agreement includes $17,000,000 as proposed by the House instead of $16,000,000 as proposed by the Senate. For the community food program, the agreement includes $7,314,000 as proposed by the Senate instead of $6,000,000 as proposed by the House.

The conference agreement also includes $124,459,000 for Battered Women's Shelters instead of $126,918,000 as proposed by the House and $122,000,000 as proposed by the Senate. For the Early Learning Fund, the agreement includes $25,000,000 as proposed by the Senate. The House bill did not include funding for this program. The agreement also includes $1,500,000 for the Faith Based Center instead of $3,000,000 as proposed by the House. The Senate bill did not include funding for this program.

PROMOTING SAFE AND STABLE FAMILIES

The conference agreement appropriates funds for promoting safe and stable families under subpart 2 of part B of title IV of the Social Security Act, as proposed by the House. The Senate proposed providing funds under section 430 of the Social Security Act.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

The conference agreement includes $6,621,500,000 as proposed by the House instead of $6,621,100,000 as proposed by the Senate.

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

The conference agreement includes $1,199,814,000 for aging services programs instead of $1,144,832,000 as proposed by the House and $1,209,756,000 as proposed by the Senate.

The conference agreement includes $357,000,000 for supportive centers, instead of $327,075,000 as proposed by the House and $366,500,000 as proposed by the Senate. The agreement also includes $21,123,000 for preventive health services as proposed by the House instead of $22,000,000 as proposed by the Senate. The conferees intend that $5,000,000 be made available from preventive health services for activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions.

The conference agreement also includes $17,681,000 for ombusdsman/elder abuse prevention activities, instead of $14,181,000 as proposed by the House and $18,181,000 as proposed by the Senate. The agreement also includes $141,500,000 for family caregivers, instead of $137,000,000 as proposed by the House and $146,000,000 as proposed by the Senate. Within the funds provided for family caregivers, the agreement includes $5,500,000 for Native American caregivers. The Senate bill provided $6,000,000 for this purpose.

The conference agreement includes $390,000,000 for congregate meals, instead of $396,000,000 as proposed by the House and $384,000,000 as proposed by the Senate. The conference agreement includes $176,500,000 for home delivered meals, instead of $176,000,000 as proposed by the House and $177,000,000 as proposed by the Senate. The agreement also includes $25,729,000 for grants to Indians instead of $25,457,000 as proposed by the House and $26,000,000 as proposed by the Senate.

The agreement includes $38,280,000 for aging research and demonstrations instead of $19,100,000 as proposed by the House and $36,574,000 as proposed by the Senate. Within the funds, the conferees have included sufficient funding for an osteoporosis prevention education program aimed at post-menopausal women. The conferees also include the following amounts under aging research and training:

Adult Day Care of Winchester, Winchester, VA, to provide adult day care for individuals with Alzheimer's disease	$150,000
Allegheny County Homestead Apartments LIFE Center	300,000
Alzheimer's Family Day Center, Falls Church, VA, to provide adult day care for individuals with Alzheimer's disease	250,000
Area Agency on Aging of Southeast Arkansas, Inc., for demonstration project for non-Medicaid eligible elderly	500,000
Area Agency on Aging of Southwest Arkansas for family caregiving research project	231,000
Champlain Senior Center in Burlington, VT, to support its efforts to help low-income seniors remain independent and active for as long as possible through the use of technology	100,000
Civic Ventures for Experience Corps initiative for older adults to mentor young people	800,000
Coalition of Wisconsin Aging Groups in Madison, WI, to provide assistance and education to the legal community and the public about elder financial abuse	136,000
Comprehensive Housing Assistance, Inc., Baltimore, MD, for demonstration project on Naturally Occurring Retirement Communities to the Baltimore Jewish Naturally Occurring Retirement Community	1,000,000
Council of Senior Centers and Services of NYC for ACCESS to BENE*FITS Demonstration Project	75,000
DuPage County Human Services Department, Wheaton, IL, "Elder Abuse and Neglect Program"	100,000
Florida Atlantic University, Boca Raton, FL, for Anne and Louis Green Alzheimer's Care and Research Center	1,000,000
Florida International University, Miami, FL, National Policy and Research Center on Nutrition and Aging "Nutrition 2030 program"	500,000
Garrett County Area Agency on Aging to increase access to nutrition services for rural seniors	25,000
Guadelupe Community Center, Los Angeles, CA, for a demonstration project on delivery of outreach services to the elderly, including non-English speaking seniors	440,000
Hmong Mutual Assistance Association in La Crosse, WI, to provide employment, social, economic and educational assistance to elder Hmong refugees ...	127,000
Institute for Music and Neurologic Function, Bronx, NY, for research involving the use of music to assist individuals suffering from stroke, dementia, Alzheimer's	500,000
INTEGRIS health system in Oklahoma for technology centers that seniors could utilize for health education and community interaction	100,000
Iowa Department of Elder Affairs Seamless System to integrate senior programs. In administering this award, the AoA and CMS should provide the technical assistance and related support necessary to develop and implement program changes	1,500,000
Iowa State University, Ames, IA, for the universal kitchen design project to develop technologies for independent living for individuals with disabilities	200,000
Jewish Association on Aging, Pittsburgh, for a demonstration project on Naturally Occurring Retirement Communities	200,000
Jewish Family and Children's Service of Greater Philadelphia for a demonstration project on Naturally Occurring Retirement Communities	200,000
Jewish Federation of St. Louis to establish a Naturally Occurring Retirement Communities (NORCs) demonstration project providing supportive services to seniors.	1,280,000
Mecklenburg County, NC, Nutrition 2000 program to help provide nutritional care for homebound frail senior citizens	1,000,000
National Center for Seniors' Housing Research to enable the elderly to live independently	475,000
Naturally Occurring Retirement Communities, Cleveland, OH, for a demonstration program ...	1,000,000
Oregon Health Sciences University for Healthy Aging Project	450,000
Rebuilding Together with Christmas in April to rehabilitate the homes of the low income elderly	500,000

Senior Community Centers of San Diego for the Health Promotion/Harm Reduction Demonstration Project	90,000
Senior Specialists Agency on Aging of West Central Arkansas for research on services to the aging	455,000
Social Research into Alzheimer's disease care options, best practices and other Alzheimer's research priorities as specified in the House Report	3,685,000
SPRY Foundation to develop web-based resources and training programs to help seniors access high-quality information and caregiver support services	367,000
Texas Tech Institute University Health Sciences Center, Lubbock, TX, for the Institute for Healthy Aging	1,000,000
The Motion Picture and Television Fund, in partnership with the University of Southern California's Andrus School of Gerontology, for the Eden Alternative demonstration project that seeks to improve quality of care and life for seniors residing in nursing homes and assisted living facilities	100,000
Tri-County Community Action Program, Berlin, NH, for demonstration project	50,000
Wayne County, MI, demonstration project to enhance services to the elderly, including dementia patients, and to serve ethnic groups	800,000
Westchester County Department of Senior Programs and Services for a Senior Outreach to Senior program	20,000

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

The conference agreement includes $347,554,000 for general departmental management instead of $338,887,000 as proposed by the House and $422,212,000 as proposed by the Senate. In addition, the agreement provides $21,552,000 in program evaluation funds as proposed by the House. The Senate did not provide for evaluation funds in this account.

Within the total provided, $4,000,000 is for the United States-Mexico Border Health Commission as proposed by the Senate. The House did not specify an amount for the Commission.

The conference agreement includes $500,000 for the National Academy of Sciences and Institute of Medicine (NAS/IOM) to develop a cost-effective strategy for reducing and preventing underage drinking. The House had included funds for a similar purpose within the appropriation for the Substance Abuse and Mental Health Services Administration, while the Senate bill included funds for this purpose in this account.

To help develop a cost-effective strategy for reducing and preventing underage drinking, the NAS/IOM shall review existing Federal, State and non-governmental programs, including media-based programs, designed to change the attitudes and health behaviors of youth. Based on its review, the NAS/IOM shall produce a strategy designed to prevent and reduce underage drinking including: an outline and implementation strategy, message points that will be effective in changing the attitudes and health behaviors of youth concerning underage drinking, target audience identification, goals and objectives of the campaign, and the estimated costs of development and implementation. The review and recommendations of the NAS/IOM shall be reported to the Committees on Appropriations of the Congress, the Secretary of Health and Human Services, the Secretary of Education, and the U.S. Attorney General no later than nine months after the date of enactment of this Act.

The conferees have heard concerns from state and local health departments and community-based organizations about the lack of availability of rapid HIV tests to identify individuals with HIV disease. Rapid HIV tests are needed for increasing the number of HIV-infected individuals who know they are infected; for screening pregnant women in labor to prevent transmission to their infants; for screening potential recipients of smallpox or other live-virus vaccines against potential agents of bioterrorism; and for emergency screening of blood transfusions in the event of large-scale terrorist attack. The conferees strongly encourage the Secretary to expedite approval and make available simple, rapid HIV diagnostic tests for use by a variety of health and community-based personnel.

The conferees concur with language in the House report regarding the coordination of men's health activities.

The conferees concur with language in the Senate report regarding the ongoing research supported by the Office of Dietary Supplements (ODS) at the National Institutes of Health concerning ephedra and the corresponding language relating to FDA rulemaking. The conferees urge the Secretary to work with FDA and ODS to resolve this rulemaking matter expeditiously so that the millions of Americans who use these weight loss products can continue to do so responsibly. Several states, such as Ohio in 1997 and Nebraska as recently as 2001, have already taken action to put in place clear and science-based regulatory parameters in an effort to preserve consumer access and safeguard public health by precluding the sale of ephedrine products marketed as street drug alternatives. The conferees urge the Secretary to work with industry and to take an active role in this regulatory process and to ensure that any interim actions as well as the final rule establish appropriate rules based on science. The conferees also urge industry to share with the Department all data from clinical studies with ephedra.

The conferees are concerned about the growing shortages of qualified healthcare workers, particularly in underserved rural and urban areas. The problem is at once an educational issue, a labor issue, and a healthcare issue. The conferees urge the Secretary, in consultation with the Secretary of Labor and the Secretary of Education, to convene a high level task force to develop both immediate and longer-term solutions to these shortages. The conferees expect the Secretary to be prepared to discuss this issue and the status of the task force during the fiscal year 2003 budget hearings.

The conferees are aware that patients who suffer terminal illnesses face severe and excruciating pain. For such patients, palliative care is essential. The conferees are concerned that, although palliative care is well-established in many other countries, most of the American public and many health care professionals still know little about it. The conferees urge the Secretary to work with organizations like the American Medical Association and the American Board of Hospice and Palliative Medicine, to disseminate appropriate information to health care professionals and the public.

The conferees note that it has been seven years since enactment of the Dietary Supplement Health and Education Act and the Department has yet to promulgate good manufacturing practices regulations as called for under the Act. These regulations are crucial for consumer protection. The conferees strongly urge the Secretary to publish these regulations within 15 days of enactment of this Act.

The conference agreement includes $500,000 to augment the resources of the Office of General Counsel for enforcement of violations of DSHEA's labeling and content requirements as recommended by the Senate. The House had no similar provision.

The conferees understand the White House Commission on Complementary and Alternative Medicine will release its final report early in 2002. The conferees urge the Secretary to form a coordinating unit to review the Commission's report and implement ways to better coordinate the Department's many CAM-related activities.

Within the total, the agreement includes funds above the request for the Department's Information Collection Review and Analysis System as proposed by the House.

The conference agreement includes $1,000,000 to launch a public awareness campaign to inform Americans about the existence of spare embryos and options for couples to adopt an embryo or embryos in order to bear children, as proposed by the Senate. The House had no similar provision. The conferees further direct that the Secretary prepare and submit a report to the Committees on Appropriations by April 1, 2002, outlining the Department's plans and timeline to launch this campaign.

The conferees encourage the Secretary, in conjunction with the CDC and relevant NIH institutes, to work with interested members of the physician community to provide nationwide access to a physician-only multimedia internet site. The conferees are aware of such sites with webcast experience, media response capability, and original content developed by nationally recognized medical faculty. Access to this web-based technology, which should function in conjunction with Federal health agencies' information systems, will allow the nation's primary care providers to receive important Federal health news and alerts as well as up to date information on treatment protocols for biological threats.

The conferees are aware of a proposal to develop a Prescription Drug Surveillance System using independent, real-time pharmaceutical transaction data. The conferees encourage the Secretary to consider this proposal.

It has come to the conferees' attention that a number of experts believe that more needs to be done in the area of tissue engineering, including the development of a national strategy. The conferees urge the Secretary to consider developing such a national strategy, one that includes collaborative research and entrepreneurship. The conferees further urge the Secretary to consider using the scientific expertise at the National Institute of Biomedical Imaging and Bioengineering to execute the strategy and encourage consideration of the establishment of a Center for Tissue Engineering and Regenerative Medicine through the Institute's extramural research program.

The agreement provides $28,931,000 for the adolescent family life program instead of $27,862,000 as proposed by the House and $30,000,000 as proposed by the Senate. The agreement includes bill language earmarking $11,885,000 under the adolescent family life program for activities specified under section 2003(b)(2) of the Public Health Service Act, of which $10,157,000 shall be for prevention grants under section 510(b)(2) of Title V of the Social Security Act, without application of the limitation of section 2010(c) of Title XX of the Public Health Service Act. The conference agreement includes funds above the request to expand efforts in providing care services.

The agreement provides $49,584,000 for minority health, instead of $43,084,000 as proposed by the House and the Senate. The conferees urge the Secretary, where appropriate, to incorporate the out-year costs of fiscal year 2002 program initiatives in the operating divisions as recommended by the House.

The conferees concur with the House recommendation regarding the importance of OMH partnerships with minority health professions institutions. Specifically, the conferees urge the Office to continue its successful cooperative agreement with Meharry Medical College. In addition, the conferees urge the OMH to give priority consideration to partnering with the Morehouse School of Medicine. In addition, the conferees urge the Office to retain Central State University as the managing institution for the Family Community Violence Prevention program. Also, the conferees encourage the Office of Minority Health to work with Morehouse College of Atlanta, Georgia and a consortium of historically black colleges and universities to undertake the planning and design phase of the National Minority Male Project. The conferees also urge that during the implementation phase of the project, the Office reach out and involve as many interested minority institutions as possible.

The agreement provides $26,819,000 for the office of women's health instead of $26,769,000 as proposed by the House and $27,396,000 as proposed by the Senate. The conferees urge the Secretary, where appropriate, to incorporate the out-year costs of fiscal year 2002 program initiatives in the operating divisions as recommended by the House.

The agreement includes $1,000,000 to commission a Surgeon General's report on osteoporosis and related bone diseases, detailing the burden bone disease places on society and highlighting preventive measures to improve and maintain bone health throughout life as proposed by the Senate. The House included no similar provision.

The agreement does not include $68,700,000 for bioterrorism within this account as proposed by the Senate. Instead, funds for bioterrorism preparedness and response are provided within the Public Health and Social Services Emergency Fund as proposed by the House.

Within the total provided, $50,000,000 is for minority HIV/AIDS Initiative as proposed by the House and Senate. The conferees concur with the House report regarding the purposes and uses of these funds. The agreement deletes bill language included by the House requiring the Secretary to submit an operating plan prior to the obligation of these funds, because the conferees expect this information to be included in the general operating plan to be submitted by the Department. The Senate had no similar provision.

The agreement includes $21,998,000 for the IT Security and Innovation Fund, instead of $25,000,000 as proposed by the House and $15,000,000 as proposed by the Senate.

The conferees include the amounts for the following projects and activities in fiscal year 2002 listed below. The conferees direct that none of these project funds be transferred to either the National Institutes of Health or the Agency for Healthcare Research and Quality.

For the Community Transportation Association of America to provide technical assistance to human services transportation providers on ADA requirements	$1,000,000
For the ARCH National Resource Center on Respite and Crisis Services in Chapel Hill, North Carolina, to expand training, technical assistance, evaluation and networking expertise in respite care	200,000
Within the Office of Minority Health for Access Community Health Network in Maywood/Chicago Heights IL to expand its women's health programs	100,000
Within the Office of Minority Health for Padres Contra El Cancer in Los Angeles to expand patient education programs and family support services for Latino children with cancer	200,000
Within the Office of Minority Health for Sisters Network, Inc. in Houston, Texas, for an educational and outreach program on breast cancer targeted to African-American women	150,000
Within the Office of Minority Health for the Baltimore City Health Department to provide HIV/AIDS testing, counseling, and prevention programs for high-risk persons	500,000
Within the Office of Minority Health for the San Francisco Department of Public Health, to expand and support San Francisco General Hospital's capacity to provide HIV care and related services with an emphasis on providing care for women and minorities	650,000
Within the Office of Minority Health for the Cleveland Clinic Foundation, Cleveland, OH, for the development of community-based programs and support of public education and outreach activities on sarcoidosis and minority health	2,000,000
Within the Office of Minority Health for the AIDS Foundation of Chicago, Illinois, for projects related to HIV/AIDS prevention and treatment in minority and disadvantaged communities	500,000
Within the Office of Minority Health for the Thomas Jefferson University Hospital in Philadelphia, to create a Chinese language and culture Primary Health Care Center where members of the community can gain access to desperately needed linguistically competent and culturally sensitive health care services	1,500,000
Within the Office of Minority Health for the Glaucoma Caucus Foundation to provide glaucoma screening and outreach activities	500,000
Within the Office of Minority Health for the University of Medicine and Dentistry in NJ to focus research on key health areas that disproportionately affect minority populations, and to educate and train minority health providers	200,000
Within the Office of Minority Health for the County of San Diego to provide treatment to TB patients along the Mexican border with California	200,000
Within the Office of Women's Health for the Adelphi Breast Cancer Hotline and Support Program for counseling services and to address psycho-social issues associated with breast cancer	50,000

Office of Inspector General

The conference agreement includes $35,786,000 for the Office of Inspector General as proposed by the House and Senate. The conferees do not include language proposed by the House to limit the amount of funds available to the Inspector General in fiscal year 2002 under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to not more than $130,000,000. The Senate bill contained no similar provision.

The conference agreement deletes language proposed by the Senate authorizing the use of funds for the hire of vehicles for investigations. The House bill had no similar provision. In addition, the agreement deletes language proposed by the Senate permanently authorizing the use of funds to provide protective services to the Secretary and to investigate non-payment of child support cases for which non-payment is a federal offense. Like the House bill, the agreement includes language providing this authority for one year.

The conferees request the Inspector General to conduct an audit of all federal amounts and activities allocated for AIDS prevention programs in the Act and to report its findings to the Congress.

POLICY RESEARCH

The conference agreement includes $2,500,000 for policy research as proposed by the House, instead of $20,500,000 as proposed by the Senate. The agreement also includes language proposed by the House providing authority to the Secretary to utilize evaluation funds available under section 241 of the Public Health Service Act. The conferees understand that this authority, along with the $2,500,000 in appropriated funds, will yield a program level of at least $20,500,000 in fiscal year 2002.

The conference agreement also includes language proposed by the House requiring the Secretary to comply with section 205 of this Act before utilizing section 241 funds to support Policy Research activities. The Senate bill contained no similar provision. In addition, the conferees are aware that the national poverty center grant expired on June 30, 2001, and expect the Secretary to hold a national competition to award a new five-year grant or grants. This agreement includes sufficient funds to continue to support one or more national poverty research centers on a competitive basis.

Within the funds available, $7,125,000 is to continue to study the outcomes of welfare reform and to assess the impacts of policy changes on the low-income population. The conferees recommend that this effort include the collection and use of state-specific surveys, state and federal administration data, and data administratively linking the National Database of New Hires, other child support enforcement data, TANF and Medicaid records together. These studies should focus on assessing the well-being of the low income population, developing and reporting reliable and comparable state-by-state measures of family hardship and well-being, the utilization of other support programs and the impact of child support enforcement efforts. These studies should continue to measure outcomes for a broad population of current, former and potential welfare recipients, as well as other special populations affected by state TANF policies. The conferees further expect these studies to analyze how the earnings of custodial and non-custodial parents who are, or have had children who are, current or former welfare recipients have changed over time and whether the pattern is significantly different among states. The conferees request a report on these topics to be submitted to House and Senate Appropriations Committees by May 1, 2002.

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

The conference agreement includes $242,949,000 for the Public Health and Social Services Emergency Fund instead of $300,619,000 as proposed by the House. The Senate provided $181,919,000 within the Centers for Disease Control and Prevention and $68,700,000 within General Departmental Management for these activities.

The amount provided includes $181,919,000 for the Centers for Disease Control and Prevention for the following bioterrorism and related activities:

—$2,000,000 to continue to discover, develop, and transition anti-infective agents to combat emerging diseases;

—$18,040,000 for the third year of a collaborative research program on the anthrax vaccine;

—$34,000,000 for a national health alert network; and

—$127,879,000 for all other activities.

The remaining $61,030,000 is for the Office of Emergency Preparedness for bioterrorism-related activities.

GENERAL PROVISIONS

NIH AND SAMHSA SALARY CAP

The conference agreement includes a modified provision limiting the use of the National Institutes of Health, the Agency for Healthcare Research and Quality, and the Substance Abuse and Mental Health Services Administration funds to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Level I of the Executive Schedule.

EVALUATION TAP

The conference agreement includes a provision to allow for not more than a 1.25 percent evaluation tap pursuant to section 241 of the Public Health Service Act. The House bill contained a provision to allow for a one percent evaluation tap and the Senate bill contained a provision to allow for an evaluation tap of not more than two percent.

TRANSFER AUTHORITY

The conference agreement includes modified language to provide general transfer authority for the Department of Health and Human Services. The language limits the amount an appropriation can be increased by a transfer to not more than three percent as proposed by the Senate instead of ten percent as proposed by the House. The language also allows an appropriation to be increased by an additional two percent subject to approval by the House and Senate Committees on Appropriations.

EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

The conference agreement includes a provision proposed by the Senate to extend the refugee status for persecuted religious groups. The House bill contained no similar provision.

CDC INTERNATIONAL AUTHORITY

The conference agreement includes a modified provision to provide authority to support CDC carrying out international HIV/AIDS and other infectious and chronic disease activities abroad.

DIVISION OF FEDERAL OCCUPATIONAL HEALTH

The conference agreement includes a provision to allow the Division of Federal Occupational Health to use personal services contracting to employ professional management/administrative and occupational health professionals as a general provision as proposed by the House. The Senate bill contained a similar provision within the Health Resources and Services Administration.

NIH OBLIGATIONS

The conference agreement does not include a provision proposed by the House to limit NIH obligations. The Senate bill contained no similar provision.

NIH ACTING DIRECTOR

The conference agreement includes a provision proposed by the Senate to allow the NIH Acting Director to remain in that position until a new Director of NIH is confirmed by the Senate. The House bill contained no similar provision.

GLOBAL HIV/AIDS TRANSFER FUND

The conference agreement does not include a provision proposed by the Senate to transfer funds from the National Institute of Allergy and Infectious Diseases and NIH Buildings and Facilities to International Assistance Programs, "Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis" as a general provision. The agreement provides for this transfer within the individual accounts as proposed by the House.

ENFORCEMENT OF LABELING PROVISIONS OF THE DIETARY SUPPLEMENT HEALTH AND EDUCATION ACT OF 1994

The conference agreement does not include a provision proposed by the Senate to earmark funds for the Office of the General Counsel to provide legal support for enforcement of the labeling provisions of the Dietary Supplement Health and Education Act of 1994. The House bill contained no similar provision. The agreement addresses this issue under General Departmental Management.

SENSE OF THE SENATE REGARDING GOOD MANUFACTURING PRACTICES

The conferees delete without prejudice a Sense of the Senate provision regarding good manufacturing practices. The House bill contained no similar provision.

FEDERAL USE OF AIDS PREVENTION FUNDS

The conference agreement does not include a provision proposed by the Senate to require the Inspector General to audit all Federal amounts allocated to AIDS Prevention programs. The House bill contained no similar provision.

SENSE OF THE SENATE REGARDING HOSPITAL REIMBURSEMENT

The conferees delete without prejudice a Sense of the Senate provision regarding reimbursement of certain hospitals testing and treating individuals for exposure to anthrax. The House bill contained no similar provision. The conferees encourage the Department to assist and fairly compensate hospitals and other health providers that respond to emergency public health threats.

SENSE OF THE SENATE REGARDING LEAD POISONING SCREENING AND MEDICAID

The conferees delete without prejudice a Sense of the Senate provision regarding lead poisoning screenings and treatments under the Medicaid program. The House bill contained no similar provision. The conferees encourage CMS to work with medical providers to ensure that all eligible children receive a lead poison screening and appropriate treatment as required by the Medicaid program.

SENSE OF THE SENATE REGARDING LEAD POISONING SCREENING AND SCHIP

The conferees delete without prejudice a Sense of the Senate provision regarding lead poisoning screenings and treatments under the SCHIP program. The House bill contained no similar provision. The conferees encourage the Department to consider expanding SCHIP to allow funds to be used for lead poison screenings.

SENSE OF THE SENATE REGARDING CHILDHOOD LEAD SCREENING

The conferees delete without prejudice a Sense of the Senate provision regarding the establishment of a bonus program for improvement of childhood lead screening rates. The House bill contained no similar provision. The conferees encourage the Department to consider establishing such a program.

RADIATION EXPOSURE COMPENSATION ACT

The conference agreement does not include a provision proposed by the Senate to earmark funds for cancer prevention and screening programs under section 471C of the Public Health Service Act. The House bill contained no similar provision. The agreement addresses this issue within the Health Resources and Services Administration.

TANF RESCISSION

The conference agreement does not include a provision proposed by the Senate to rescind $200,000,000 of TANF funds. The House bill contained no similar provision.

SENSE OF THE SENATE REGARDING POST-ABORTION DEPRESSION AND PSYCHOSIS

The conferees delete without prejudice a Sense of the Senate provision regarding research on, and services for, individuals with post-abortion depression and psychosis. The House bill contained no similar provision.

CHILDREN'S TRAUMATIC STRESS PROGRAM

The conference agreement includes a provision proposed by the Senate to rename section 582 of the Public Health Service Act. The House bill contained no similar provision.

TITLE III—DEPARTMENT OF EDUCATION

EDUCATION FOR THE DISADVANTAGED

The conference agreement includes $12,346,900,000 for Education for the Disadvantaged instead of $12,571,400,000 as proposed by the House and $11,926,400,000 as proposed by the Senate. The agreement includes advance funding for this account of $7,383,301,000 instead of $6,758,300,000 as proposed by the House and $6,953,300,000 as proposed by the Senate.

For Grants to Local Educational Agencies (LEAs) the agreement provides $10,350,000,000 instead of $10,500,000,000 as proposed by the House and $10,200,000,000 as proposed by the Senate. The conference agreement includes $7,172,971,000 for basic grants and $1,365,031,000 for concentration grants. The agreement also includes $1,018,499,000 for targeted grants, and $793,499,000 for education finance incentive grants. Both targeted and education finance incentive grants are authorized distributions of the title I formula that have not previously been funded. For targeted grants, funds are distributed based on a weighted count of the number of poor children within the state. Distribution for education finance incentive grants is based on the total number of poor children within the State multiplied by the per pupil expenditure, a state effort factor and a state equity factor. There is a within-state allocation for education finance incentive grants which is based on variations of the targeted grant formula with the greatest targeting on high poverty school districts in the states where the equity factor is lowest. Concentration grants, targeted grants, and incentive grants are all provided on an advance-funded basis.

The House bill proposed $8,037,000,000 for basic grants, $1,684,000,000 for concentration grants, and $779,000,000 for targeted grants. The Senate bill proposed $7,172,690,000 for basic grants, $1,365,031,000 for concentration grants, $1,000,000,000 for targeted grants, and $662,279,000 for education finance incentive grants.

The conference agreement also provides $3,500,000 for updated census poverty data from the Bureau of the Census, as proposed by the Senate. The House bill contained no similar provision.

The conference agreement includes $250,000,000 for the Even Start program instead of $260,000,000 as proposed by the House and $200,000,000 as proposed by the Senate.

The conference agreement also includes $12,500,000 for Literacy through School Libraries instead of $25,000,000 as proposed by the Senate. The House bill did not provide funding for this program. This program is designed to improve literacy skills and academic achievement of students by providing students with increased access to up-to-date school library materials, a well-equipped, technologically advanced school library media center, and well-trained, professionally certified school library media specialists.

The conference agreement includes $396,000,000 for the migrant education program instead of $410,000,000 as proposed by the House and $405,000,000 as proposed by the Senate. The agreement also includes $48,000,000 for neglected and delinquent youth instead of $46,000,000 as proposed by the House and $50,000,000 as proposed by the Senate.

The conference agreement includes $235,000,000 for grants to local educational agencies for comprehensive school reform, compared to $310,000,000 as proposed by the House. The Senate bill did not include funds for this activity. The conference agreement permits up to 3 percent of these funds to be used for quality improvement initiatives, as authorized.

The conference agreement also includes $10,000,000 for dropout prevention programs, instead of $15,000,000 as proposed by the Senate. The House bill did not provide funding for this program.

The conference agreement includes $1,500,000 for the Close Up Foundation as proposed by the House instead of $2,500,000 as proposed by the Senate.

IMPACT AID

The conference agreement includes $1,143,500,000 for the Impact Aid programs instead of $1,130,500,000 as proposed by both the House and the Senate. Within this amount, $48,000,000 is provided for construction instead of $35,000,000 as proposed by both the House and the Senate.

Sufficient funding is provided within the account for construction for the following:

Killeen Independent School District, Texas, for capital improvements	$2,000,000
Ronan School District in Ronan, Montana to facilitate the construction of a new middle school	1,000,000

SCHOOL IMPROVEMENT PROGRAMS

The conference agreement includes $7,827,473,000 for School Improvement Programs instead of $7,673,584,000 as proposed by the House and $8,751,514,000 as proposed by the Senate. The agreement provides $6,062,423,000 in fiscal year 2002 and $1,765,000,000 in fiscal year 2003 funding for this account.

Improving teacher quality

The conference agreement includes $2,850,000,000 for state grants for improving teacher quality, instead of $3,175,000,000 as proposed by the House and $3,039,834,000 as proposed by the Senate. Of this amount, $1,150,000,000 is provided as a fiscal year 2003 advance as proposed by the Senate instead of $1,345,000,000 as proposed by the House. Grants for Improving Teacher Quality consolidates and streamlines the Eisenhower Professional Development program and the Class Size Reduction program to allow greater flexibility for local school districts. The purpose of this part is to provide grants to States, school districts, State agencies for higher education, and eligible partnerships to: (1) increase student academic achievement through such strategies as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools; (2) hold districts and schools accountable for improvements in student academic achievement; and (3) hold districts and schools accountable so that all teachers teaching core academic subjects in public elementary schools and secondary schools are highly qualified.

The conferees understand that the Eisenhower Professional Development program, which has been consolidated into a larger State Teacher Quality Improvement Grant program under the reauthorization of the Elementary and Secondary School Act, was funded at $485,000,000 in fiscal year 2001. The Eisenhower program required that a minimum of $250,000,000 be dedicated to math and science professional development activities; however, the conferees understand that as much as $375,000,000 was actually expended on math and science in fiscal year 2001. The conferees believe that providing high-quality math and science instruction is of critical importance to our Nation's future competitiveness, and agree that math and science professional development opportunities should be expanded. The conferees therefore strongly urge the Secretary and the States to continue to fund math and science activities within the Teacher Quality Grant program at a comparable level in fiscal year 2002.

The conference agreement also includes $12,500,000 for math and science partnerships, instead of $25,000,000 as proposed by the Senate. Math and science partnerships are intended to improve the performance of students in the areas of mathematics and science by encouraging States, institutions of higher education, districts, elementary schools, and secondary schools to participate in programs that: (1) improve and upgrade the status and stature of mathematics and science teaching by encouraging institutions of higher education to assume greater responsibility for improving mathematics and science teacher education; (2) focus on education of mathematics and science teachers as a career-long process; (3) bring mathematics and science teachers together with scientists, mathematicians, and engineers to improve their teaching skills; and (4) develop more rigorous mathematics and science curricula that are aligned with State and local academic achievement standards expected for postsecondary study in engineering, mathematics, and science.

The conferees note that, although this is a separate program designed specifically for the development of high quality math and science professional development opportunities, in no way do the conferees intend to discourage the Secretary and States from using other federal funding for math and science instructional improvement programs. The conferees strongly urge the Secretary and States to utilize funding provided by the Teacher Quality Grant program, as well as other programs funded by the federal government, to strengthen math and science education programs across the Nation.

The conference agreement includes $88,000,000 for activities designed to recruit and train new teachers. The House bill proposed $50,000,000 for Troops to Teachers and Transition to Teaching programs, while the Senate proposed $95,000,000 for these activities as well as for a variety of other national teacher improvement activities.

The conference agreement includes $53,000,000 for the Troops-to-Teachers and Transition-to-Teaching programs authorized under part C of title II of the Elementary and Secondary Education Act, as amended. Of this amount, $18,000,000 is available to the Secretary to transfer to the Department of Defense for Troops-to-Teachers and not less than $35,000,000 shall be available for Transition-to-Teaching. The conference agreement increases by 6 times the amount made available for Troops-to-Teachers compared to last year. The conferees are aware of the tremendous interest in the Transition-to-Teaching initiative that is aimed at recruiting and supporting mid-career professionals and talented, recent college graduates to become teachers. In FY 2001, 172 applications requesting over $220,000,000 in federal funds were submitted—seven times more than the $31,000,000 available for awards. As a result, many grantees received awards substantially less than requested and other applicants were not funded at all. The conferees intend that the Department use a portion of the additional resources for Transition-to-Teaching to make supplemental awards to current national grantees to enable them to accelerate multi-state teacher recruitment efforts.

The conference agreement also includes $10,000,000 for the National Board for Professional Teaching Standards, as proposed by the House and the Senate and $15,000,000 for the early childhood educator professional development grants program, as proposed by the Senate. The agreement also includes $10,000,000 for principal recruitment. The House bill did not include funding for these activities.

National writing project

The agreement also includes $14,000,000 for the National Writing Project instead of $12,000,000 as proposed by the House and $15,000,000 as proposed by the Senate.

Civic education

For Cooperative Education Exchanges, formerly the International Education Exchange program, the conference agreement includes $11,500,000, instead of $12,000,000 as proposed by the Senate. The House bill did not fund this program. Within the total, $4,300,000 is included for the Center for Civic Education and $4,300,000 is for the National Council on Economic Education for economics education to continue the work these organizations are doing in Central and Eastern Europe and the newly independent states of the former Soviet Union, as well as to expand significantly the economic education and civic education programs already underway in Russia. Also included is $2,900,000 for competitive grants in economics and civics and/or government education.

For Civic Education, the conference agreement includes $15,500,000 instead of $12,000,000 as proposed by the House and $15,000,000 as proposed by the Senate. The conferees support allocating $1,500,000 of the total amount for a continuation of the violence prevention demonstration program, and $500,000 of the total amount for the Native American civic education initiative. Further, the conferees intend that $2,000,000 be allocated for a cooperative project among the Center for Civic Education, the Center on Congress at Indiana University, and the Trust for Representative Democracy at the National Conference of State Legislatures to implement a comprehensive program to improve public knowledge, understanding, and support of American democratic institutions.

Teaching of traditional American history

The conference agreement includes $100,000,000 for the teaching of traditional American history, as proposed by the Senate in the LIFE fund. The House bill did not propose separate funding for this program.

Innovative education program strategies

For innovative education program strategies, the education block grant, the conference agreement includes $385,000,000 as proposed by the House instead of $410,000,000 as proposed by the Senate.

School renovation

The conference agreement does not include funding for grants to local educational agencies for emergency school renovation and repair activities. The House bill provided no funding for this activity. The Senate bill provided $925,000,000 for this purpose.

Education technology

The conference agreement includes $700,500,000 for education technology state grants, instead of $1,000,000,000 as proposed by the House and $712,146,000 as proposed by the Senate. The reauthorization of the Elementary and Secondary Education Act consolidates several technology programs (including the Technology Literacy Challenge Fund and Local Innovation Challenge Grants) into a State-based technology grant program that sends more money to schools. In doing so, it will facilitate comprehensive and integrated education technology strategies that target the specific needs of individual schools. Uses of funds include: (1) promoting innovative State and local initiatives using technology to increase academic achievement; (2) increasing access to technology, especially for high-need schools; and (3) improving and expanding teacher professional development in technology.

The conference agreement also includes $62,500,000 for teacher training in technology, instead of $125,000,000 as proposed by the Senate. The House bill did not include separate funding for this activity.

The agreement also includes $22,000,000 for Ready to Learn Television, instead of $16,000,000 as proposed by the House and $24,000,000 as proposed by the Senate.

Safe and Drug Free Schools

The conference agreement includes $644,250,000 for the Safe and Drug Free Schools and Communities Act as proposed by both the House and the Senate.

Included within this amount is $472,017,000 for state grants instead of $527,250,000 as proposed by the House and $444,250,000 as proposed by the Senate.

The agreement also includes $172,233,000 for national programs instead of $117,000,000 as proposed by the House and $150,000,000 as proposed by the Senate. Within this amount, the conferees include $100,000,000 to support the Safe Schools/Healthy Students initiative.

Of the amount provided for Safe and Drug Free Schools National programs, the conferees also agree that up to $1,000,000 is available to the Secretary of Education, in consultation with the Secretary of Health and Human Services, to develop and disseminate recommendations and models to assist communities in implementing emergency response, evacuation and parental notification plans for schools and other community facilities where children gather, and coordinating these plans with local law enforcement, public safety, health and mental health agencies. Further, the conferees agree that $9,000,000 is available for grants to enable local educational agencies to improve and strengthen emergency response and crisis management plans, including training school personnel, students and parents in emergency response procedures and coordinating with local law enforcement, public safety, health and mental health agencies. The conferees intend that these funds shall be available only to local educational agencies that demonstrate a significant need for emergency preparedness improvements and a lack of fiscal capacity to implement these improvements. The conferees have provided extended availability of funding for these two activities through September 30, 2003.

Within the funds for national programs, the agreement also provides $37,500,000 to fund coordinators. The conferees understand that in the reauthorization of the Elementary and Secondary Education Act, this program has been expanded to serve schools at all education levels.

Mentoring, community service, and alcohol abuse reduction programs

The conference agreement includes $17,500,000 for mentoring programs, instead of $30,000,000 as proposed by the House and $5,000,000 as proposed by the Senate. The agreement also includes $50,000,000 for grants for community service for expelled or suspended students and $25,000,000 for grants to reduce alcohol abuse as proposed by the Senate. The House bill did not propose separate funding for these programs.

State assessments

The conference agreement includes $387,000,000 for assessments instead of $400,000,000 as proposed by the House and $352,000,000 as proposed by the Senate. The new assessment provisions in H.R. 1 require States to implement annual reading and math assessments for grades 3–8, to hold states and local school districts that use federal funds accountable for improving student academic achievement. Annual reading and math assessments are intended to provide parents with the information they need to know how well their child is doing in school, and how well the school is educating their child. States may select and design assessments of their choosing. However, State assessments must be aligned with State academic standards, allow student achievement to be comparable from year to year, be of objective knowledge, be based on measurable, verifiable and widely accepted professional assessment standards, and not evaluate or assess personal or family beliefs and attitudes. States will have until the 2005–2006 school year to develop and implement these assessments.

The conferees understand that funding provided above the trigger set in the authorizing law for state assessments will be used for enhanced assessment instruments.

Public school choice

The conference agreement includes $25,000,000 to support voluntary public school choice programs, instead of $50,000,000 as proposed by the Senate. The House bill did not provide funding for this program.

Magnet schools

The conferees concur with language in the House report directing the Secretary, when allocating magnet schools assistance funds, to give priority for funding to the highest-quality applications remaining from the previous year's competition before funding applications approved in a new competition. The conferees also note that no funds are included for a new competition in innovative programs, since this program is no longer authorized.

Education for Homeless Children and Youth

The conference agreement includes $50,000,000 for Education for Homeless Children and Youth as proposed by the House instead of $36,000,000 as proposed by the Senate.

Education of Native Hawaiians

The conference agreement includes $30,500,000 for the Education of Native Hawaiians instead of $33,000,000 as proposed by the Senate and $28,000,000 as proposed by the House. The conferees urge the Department to provide $1,000,000 for construction and co-location, $7,000,000 for curriculum development, $2,100,000 for community-based learning centers, $3,500,000 for higher education, $1,250,000 for gifted and talented, $3,100,000 for special education, $500,000 for Native Hawaiian education councils; and $12,050,000 for family-based education centers.

Alaska Native Educational Equity

The conference agreement includes $24,000,000 for the Alaska Native Educational Equity program instead of $33,000,000 as proposed by the Senate and $15,000,000 as proposed by the House.

Rural education

The conference agreement includes $162,500,000 for rural education programs, instead of $200,000,000 as proposed by the House and $125,000,000 as proposed by the Senate. This program is intended to address the unique needs of rural school districts that frequently: (1) lack the personnel and resources needed to compete effectively for federal competitive grants; and (2) receive formula grant allocations in amounts too small to be effective in meeting their intended purposes. The program consists of two parts:

Subpart 1—Small, Rural School Achievement Program—Under subpart 1, a school district is able to combine funds under various formula grant programs to carry out local activities intended to improve the academic achievement of elementary and secondary school students and the quality of instruction provided to these students. In addition, grants under this subpart would be awarded to eligible districts based on the number of students in average daily attendance less the amount they received from consolidated formula grant programs.

Subpart 2—Rural and Low-Income School Program—If a district did not qualify for funding under subpart 1, it would be eligible for funding under subpart 2. Funds awarded to districts or made available to schools under subpart 2 can be used to carry out local activities intended to improve the academic achievement of elementary and secondary school students and the quality of instruction provided for these students.

The conferees intend that the funds provided for rural education programs be distributed equally between subpart 1 and subpart 2, as authorized.

Fund for the Improvement of Education (FIE)

The conference agreement includes $832,889,000 for the Fund for the Improvement of Education. This program has consolidated a number of programs that had previously been funded as separate line items.

Within the total for FIE, the conference agreement includes $32,500,000 for the elementary school counseling program, instead of $30,000,000 as proposed by the House and $35,000,000 as proposed by the Senate within the Local Innovations for Education (LIFE) fund.

The conference agreement includes $25,000,000 for the partnership in character education program under the Fund for the Improvement of Education. The House bill recommended $25,000,000 for this purpose as a separate program, while the Senate bill included funding for this purpose under the LIFE fund. The conferees encourage the Secretary to consider funding projects that sensitize students to the painful effects of bullying, ridicule and other forms of disrespect—behaviors that frequently lie at the root of emotional and physical injury that children inflict upon one another. The conferees are supportive of such projects that help teachers and students create a respectful, compassionate and ridicule-free environment that nurtures both the emotional/social and academic growth of students.

The conference agreement includes $142,189,000 for small, safe and successful high schools, instead of $200,000,000 as proposed by the House and $100,000,000 as proposed by the Senate. The bill provides the funds on a forward funding basis. The conferees concur in the direction in House Report 107–229 concerning this activity.

For the Reading is Fundamental program, the conference agreement provides $24,000,000 instead of $23,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

The conference agreement also includes $11,250,000 for Javits Gifted and Talented Education, instead of $7,500,000 as proposed by the House and $15,000,000 as proposed by the Senate. The agreement includes $27,520,000 for Star Schools instead of $59,300,000 as proposed by the Senate in the LIFE fund. The House bill did not provide separate funding for this program.

The agreement also includes $12,000,000 for the Ready to Teach program, instead of $15,000,000 as proposed by the Senate. The House bill did not include separate funding for this activity. Funds may be used to develop high-quality, curriculum-based digital content and a national telecommunications-based program to improve the teaching of core academic subjects.

The agreement also provides $14,000,000 for foreign language assistance instead of $16,000,000 as proposed by the Senate. The House bill did not include separate funding for this activity.

For the Carol M. White Physical Education for Progress program, the conference agreement includes $50,000,000 as proposed by the Senate. The House bill did not propose funding for this program. The agreement also includes $32,475,000 for community based technology centers instead of $64,950,000 as proposed by the Senate. The House bill did not propose funding for this program.

The conference agreement includes $5,000,000 for a program to promote educational, cultural, apprenticeship and exchange programs for Alaska Natives, Native Hawaiians, and their historical whaling and trading partners in Massachusetts.

For Arts in Education, the conference agreement includes $30,000,000 as proposed by both the House and the Senate. The conferees provide that within this total, $8,650,000 is for Very Special Arts, $6,000,000 is for the John F. Kennedy Center for the Performing Arts, and $2,000,000 is to be used to continue a youth violence prevention initiative. The conferees agree that of the funds provided to Very Special Arts, $1,650,000 is for planning for the 2004 International Festival. In addition, $2,000,000 is for model professional development programs for music educators and $4,000,000 is for activities authorized under subpart 2 of the Arts in Education program.

The conference agreement includes $40,000,000 for parental assistance and local family information centers instead of $45,000,000 as proposed by the Senate. The House bill did not propose funding for this program. The conference agreement also includes $3,000,000 for the Women's Educational Equity Act as proposed by both the House and the Senate.

The conference agreement includes $75,000,000 for continuing and new grants to local educational agencies for comprehensive school reform. The House and Senate bills did not include funds for this activity. The bill includes language specifying that these funds shall be allocated and expended in the same manner as in FY 2001 and provides the funds on a forward funding basis. The conference agreement includes funds to continue all existing grants and contracts for comprehensive school reform capacity and dissemination activities, including the national clearinghouse for comprehensive school reform.

The conferees have included additional funds in this line item for the Secretary to support programs and projects that address national priorities in K–12 education. The conferees note that projects to promote economic education are authorized under this program and encourage the Secretary to utilize funds to support these activities.

Within the total for FIE, the following amounts are provided:

American Airlines Travel Academy, Fort Worth, Texas, for a demonstration project to implement a school-to-work education curriculum focused on careers in the travel and tourism industry in up to 10 school districts in New Jersey serving predominantly low-income Hispanic students	$600,000
North Syracuse Central School, Cicero, New York for technology	200,000
University of South Florida, Tampa, Florida, for a model teacher preparation program	440,000
White Plains School District, New York, for after school and summer academic programs serving at-risk elementary students	260,000
“Project Promotion,” a project of the Southern Penobscot Regional Program for Children with Exceptionalities (SPRPCE) and Eastern Maine Technical College for Paraprofessional Educators to pursue a two-year college degree.	200,000
24 Challenge and Jumping Levels to continue the empirical study of the math program in Philadelphia County	50,000
Alabama School of Mathematics and Science Foundation, Mobile, AL, for program development and equipment	300,000
Alaska Department of Education and Early Development for Alyeska Central School, to prepare students in small rural schools for the Alaska High School Qualifying exam through distance delivery of core courses	500,000
Alaska Department of Education for a remedial summer tutoring program	800,000
Alaska Department of Education for its “Qualified Teachers for Alaska” program.	2,000,000
Alaska Geographic Alliance to work with the Library of Congress to incorporate its “Meeting of the Frontiers” work into the Alaska school history and geography curriculum.	250,000
Alaska Mentoring Demonstration Project, Big Brothers/Big Sisters agencies in Anchorage, Fairbanks and Juneau and other partners to extend the proven benefits of mentoring at-risk youth	500,000
Albuquerque Public Schools to expand child and family development services in the South Valley area of Albuquerque	200,000
Alliance for the Arts, New York City, for arts education programs	600,000
Alliance Neighborhood Center, Alliance, OH, for after-school program	250,000
American Film Institute Screen Education Center and Initiative for arts education curriculum development and teacher training	650,000
Amer-I-can program to assist at-risk youth with developing life management skills , goals and self-esteem necessary to acquire gainful employment	1,000,000
American Theater Arts for Youth, Inc, Philadelphia, PA, for a Mississippi Arts in Education program	150,000
American Theater Arts For Youth, Inc., for an Arts in Education Program	25,000
American Theater Arts for Youth, San Diego, CA, for educational assistance in music and arts for students	100,000
American Theater Arts for Youth, Spokane, WA, for educational assistance in music and arts for students in Spokane, WA	50,000

AMISTAD America, Inc. to coordinate with school districts and schools to provide students free admission, tours and history lessons on the schooner Amistad vessel when it visits various ports in the United States	810,000
Anchorage Community Theater School after school program in the performing arts for grades K–12	50,000
Appalachian Center for Economic Networks, Athens, Ohio, to expand a computer entrepreneurship project	1,200,000
Art Share Los Angeles, California, for equipment and programmatic support to expand an technology instructional program for at-risk youth	150,000
Arts and Education in Concert, Centreville, VA, for violence prevention programs	250,000
Auburn City Board of Education, Auburn, AL, for technology	38,000
Audubon Institute of New Orleans, LA to expand after-school programs that offer safe, positive alternatives for at-risk students in kindergarten through 8th grade	100,000
Augusta Public School District, Augusta, KS, for staff development in technology curriculum	250,000
Babyland Family Services, Newark, New Jersey for technology training and extended learning opportunities for students, parents and teachers	200,000
Baltimore City Public School System to help complete wiring schools to the Internet	1,500,000
Bay County School District, Florida, for technology equipment, supplies, teacher training, and student transportation for a science education project in partnership with ZooWorld	26,000
Beaver Local School District, Lisbon, OH, for educational programming	40,000
Belmont-Harrison Vocational School District, St. Clairsville, OH, for educational programming	40,000
Bibb County Board of Education, Centreville, AL, for technology	38,000
Bloom Township High School District 206, Chicago Heights, Illinois, to establish a work-study cooperative program	450,000
Blue Springs Youth Outreach Unit, Blue Springs, MO, for educational training in combating Goth culture	273,000
Board of Education, Albertville City, AL, for technology enhancements	30,000
Board of Education, Arab City, AL, for technology enhancements	30,000
Board of Education, Attalla City, AL, for technology enhancements	30,000
Board of Education, Cullman City, AL, for technology enhancements	30,000
Board of Education, Fort Payne City, AL, for technology enhancements	30,000
Board of Education, Gadsdene City, AL, for technology enhancements	30,000
Board of Education, Guntersville City, AL, for technology enhancements	30,000
Board of Education, Haleyville City, AL, for technology enhancements	30,000
Board of Education, Jasper City, AL, for technology enhancements	30,000
Board of Education, Oneonta City, AL, for technology enhancements	30,000
Board of Education, Russellville City, AL, for technology enhancements	30,000
Board of Education, Winfield City, AL, for technology enhancements	30,000
Boys and Girls Club of El Dorado, Arkansas, for after school programs for at-risk youth	14,000
Boys and Girls Clubs of Greater Washington, D.C., Silver Spring, MD for after school programs for at-risk youth	825,000
Boys and Girls Clubs of Philadelphia to develop a school based mentoring program.	75,000
Bridgeport Exempted Village School District, Bridgeport, OH, for educational programming	40,000
Brooke High School, Wellsburg, WV, for educational programming	40,000
Brooklawn Youth Services, Louisville, KY, for comprehensive care treatment and education for children with serious emotional disabilities	50,000
Brown University's Northeast and Islands Regional Educational Laboratory to support the Knowledge Loom web site that provides enrichment resources for educators.	100,000
Buckeye Local School District, Rayland, OH, for educational programming	40,000
Bushnell Center for the Performing Arts in Hartford, CT to expand the arts-in-education program	440,000
Calhoun County Board of Education, Anniston, AL, for technology	38,000
Camp Fire Boys and Girls—First Texas Council, Ft. Worth, TX, for an early childhood violence reduction program	700,000
Canaan Community Development Corporation, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	60,000
Centennial School District, Bucks County, PA, for activities authorized by title V, part D, subpart 20 of ESEA	500,000
Centennial School District, Circle Pines, Minnesota, for an after school program	293,000
Center for Community Transformation, Chicago, IL, to support student fellowships and ongoing secular educational activities in community leadership transformation, including curriculum development	200,000
Central Florida Community College, Ocala, FL, for Education Training Consortium for teacher training, recruitment and retention	800,000
Challenger Learning Center at SciTrek, Atlanta, GA to use a simulated mission control station and space laboratory to create a dynamic learning environment for students in the areas of science and technology	350,000
Chambers County Board of Education, LaFayette, AL, for technology	38,000
Champions of Caring programs that encourage young people to take an active role in their communities.	50,000
CHAR High School-to-work vocational training program	100,000
Charter School Development Corporation in Las Vegas, Nevada to focus on technology and college preparation	1,500,000
Chicago Children's Choir, Illinois, to support arts-integrated academic curriculum development, musical equipment, textbooks, and learning aids for the Choir Academy	225,000
Chicago Public Schools, Illinois, for after school programs	100,000
Chicago State University for an innovative project designed to support teacher training and expand technology	200,000
Children's Land Alliance Supporting Schools (CLASS)	200,000
Children's Literacy Initiative to supplement Head Start's distance learning program as well as a teacher education program	100,000
Chilton County Board of Education, Clanton, AL, for technology	38,000
Chippewa Falls Unified School District, WI, for after school programs	950,000
Choteau Elementary School in Choteau, Montana for an e-learning pilot program	500,000
Cincinnati Arts School, Inc., Cincinnati, OH, for development of the school's academic and artistic curricula	1,000,000
City of Boston for after-school programs	200,000
City of Salt Lake, Utah, for the YouthCity Empowerment project to establish after school centers	1,200,000
Clark County School District, Las Vegas, Nevada, to expand after school programs for drop out prevention	440,000
Clark County, NV School District for a School-to-Work Program to provide students who do not plan to attend college with instruction in nursing and home health aid	160,000
Classika Theatre, Arlington, Virginia, to expand the ARTsmarts and SS VETA arts education initiatives in Arlington and Alexandria, Virginia schools	500,000
Clay County Board of Education, Ashland, AL, for technology	38,000
Cleburne County Board of Education, Heflin, AL, for technology	38,000
Coffeyville Public School District, Coffeyville, KS, for technology	250,000
Columbia College in Chicago to establish a mentoring program designed to improve minority student educational success and retention	200,000

Columbiana County Career Center, Lisbon, OH, for educational programming	40,000
Communities in Schools of East Texas, Inc., Marshall, Texas, for educational services to at-risk students	240,000
Communities in Schools of Northeast Texas, Inc., Mount Pleasant, Texas, for educational services to at-risk students	240,000
Concord College Technology Center to equip new teachers with the technical skills essential for the utilization of information technologies in the classroom	1,000,000
Continuation and expansion of the Iowa Communications Network statewide fiber optic demonstration	3,000,000
Cooperative Educational Services Agency #9, WI, for after school programs	1,200,000
Coosa County Board of Education, Rockford, AL, for technology	38,000
Council Bluffs Community Schools in Iowa for a demonstration on testing software	500,000
D.C. Everest School District, WI, for a history day project	200,000
Dardanelle School District, Dardanelle, Arkansas, to establish a center to use technology to enhance English, academic and parenting skills for Hispanic students and adults	50,000
Daycare Literacy Project in Salem, Oregon	20,000
Depaul School, Louisville, KY, for technology needs	45,000
Detroit Science Center, Detroit, Michigan, to develop science education programs and exhibits to introduce students to science, technology, and engineering	500,000
Discovery Place, North Carolina, for development of exhibits and science education programs	440,000
Do Something, Inc., New York, New York, to implement the "Community Coaches" leadership and citizenship program at up to 20 schools in the Chicago metropolitan area	125,000
Dowling High School Project Intercept—mentoring and tutoring program for low-income youth	300,000
Drop out prevention program in the Pendleton school district, Oregon	125,000
Drug Free Pennsylvania to implement a demonstration project in Dauphin County	50,000
Early Reading Success Institute in Connecticut to broaden the training of professionals in best practices in the delivery of reading instruction	800,000
East Liverpool School District, East Liverpool, OH, for educational programming	40,000
East Los Angeles Classic Theatre, East Los Angeles, California for the "Beyond Borders: Literacy Through Performing Arts" literacy program	50,000
East Los Angeles College, Monterey Park, California, for "APPLES Project" to provide early childhood curriculum development, professional development, parental instruction and program dissemination	230,000
East Providence School District, Rhode Island, for music curriculum development, teacher recruitment and equipment purchases	400,000
Eastern College for computers, printers, computer cables, telecommunications equipment and laboratory equipment for the Center for Information, Science and Learning Resources in St Davids, Pennsylvania	100,000
Edison Local School District, Hammondsville, OH, for educational programming	40,000
Education Service District 117 in Wenatchee, WA to equip a community technology center to expand technology-based training	250,000
Educational Advancement Alliance of Philadelphia, Pennsylvania, to establish computer centers in high schools and education centers	500,000
Educational Service District 112, Vancouver, Washington, to implement the Help One Student to Succeed (HOSTS) reading program in elementary schools	167,000
Eisenhower Foundation for a demonstration of full-service schools in Iowa	500,000
El Dorado Public School District, El Dorado, KS, for PROJECT CONNECT	250,000
Electronic Data Systems Project to create a database that would improve the acquisition, analysis and sharing of student information	1,000,000
Ellijay Wildlife Rehabilitation Sanctuary, Ellijay, GA, to provide educational programs for at-risk youth	500,000
Ernie Pyle Middle School, Albuquerque, NM, for a middle school initiative	50,000
Eufaula Independent School District Number 1, Oklahoma, for instructional materials and teacher-related expenses	250,000
Everybody Wins! In New York, NY to promote children's literacy and love of learning through mentoring programs with adults.	1,000,000
Fairfax County Public Schools, Fairfax, VA, Bridging the Digital Divide	150,000
Fairfax County Public Schools, Fairfax, VA, for educator-to-educator training	260,000
Fairfax County Public Schools, Fairfax, VA, Institute for Student Achievement	270,000
Fairfax County Public Schools, Fairfax, VA, Pre-Delinquent and Delinquent Prevention Program	40,000
Faith Academy Child Development Center, Hamlet, NC, for after school program	100,000
Father Maloney's Boys' Haven, Louisville, Kentucky, for technology	20,000
Federation of Independent Illinois Colleges and University for telecommunications equipment and for training programs necessary to link educational institutions to a high bandwidth network	200,000
Ferris State University, Big Rapids, MI, for curriculum development and outreach	500,000
First Gethsemane Center for Family Development, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	60,000
Five Towns Community Center, Nassau County, New York for after school programs	500,000
Florida 4-H Foundation Inc., Gainesville, Florida, for personnel and other expenses to provide educational programs for youth participants	100,000
Florida Institute of Education, Jacksonville, FL, for Florida Network of Readiness Hubs	500,000
Fort Lewis College Child Development Center to serve young children and their families, students, faculty and community in the Four Corners Regions.	1,500,000
Foundation for the Improvement of Mathematics and Education in San Diego, CA to improve math and science testing scores through the advancement of curriculum and improvements in teacher/administrator education	150,000
Freedom Theatre: to provide greater access to its training program for talented African Americans in Philadelphia	25,000
Fresno At-Risk Youth Services to address the problems of at-risk youths by coordinating the city's efforts through an education program coordinator, working with targeted groups, and making peer counselors available to students.	200,000
Fresno Unified School District, in partnership with the City of Fresno, California, for after school programs for middle schools in disadvantaged communities	225,000
Friends of the Children in Portland, Oregon	100,000
Friends of the Children, providing full-time, paid adult mentors to at-risk children, in Chester, Pennsylvania	50,000
Futures for Children, Albuquerque, New Mexico, to expand its educational services to Native American children.	1,000,000
Galena School district and other partners to assist Alaska Native students attending boarding schools and colleges make the transition from rural village life to educational residence facility.	250,000
Galena School District for alternative education programs.	750,000
Garfield Middle School, Albuquerque, NM, "Accelerated Reader Program"	50,000
General George S. Patton School District 133, Riverdale, Illinois, for computer lab equipment and professional development for school reform initiatives	150,000

Georgia Project, Inc. in Dalton, GA to support the academic and social needs of Hispanic children and their families in northern Georgia	650,000
Girard Community Committee Incorporated, Girard, OH, for educational programming	700,000
Glendale Unified School District in La Crescenta, California, to expand after school programs at Valley View Elementary School, Monte Vista Elementary School and Mountain Avenue Elementary School	40,000
GlennOaks Therapeutic Day School, Addison, IL, to upgrade technology and improve student safety for children with emotional and behavioral problems	200,000
GRAMMY Foundation, Santa Monica, California, for music education programs	1,200,000
Grand Valley State University Teacher Academy in Allendale, MI, to train a cadre of master teachers who will develop curriculum and will mentor preservice and novice science and math teachers	200,000
Great Projects Film Company to produce "Educating America," a documentary T.V. series and multi-media project about challenges facing public schools	50,000
Greater Minneapolis Day Care Council, Minnesota, for a demonstration initiative to improve early learning and after school programs	350,000
Green Bay Area School District in Green Bay, Wisconsin to implement a district-wide technology plan	750,000
Gulf Coast Exploreum Science Center, Mobile, AL, to staff and support science activities	400,000
Hackensack Public School District, Hackensack, New Jersey, to establish an after school program at Jackson Avenue School	75,000
Hamcock County Schools, New Cumberland, WV, for educational programming	40,000
Hampshire Educational Collaborative at Northampton, Massachusetts for implementation of internet-based professional development for K–12 teachers and early child care providers	400,000
Hands Across Cultures Corporation, Espanola, New Mexico, for after school programs at the Espanola and Pojoaque Valley School Districts	500,000
Harrison Middle School, Albuquerque, NM, for an after-school program	50,000
Hawthorne Elementary Junior High School in Hawthorne, NV for the One-on-one Laptop Computer Program	420,000
Hazel Crest School District 152.5, Hazel Crest, Illinois, to implement a comprehensive professional development program for teachers and administrators to improve student achievement	100,000
Healthy Foundation in Murrieta, CA to conduct a study of the impact of vitamin intake and the school performance of at-risk youth.	, 500,000
Helen Keller Worldwide to expand the ChildSight Vision Screening Program and provide eyeglasses to additional children whose educational performance may be hindered because of poor vision	1,000,000
Henry, Highlands, Glades and Okeechobee county school districts in Florida for technology upgrades	500,000
Holy Redeemer Health System in Philadelphia for after-school programs for at-risk children.	250,000
Illinois Challenger Learning Center, Bloomington-Normal, IL, for science and math programs	250,000
Illinois Department of Education, Improving Reading Achievement for Grades 7–12 program for Peoria School District #150	50,000
Illinois Department of Education, Improving Reading Achievement for Grades 7–12 program for Springfield School District #186	50,000
Illinois Math and Science Academy "21st Century Information Fluency Program"	900,000
Illinois State Board of Education "Improving Reading Achievement for grades 7–12" for Kankakee District #111 and Champaign District #4	200,000
Illinois State Board of Education for Downers Grove School District #99 "Teacher Helping Teachers" and Joliet Public School District #86 "Helping Hands Lead to Success" mentoring programs	500,000
Illinois State Board of Education for Induction and Mentoring Model Districts Program at Elgin, Illinois #46	150,000
Illinois State Board of Education for the At Risk Student Program at Aurora Illinois East 131 School District	200,000
Illinois State Board of Education, "Illinois Virtual High School"	1,500,000
Illinois State Board of Education, for curriculum development, materials, and professional development activities to improve math achievement in the middle grades in Decatur School District 61	300,000
Illinois State Board of Education, Freeport School District #16 for a Reading Improvement Achievement Pilot Program for grades 7–12	250,000
Illinois State Board of Education, Rockford School District #205 for a Reading Improvement Achievement Pilot Program for grades 7–12	250,000
Illinois State Board of Education, to provide alternative learning opportunities for at risk students in the Mt. Vernon Township High School District #201, Christopher Unit #99, and Grayville Community Unit School District #1	400,000
Illinois State Board of Education/Boys and Girls Clubs of America, Springfield, IL, for Community Technology Centers	300,000
Independence Public School District, Independence, KS, for teacher training and curriculum development	250,000
Independent School District 834, Minnesota, for an after school program	227,000
Indian Creek School District, Wintersville, OH, for educational programming	40,000
Indiana University-Purdue University, Ft. Wayne, IN, to enhance educational and cultural programming through the development of "Teleplex"	650,000
Infinity Project at Southern Methodist University	500,000
Ingham County Intermediate School District, Mason, MI, for Technology Enhancements for Capital Area Career Center	200,000
Innovative Directions, an Educational Alliance, Bronx County, New York, for after school and summer academic enrichment programs	75,000
Institute for International Sport at the University of Rhode Island to address issues of sportsmanship between athletes and their parents, coaches and teachers.	100,000
Institute for Student Achievement in Lake Success, NY to expand its intervention program that provides academic enrichment and counseling support for students performing in the lowest quartile in their middle or high schools.	200,000
Institute for Student Achievement, Manhasset, New York for educational programs for at-risk students in the Mount Vernon school district	250,000
International Music Products Association, Carlsbad, CA, for school music programs	100,000
Invent Iowa to encourage kids to invent and hold fairs to display those inventions	100,000
Iowa Department of Education for additional bilingual and English as a Second Language training in rapid growth areas of Iowa	1,055,000
Iowa Online AP Academy to continue and expand the online advanced placement demonstration	2,000,000
Iowa School Board Association Lighthouse for School Reform for the training of school board members on education issues	500,000
Isaac Stern Education Legacy in New York, NY to integrate distance learning and educational technology with music education programs.	2,000,000
Jacksonville City Board of Education, Jacksonville, AL, for technology	38,000
James MacGregor Burns Academy of Leadership, College Park, Maryland, for a National Youth Leadership Institute for K–12 students	250,000
Jefferson County Joint Vocational School, Bloomingdale, OH, for educational programming	40,000
Jewish Family and Community Service in Chicago, IL for its therapeutic program	100,000
Jobs for Youth of Boston, Massachusetts for technical assistance and training related to standards based education	500,000

Junior Achievement of Delaware Valley, Inc. for a youth mentoring initiative	150,000
Kennedy Krieger Institute in Baltimore, MD, to complete the school-to-work instructional model for its Career and Technology High School	440,000
Kenosha Unified School District, Kenosha, WI, for after-school programs	300,000
Kent State University, Kent, OH, to develop a replicable model for supporting GED graduates in higher education	500,000
Kentucky Opera, Louisville, KY, for educational outreach programs	50,000
Kenyon College, Gambier, OH, for technology and science improvements and upgrade	1,000,000
Kids Voting South Dakota in Pierre, South Dakota, to expand the program in the state, primarily to the nine Indian Reservations.	100,000
Kids Voting USA, Tempe, Arizona for a civics program to educate children about the importance of voting	380,000
La Crosse Medical Health Science Consortium in La Crosse, Wisconsin to expand reading remediation services to literacy-impaired adolescents	375,000
Lake Metroparks, Concord, OH, for equipment	1,000,000
Lawrence County School District, Mississippi, for a Parents as Teachers program	400,000
Lawrence Public Schools, Lawrence, Kansas, for after school programs in the New York and East Heights elementary schools	100,000
Learning Collaborative Inc., Milford, Connecticut, for the "Pebbles Project" to demonstrate innovative technology to deliver educational services to children medically unable to attend school	870,000
Lee County Board of Education, Opelika, AL, for technology	38,000
Lee's Summit Education Foundation in Missouri, for Parents as Teachers	500,000
Lewiston-Auburn College/University of Southern Maine TEAMS program to prepare teachers to meet the demands of Maine's 21st century elementary and middle schools at Sherwood Heights Elementary School in Auburn and Lewiston Middle School in Lewiston.	50,000
Lincoln Center, New York City, for the Louis Armstrong Jazz Curriculum project to provide arts education professional development to teachers across the country	250,000
Livingston Technical Academy, Howell, MI, for Technology Enhancements	150,000
Local Initiative Support Corporation Child Care Education	400,000
Long Island Works Coalition to provide school-to-career partnerships for students, and to provide them with the skills necessary for successful employment.	100,000
Los Angeles County Office of Education, Downey, California, for the Early Advantage Initiative to provide preschool and family learning activities, and training for parents, child care providers and community members	440,000
Loudonville Golden Center, Loudonville, OH, to develop a technology, training and youth mentoring program for seniors and youths	130,000
Louisiana Arts and Sciences Center, Baton Rouge, LA, for professional development	300,000
Louisiana Department of Education to implement an early childhood development program for at risk children	300,000
Louisiana Department of Education to implement the Voyager Universal Literacy System in Louisiana	700,000
Louisiana District Attorney's Office, The Orleans Parish, Louisiana for a School-Based Drug Awareness program	100,000
Louisiana Tech University, Ruston, LA, "Project Catalyst"	400,000
Louisiana Tech University, Ruston, LA, "Project LIFE (Laboratory Investigations and Field Experience")	400,000
Lyons Township High School District 204, Illinois, for a Quality Teacher Recruitment Model Program	440,000
Macomb County Intermediate School District, Michigan for the "Kids Klub" after school program	600,000
Macon County Board of Education, Tuskegee, AL, for technology	38,000
Madison County School District's School Needs Assessment in Madison County, MS to conduct an impact study of the sudden influx of a large number of new students in the school district.	500,000
Maine School Administrative District #58 in Kingfield, Maine, for Pathway Partners rural education program, to help connect young people to fundamental resources such as caring adults and safe places. ...	200,000
Maine School Administrative District Number 64, East Corinth, Maine, for the STAR technology teacher training project	100,000
Malverne Afterschool Center, Malverne, NY, to expand an after school program	100,000
Marshfield School District, WI, for computers, library books, and supplies for a new elementary school	75,000
Martins Ferry School District, Martins Ferry, OH, for educational programming	40,000
Maryhurst Inc., Louisville, Kentucky, for an educational program	50,000
Math, Science and Technology Education Partnership K–12 cluster pilot program in Albuquerque public schools.	1,250,000
Mehlville School District, St. Louis, Missouri, to implement a new reading technology program	75,000
Mellen School District, WI, for after school programs	340,000
MENC (Music Education and Technology Advancement) to establish and support standard music education and creativity, instructional technology and professional development for approximately 4000 K–12 public schools.	50,000
Meredith-Dunn School, Louisville, KY, technology infrastructure for children with learning disabilities	60,000
Mid-American Regional Council in Kansas City, Missouri to establish the Finance CIRCLE demonstration initiative to improve financing for early learning and after-school programs.	250,000
Midland School District, Midland, PA, for educational programming	40,000
Military Heritage Foundation, Carlisle, PA, Army Heritage and Education Center to establish educational programs and materials	150,000
Millikin University to assist inner-city and rural high school students prepare for college	200,000
Milton Eisenhower Foundation, Washington, DC for a full-service community school demonstration project in up to five locations	450,000
Milwaukee Public Schools, Milwaukee, Wisconsin to expand programs to recruit, prepare and retain a diverse, effective, innovative teaching force	350,000
Milwaukee Public Schools, Wisconsin, for after school programs	400,000
Milwaukee Public Schools, Wisconsin, for the Bradley School for Technology and Trade High School for technology training and curriculum implementation	200,000
Mississippi Delta Education Initiative for teacher recruitment, Delta University	900,000
Murray State University, Murray, KY, Center for Teaching Excellence in Science and Mathematics	800,000
Museum of Modern Art in New York, NY to expand its distance learning program to give students and teachers access to their collection	220,000
Mystic Seaport Museum, Mystic, CT, to develop an Onboard and Online Program	350,000
National Center for Youth Issues, Chattanooga, TN, to provide Internet based resource in character education	1,000,000
New Mexico Department of Education to provide on-line courses aligned with state academic standards and curriculum to students in rural and remote areas	200,000
New York City Public Schools, New York to expand the New York City Teaching Fellows Program to attract and retain certified teachers in New York City Schools that need qualified teachers	500,000
New York Hall of Science, Corona Park, New York, to expand the Science Career Ladder and After-School Science Club programs for middle school students	300,000

New Zion Community Development Foundation, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	30,000
Newport Public Schools, Newport, Rhode Island, for early childhood programs, specialized teacher recruitment and professional development	750,000
Newton Public School District, Newton, KS, to help incorporate technology into the math curriculum	250,000
Nicholls State University to train faculty, reading specialists and families in order to identify the reading disabilities of children and adults in the Southern Gulf Coast region of Louisiana	500,000
North Carolina Aquarium Society for development of environmental education exhibits and distance learning programs for students	440,000
North Carolina Electronics and Information Technologies Association Education Foundation, for a technology demonstration project in rural and underserved school districts	250,000
North Carolina Museum of Art, Raleigh, North Carolina for arts and environmental education programs	100,000
North Carolina Museum of Life and Science for development of BioQuest exhibits	150,000
North Carolina State University, Raleigh, North Carolina to expand regional satellite centers to provide science and math education to rural schools through the Science House	600,000
Northwest Museum of Arts and Culture, Spokane, WA, "Star Nations Program"	450,000
Northwood School District in Minong, Wisconsin to complete their distance education project that enhances learning opportunities and provides useful skill development	62,000
Nosotros, Hollywood, California to implement music education activities, including purchasing instruments for low-income students, for the Mariachi Plaza after school program	100,000
Oakland Unified School District, California, for teacher professional development	440,000
Ohio Arts Council, Columbus, OH, to expand the Council's international programming	1,200,000
Ohio Center of Science and Industry, Columbus, OH, for the development of a statewide science and math education service program	5,000,000
Ohio Department of Education, Columbus, OH, "Troops to Teachers Ohio Demonstration"	2,500,000
Oklahoma State Department of Education, Oklahoma City, OK, for a handheld computing initiative to be coordinated with the University of Central Oklahoma in Edmund, OK	1,000,000
Olympic Park Institute to expand its scholarship fund to allow more disadvantaged students to attend its environmental education programs	250,000
Onondaga Community College, Syracuse, NY, for technology and personnel	500,000
Opelika City Board of Education, Opelika, AL, for technology	38,000
Operation Get Ahead, Hempstead, New York, for an Early Awareness for College program for disadvantaged youth	200,000
Our Hope For Youth, Delaware, for an anti-school violence education media program on in-school educational networks	500,000
Oxford City Board of Education, Oxford, AL, for technology	38,000
Pacific Islands Center for Educational Development in American Samoa	400,000
Pacific Science Center in Seattle, Washington to develop a hands-on genetics exhibit to explain basic concepts of genetics and the human genome project	250,000
Paleontological Research Institute, Ithaca, New York, for the development of earth science educational programs	100,000
PARENTS, Inc., Anchorage, Alaska, for creation of a full-working parent matching, mentoring and home visit system to support parents of children with disabilities for the state of Alaska	500,000
PARENTS, Inc., Anchorage, Alaska, for implementation and expansion of their projects to train teachers, specialists and parents in the use of technology to assist students with disabilities	1,000,000
Phenix City Board of Education, Phenix City, AL, for technology	38,000
Philadelphia Opera Sounds of Learning	100,000
Piedmont City Board of Education, Piedmont, AL, for technology	38,000
Pima Community College, Arizona, for an Achieving a College Education initiative to help low-income and minority students attend college	185,000
Pinellas County Florida School District, St. Petersburg, FL, for technology for Title I schools	3,587,000
Pittsburgh Zoo and Aquarium	200,000
Plymouth Community Renewal Center, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	40,000
Pomona Unified School District, Pomona, CA, for a Literacy Technology Center	1,000,000
Port Chester-Rye Union Free School District, New York, for an after school program at Thomas Edison Elementary School	260,000
Potter Park Zoological Society, Lansing, MI, Expanding Educational Programming "The BIG Zoo Lesson"	100,000
Prairie Lakes Education Cooperative in Madison, SD to advance distance learning for Native Americans in BIA and tribal schools.	500,000
Prime Time Family Reading Time to continue its family literacy programs in Louisiana	100,000
Prince William County, VA, Bilingual Literacy Extended Kindergarten Program	140,000
Prince William County, VA, for assistance to Special Need Middle School Students	100,000
Prince William County, VA, Mathematics Intervention Program	90,000
Project Intercept to identify and intercept youth who display early-stage problems, implement mentoring programs and offer sensitivity training to teachers, principals and parents	100,000
Project STARS (Strategies to Accelerate Reading Success) in Clark County, NV to provide literacy intervention for students.	900,000
Ramapo College of New Jersey, Mahwah, NJ, for "Center for International Education and Entrepreneurship"	800,000
Randolph County Board of Education, Wedowee, AL, for technology	38,000
Reading Alabama, Inc. in Montgomery, Alabama	150,000
Reading Evaluation and Assessment Demonstration, Today Foundation in Dallas, Texas	200,000
Reading Together USA Program at the University of North Carolina at Greensboro for tutoring program expansion	800,000
ReadNet Foundation, New York, NY, to fully implement web-based simulation educational program	600,000
Red Bluff Joint Union High School District, Red Bluff, CA, for technology	180,000
Resource Area for Teachers, San Jose, California, to provide classroom learning materials and teacher training in use of interactive materials	340,000
Rhode Island Department of Elementary and Secondary Education Forces of Change Collaborative Exhibit	200,000
Rio Linda Union School District, Rio Linda, CA, for technology	350,000
Riverside Community College District, Riverside, CA, for curriculum development and related costs for the Riverside School for the Arts	500,000
Robbie Valentine Stars Club Education Program, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	50,000
Rock and Roll Hall of Fame and Museum, Cleveland, Ohio, for curriculum development, educational materials, and outreach activities to expand the "Rockin' the Schools" music education program to reach additional students	200,000
Rockford Public School District #205, Rockford, IL, for a magnet schools program	1,200,000
Rosa and Raymond Parks Institute for Self Development in Detroit, Michigan to expand Pathways to Freedom and Learning Center programs	200,000
Russell County Board of Education, Phenix City, AL, for technology	38,000

Rutgers University Law School to support a scholarship fund, public interest activities, and its work with the LEAP Academy Charter School, including the purchase of books and equipment	540,000
Rutgers, The State University of New Jersey, Rutgers, New Jersey for the RUNet 2000 to expand its innovative voice-video-data communications system to bring the resources of the university to more K–12 teachers and students	2,000,000
San Diego Natural History Museum, San Diego, CA, for a distance learning project	150,000
San Diego Unified School District in CA, for "The Blueprint for Student Success in a Standards-Based System"	1,000,000
San Luis Obispo County Office of Education, California, to develop, maintain and distribute school violence emergency response kits	75,000
Santa Barbara High School District, California, to develop a health careers academy at San Marcos High School	50,000
School District of Bruce, WI, for after school programs	400,000
School District of Palm Beach County, Florida, to provide after school and evening supplemental bilingual language instruction for immigrant students and their parents	600,000
School District of Rhinelander, WI, for after school programs	1,000,000
Schoolcraft College, Livonia, MI, VistaTech Center for development and technological equipment to provide extensive connectivity to the Internet	1,000,000
Schurz Elementary School in Schurz, NV for the One-on-one Laptop Computer Program	249,000
Science and Math Teacher Academy University of North Texas and Paul Quinn College	200,000
Science Applications International Corporation, King of Prussia, PA, for HUBS Education Program	200,000
ScienceSouth, Inc., Florence, South Carolina, for science education programming, a science traveling exhibit, and outreach activities	500,000
Shake-A-Leg Miami to develop curriculum and provide equipment for its educational programs including its Marine Trade Sea School and marine environmental education programs for students with and without disabilities from Miami- Dade County public schools.	150,000
Shawnee Gardens Tenants Association, Louisville, KY, for after school programs	35,000
Shiloh Baptist Church Community Renewal Center, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	50,000

South Cook Education Consortium in Hazel Crest, IL, to support computer laboratory facilitators, equipment and technology support for community technology centers serving eight elementary school districts in South Cook County, Illinois	400,000
South Dakota Department of Education and Cultural Affairs for the Distance Education Alliance to advance distance learning for South Dakota Schools	2,000,000
South Side School District, Hookstown, PA, for educational programming	40,000
Southeast Associated Ministries, Inc., Louisville, Kentucky, for an after school programs	20,000
Southeast Missouri State University's NASA Educator Resource Center in Cape Girardeau, MO to make available to K–12 schools, teachers and students a wide variety of educational materials related to science, mathematics and space-science education	170,000
Southeastern Environmental Education Alliance (SEEL) to improve science and math education at the elementary and middle school level	200,000
Southern Local School District, Salineville, OH, for educational programming	40,000
Southern Star Development Corporation, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	40,000
Southwest Texas State University Center for School Improvement	250,000
Space Education Initiatives Inc., Green Bay, WI, for professional development programs and technology	250,000
Spelman College Teacher as Leader Educational Initiative in Atlanta, GA to provide early intervention and academic support through the for at-risk, disadvantaged children and their families	500,000
Springfield School District, for the Schools Plus initiative to provide after school services for elementary school students	440,000
St. Clair County Board of Education, Ashville, AL, for technology	38,000
St. Clair County Educational Cooperative Board of Control, Belleville, Illinois, for the development of hands-on learning activities about the Mississippi River	700,000
St. Clair County Intermediate School District, Michigan for the "Kids Klub" after school program	400,000
St. Joseph's Indian School of Chamberlain, South Dakota, for after-school programs, educational outreach, mentoring, equipment and educational materials	800,000
St. Stephens Family Life Center, Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	75,000

Stark County Parks, Canton, OH, for an Electronic Gateway Project	1,000,000
State of Alaska for Right Start extended-day kindergarten program.	1,000,000
State of Louisiana for "Louisiana Online"	1,000,000
Steps to Success of Louisiana to expand its efforts to provide parents of children from birth to three years of age with the information and support necessary for their development	250,000
Steubenville City Schools, Steubenville, OH, for educational programming	40,000
Sylacauga City Board of Education, Sylacauga, AL, for technology	38,000
Synopsys Silicon Valley Science and Technology Outreach Foundation, Mountain View, California, to support project-based science and math education at elementary, middle and high schools in Santa Clara County, California	100,000
Talladega County Board of Education, Talladega, AL, for technology	38,000
Tallapoosa County Board of Education, Dadeville, AL, for technology	38,000
Teaneck Public School District, Teaneck, New Jersey, to establish "Project Lighthouse" after school programs at Benjamin Franklin and Thomas Jefferson Middle Schools	75,000
TELACU Education Foundation in Los Angeles to provide interactive computer literacy and tutoring to economically disadvantaged Latino students	1,800,000
The Boston History Collaborative to develop educational programs on the history of Boston	100,000
The Field Museum, Chicago, IL, for teacher training initiatives and curriculum development	250,000
The Imaginarium in Anchorage to provide coursework, teaching materials and teacher training in science and math to benefit students in rural Alaska who do not have access to such courses and teachers	100,000
The Professional Partnership Laboratory School at Roger Williams University in Bristol, Rhode Island to provide an innovative learning environment for K–12 students in the Bristol-Warren Regional School District	850,000
YMCAs of Sarasota, St. Petersburg, and Clearwater for expansion of YMCA Character Development Schools which address school behavior problems through family partnerships, counseling, case management, parenting classes, and positive behavior modification intervention	250,000
THINK Together, Santa Ana, California for after school programs for low-income students in Orange County, CA	440,000
Thirteenth Place Youth and Family Services in Gadsden, AL, after-school program	10,000
Three Rivers Connect in Pittsburgh	100,000

Tides Foundation to provide assistance in supporting McKelvey entrepreneurial college scholarships to rural, low income Pennsylvania high school graduates. Funds shall be used for screening of applicants, computers, books and other educational tools, and outreach to inform students of the scholarship program	250,000
Toronto School District, Toronto, OH, for educational programming	40,000
Trinity Family Life Center, Inc., Louisville, Kentucky, for an after school program	10,000
University of Akron, Akron, OH, for the "Exercise in Hard Choices"	500,000
University of Akron, Ohio, for curriculum development, teacher training and technology enhancements for the K–12 Urban School Project	200,000
University of Alaska and Alaska Department of Education to establish the Alaska Center for Excellence in Schools at the University of Alaska	500,000
University of Arkansas Little Rock to offer high school students a web-based math course with the goal of reducing the number of entering freshmen who need math remediation	200,000
University of Iowa for a demonstration in Iowa of a computerized reading program	500,000
University of Nebraska, Kearney, Nebraska, for Minority Access to Higher Education Program to help teachers to address the special need of minority populations from grades K–12	900,000
University of New Mexico, Albuquerque, NM, "Mathematics and Science Teacher Academy" for professional development	850,000
University of New Orleans Millennium School Project to establish a charter school district and redesign teacher education to support school restructuring	1,000,000
University of Northern Iowa in collaboration with the Waterloo Community Schools for the expansion of an early childhood development center	600,000
University of Northern Iowa's National Center for Public and Private School Foundations	200,000
University of Southern Maine, Orono, Maine, for the Electronic Learning Marketplace to expand K–12 professional development and improve educational standards and assessments statewide	440,000
University of Southern Mississippi Gifted Center	100,000
University of Wisconsin in Milwaukee, Wisconsin for the Urban Educator Corps Partnership initiative	500,000
University of Wisconsin-Extension's School Readiness Project to provide training and technical assistance to its partners in preparing children for learning in school	200,000
Urban League of Metropolitan Denver, Colorado for an after school program for at-risk youth in Aurora and northeast Denver	300,000
Utah Literacy Project to support the Utah Reading Excellence Act in providing reading and training materials to rural schools	600,000
Utah State Office of Education to help school districts test effectiveness of administering yearly assessment using computers	700,000
Vermont Higher Education Council in Essex Junction to develop universal early learning programs to ensure that at least one certified teacher will be available in center-based child care programs	200,000
Village of Riverdale, Illinois, to provide mentoring, conflict resolution, and other intervention services for at-risk youth	100,000
Vocational Technical Center, New Cumberland, WV, for educational programming	40,000
Walnut Street Theater: for its Educational and Outreach program for area K–12 schools, which includes an apprenticeship program, an adopt a school program, and a summer camp	25,000
Washington and Jefferson College: To support professional development and quality education initiatives at the K–12 in the Southwest Region of Pennsylvania	200,000
Washington Association of Career and Technical Education to update training technology to ensure that it meets industry standards	250,000
Washington Virtual Classroom Consortium to establish interconnectivity between rural schools to create expanded learning opportunities	750,000
Watertown Public Schools, Watertown, SD, to integrate technology in the classroom by expanding wireless labs and computers	220,000
Watts Learning Center, Los Angeles, California for instructional programming in reading and language arts	285,000
Wausau School District, WI, for after school programs in middle schools	850,000
Wellington Public School District, Wellington, KS, for teacher training	250,000
Wellsville Local School District, Wellsville, OH, for educational programming	40,000
West Allis/West Milwaukee School District, Wisconsin, for after school centers serving low-income elementary students	200,000
West Ed Eisenhower Regional Consortium for Science and Mathematics, San Francisco, CA, for 24 Challenge and Jumping Levels Math	300,000
Westchester Philharmonic, Hartsdale, NY for the "Philharmonic Alive" after school music and arts education pilot project	50,000
Western Michigan University, Kalamazoo, MI, Joint Demonstration Project for the "Study of Wireless Technology in Education"	500,000
Wheeling Jesuit University NASA Center for Educational Technologies to provide technology training to all elementary and secondary West Virginia math and science teachers	3,600,000
Wheeling Park High School, Wheeling, WV, for educational programming	40,000
Winston-Salem/Forsyth County Schools, Winston-Salem, NC, for "Winston Net"	100,000
Wisconsin Educational Partnership Initiative in Chippewa Falls, Wisconsin for a professional development initiative	350,000
Wisconsin Rapids Area Public School District, WI, for after school programs	700,000
WNVT/KidzOnline, Falls Church, VA, for online K–12 programming	800,000
Working in the Schools, Chicago to expand tutoring and mentoring programs in the Chicago public schools	100,000
WQED Pittsburgh, Pennsylvania, to provide math and science education through its Learning Center	205,000
Yell County Schools in Arkansas to expand their bilingual programs to address needs of a growing Hispanic population	150,000
YMCA of Metropolitan Chattanooga, Chattanooga, TN, for Community Action Program	300,000
YMCA for a demonstration of youth mentoring and after school activities in Iowa	770,000
YMCA of Central Stark County, Canton, OH, to implement a pilot project to work with middle school youth during after school hours	200,000
YMCA of Greater Seattle to expand their teen development activities	500,000
YMCA of Metropolitan Milwaukee, Wisconsin to expand its Teen Agenda to serve at-risk teenage youth	1,000,000
YMCA of Seattle-King County-Snohomish County to support women and families through an at-risk youth center and other family supports	250,000
Yosemite National Institutes, Sausalito, CA, to develop outreach programs targeted toward minority, disadvantaged students	500,000
Youth Alive, Inc., Louisville, KY, after school tutoring, mentoring and enrichment programs for at-risk students	30,000
YWCA of Anchorage for after-school enrichment programs to benefit at-risk Anchorage schoolchildren and their mothers	500,000
Zero to Five Foundation, Los Angeles, California, to develop an early childhood education and parenting project at the Los Angeles Elementary School	340,000
Big Brothers/ Big Sisters national program to double the number children served in school-based mentoring	250,000

CAPE/PETE Net: to continue to develop its national demonstration program for distance learning with 105 Pennsylvania universities and colleges	550,000
Cheyney University: to create a pilot "Collaborative Center for Teacher Preparation" program by partnering with area school districts	100,000
College of Physicians of Philadelphia: to expand its educational outreach to all students in the Philadelphia School District through a medical science museum-based experimental learning program	50,000
Communities In Schools of the Lehigh Valley: to further develop in-school and after school programs for at-risk middle school and high school students	50,000
Eisenhower Foundation: to replicate the full community school program that emphasizes the school as the central point of the community	100,000
Indiana University of Pennsylvania: to establish a K–12 computer services center for area school districts	50,000
Microsociety: to further develop and disseminate the MICROSOCIETY whole school model of comprehensive school reform in Philadelphia	200,000
Pennsylvania Ballet: for "Accent on Dance" program for elementary and secondary school students for in-school and after school programs	75,000
Philadelphia Orchestra: to allow the Orchestra to expand its 5 educational programs to reach broader and more diverse audiences	175,000
Pittsburgh Technology Council: provide computer training to teachers in school districts in the 13 county area	50,000
Project 2000: to expand the existing program to the adjoining housing project in Washington, DC	125,000
SEPCHE in Philadelphia to develop "global curriculum" to challenge students to develop their knowledge of foreign languages and culture, recognize relationships between history and current issues, and collaborate with peers on oral and written presentations	750,000
The National Foundation for Teaching Entrepreneurship to expand the program to Philadelphia	50,000

—$20,000,000 is included for a grant to the Commonwealth of Pennsylvania Department of Education to provide assistance to low-performing school districts that are slated for potential takeover and/or on the Education Empowerment List as prescribed by Pennsylvania State Law. The initiative is intended to improve the management and operations of the school districts; assist with curriculum development; provide after-school, summer and weekend programs; offer teacher and principal professional development and promote the acquisition and effective use of instructional technology and equipment.

—$50,000,000 is included for a grant to the Iowa Department of Education to expand the Iowa School Construction Demonstration Project. The funds will be used to build and repair public schools in Iowa.

—$18,000,000 for Project GRAD-USA Inc., in Houston, Texas for continued support and expansion of the successful school reform program.

—$9,000,000 for I CAN LEARN

—$2,000,000 for Reach Out and Read.

It has been brought to the conferees' attention that Tesoro High School Knowledge Center in Las Flores, California is establishing an electronic communications demonstration project to customize storage, retrieval and dissemination of information throughout the school. The project will consist of state-of-the-art computers, networked within labs both inside and outside of the school, with the capability to do on-line research, multi-media development, video microfiche research and desktop presentation. The conferees strongly encourage the Department to consider funding this initiative.

It has been brought to the conferees' attention that the Freedoms Foundation in Valley Forge, Pennsylvania conducts educational programs for teachers and students in history, constitutional rights, citizen's responsibilities, core values and the private enterprise system. The conferees strongly encourage the Department to consider funding this initiative.

Charter Schools Homestead

The conference agreement does not include funding for Charter Schools Homestead fund. The Senate bill proposed $50,000,000 for this program; the House bill did not include funding for it.

INDIAN EDUCATION

The conference agreement includes $120,368,000 for Indian Education instead of $123,235,000 as proposed by the House and $117,000,000 as proposed by the Senate. Within the totals, $97,133,000 is provided for grants to LEAs, instead of $100,000,000 as proposed by the House and $94,265,000 as proposed by the Senate. The agreement also includes $3,235,000 for national activities as proposed by the House instead of $2,735,000 as proposed by the Senate.

BILINGUAL AND IMMIGRANT EDUCATION

The conference agreement includes $665,000,000 for Bilingual and Immigrant Education programs instead of $700,000,000 as proposed by the House and $600,000,000 as proposed by the Senate. H.R. 1 consolidates the Bilingual Education Act with the Emergency Immigrant Education Program. Reform of existing law will focus existing programs on teaching English to limited English proficient children (LEP), including immigrant children and youth, and holding states accountable for their LEP students attaining English. H.R. 1 eliminates the requirement that 75 percent of federal bilingual education funds are to be used for programs that use a child's native language in instruction and also requires that 95 percent of funds must go to the local level to teach LEP children.

SPECIAL EDUCATION

The conference agreement includes $8,672,804,000 for Special Education instead of $8,860,076,000 as proposed by the House and $8,439,643,000 as proposed by the Senate. The agreement provides $3,600,804,000 in fiscal year 2002 and $5,072,000,000 in fiscal year 2003 funding for this account.

Included in these funds is $7,528,533,000 for Grants to States part b instead of $7,714,685,000 as proposed by the House and $7,339,685,000 as proposed by the Senate. This funding level provides nearly an additional $1,200,000,000 to assist the States in meeting the additional per pupil costs of services to special education students.

The conference agreement includes $417,000,000 for Grants for Infants and Families instead of $430,000,000 as proposed by the House and $383,567,000 as proposed by the Senate.

The conference agreement includes $51,700,000 for state program improvement grants instead of $54,200,000 as proposed by the House and $49,200,000 as proposed by the Senate. The agreement includes $78,380,000 for research and innovation instead of $70,000,000 as proposed by both the House and the Senate. Within the amounts provided for Special Education Research and Innovation, the conference agreement includes funding for the following:

2002 Paralympic Winter Games for the Salt Lake City Organizing Committees or to a government agency or a not-for-profit organization, to support venue operations, spectator services, broadcast support, and ceremonies	$850,000
Best Buddies International, Inc., in Miami, FL to enhance the lives of people with mental retardation by providing opportunities for one-to-one friendships and integrated employment	500,000
Center for Discovery International Family Institute, Sullivan County, NY, to develop a program initiative directed toward acquisition, synthesis and application of information about disabilities	500,000
Center for Literacy and Assessment, University of Southern Mississippi	850,000
Easter Seals' Delta Project	100,000
Fraser Child and Family Center, Richfield, Minnesota, for research, technology, personnel development, and parent training to improve services to children with neurological, emotional and behavioral disorders	200,000
Hebrew Academy for Special Children, New York City for a demonstration project to enhance academic and social outcomes of developmentally disabled children and adults	540,000
Iowa Parent Training Information Center for pilot on referral and legal advice	100,000
Kennedy Krieger Institute, Baltimore, MD for computer technology to expand distance learning opportunities for disabled students and to provide professional development	1,700,000
Lady B. Ranch, Apple Valley, CA, for direct services related to the Therapeutic Horseback Riding Program	150,000
Norman Howard School, Rochester, NY, for the Community Learning Resource Initiative for children with learning disabilities	400,000
Puget Sound Educational Service District, Burien, Washington for a pilot program to improve special education services and teacher training	490,000
Rainbows United, Wichita, KS, for research efforts and staff development in special education programs	500,000

Spokane Guilds' School and Neuromuscular Center, Spokane, WA, to evaluate the effectiveness of type of care provided at the center	500,000
University of Kentucky Special Education Instructional Technology Initiative	1,000,000

The agreement also includes $36,210,000 for technology and media services as proposed by the Senate instead of $31,710,000 as proposed by the House. The agreement includes $9,500,000 for Recording for the Blind and Dyslexic for the purposes described in both the House and Senate reports.

The agreement also includes $1,500,000 for Public Telecommunications Information and Training Dissemination as proposed by the Senate. The House bill did not contain funds for this activity.

REHABILITATION SERVICES AND DISABILITY RESEARCH

The conference agreement includes $2,945,813,000 for Rehabilitation Services and Disability Research instead of $2,942,117,000 as proposed by the House and $2,932,617,000 as proposed by the Senate.

The conferees agree that, in reallocating any FY 2002 funds that become available for reallocation to states under the reallotment process authorized under section 110(b)(1) of the Rehabilitation Act, the Department accord priority to states that received a formula allocation providing less than a full cost-of-living adjustment in FY 2002 and to the early implementation states under the Ticket to Work and Self Sufficiency Program that have experienced an increase in the number of eligible applicants as a result of the implementation of this program.

The conference agreement includes $11,897,000 for client assistance state grants instead of $12,147,000 as proposed by the Senate and $11,647,000 as proposed by the House. The agreement also includes $21,238,000 for demonstration and training programs instead of $16,492,000 as proposed by both the House and the Senate. The conference agreement includes $1,000,000 above the budget request to support programs designed to improve the quality of applied orthotic and prosthetic research and help meet the increasing demand for provider services. Within the amounts provided for vocational rehabilitation demonstration and training programs, the conference agreement includes funding for the following activities:

American Foundation for the Blind, for a National Literacy Center for the Visually Impaired in Atlanta, Georgia	$266,000
Apple Patch Community Inc., Crestwood, KY, for vocational training for adults with mental retardation	45,000
Cabrillo College Stroke Center, Santa Cruz, California, for a demonstration project on classroom-based approaches to long-term rehabilitation	200,000
Cerebral Palsy Research Foundation's Rehabilitation Research and Training Center and Wichita State University to continue to help people with disabilities obtain self-sufficient employment	500,000
Darden Rehabilitation Foundation in Gadsden, AL, for vocational evaluation, employment preparation services and job development	275,000
George Mason University, Fairfax, VA, Learning Disability Research and Training at Krasnow Institute for continuation of learning disability research	400,000
Hot Springs Rehabilitation Center to expand their welding training program so individuals with disabilities gain the vocational skills needed to lead productive and independent lives	160,000
Lighthouse for the Blind to expand services that help deaf-blind clients with daily tasks, to purchase adaptive computer equipment and to provide interpreter services	500,000
Oakland Community College, Michigan, for a sign language instruction interpreter training program, in conjunction with Deaf Community Advocacy Network, to serve deaf and hard-of-hearing individuals	100,000
Orange County Public Schools, Maitland, FL, for the Virtual Reality-Based Education & Training for the Deaf program	800,000
Wisconsin Division of Vocational Rehabilitation, Madison, Wisconsin, for the Tech Works project to train individuals with disabilities for high-skill jobs in the information technology sector	500,000

The conference agreement includes $15,200,000 for Protection and Advocacy of Individual Rights instead of $16,000,000 as proposed by the House and $14,000,000 as proposed by the Senate.

The conference agreement includes $62,500,000 for Independent Living Centers instead of $63,000,000 as proposed by the House and $60,000,000 as proposed by the Senate. The agreement also includes $25,000,000 for services for older blind individuals as proposed by the House instead of $20,000,000 as proposed by the Senate.

The conference agreement includes language which allows states in their third year of a three-year assistive technology extension grant to continue to receive an award in fiscal year 2002. This language is provided to allow time for the authorizing committees to review the Assistive Technology program, as it now operates in the new policy landscape that includes the Olmstead decision, final section 508 guidelines, and the Ticket to Work and Work Incentives Improvement Act. This language was not included in either the House or Senate bills. However, the Senate bill included language providing minimum grants of $500,000 for each state and $150,000 for outlying areas.

The conferees also have included bill language contained in the House bill to provide minimum grants of $50,000 to each state for activities relating to protection and advocacy systems. The Senate bill included language providing minimum grants of $100,000 for states and $50,000 for outlying areas for this purpose.

The conferees recommend that the Department of Education reconsider whether there might be any circumstances under which a placement in an extended employment setting should be considered an acceptable outcome.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

The conference agreement includes $14,000,000 for American Printing House for the Blind as proposed by the Senate instead of $13,000,000 as proposed by the House.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

The conference agreement includes $55,376,000 for the National Technical Institute for the Deaf as proposed by the House instead of $54,976,000 as proposed by the Senate.

GALLAUDET UNIVERSITY

The conference agreement includes $96,938,000 for Gallaudet University instead of $95,600,000 as proposed by the House and $97,000,000 as proposed by the Senate.

VOCATIONAL AND ADULT EDUCATION

The conference agreement includes $1,934,060,000 for Vocational and Adult Education instead of $2,006,060,000 as proposed by the House and $1,818,060,000 as proposed by the Senate. The agreement provides $1,143,060,000 in fiscal year 2002 and $791,000,000 in fiscal year 2003 funding for this account.

The conference agreement includes $1,180,000,000 for Vocational Education basic state grants instead of $1,250,000,000 as proposed by the House and $1,100,000,000 as proposed by the Senate.

The conference agreement includes $108,000,000 for Tech Prep, instead of $110,000,000 as proposed by the House and $106,000,000 as proposed by the Senate.

The conference agreement includes $6,500,000 for Tribally Controlled Postsecondary Vocational Institutions instead of $7,000,000 as proposed by the Senate and $6,000,000 as proposed by the House.

The conferees remain interested in the distribution of funds available under section 117 Perkins Act, and request that the Department report no later than August 1, 2002 on how it is distributing funds as set out in the law. The conferees further request that this report include the per capita data used by the Department in distributing these funds.

The conference agreement includes bill language allowing grantees under section 117 of the Perkins Act to be exempt from indirect cost rate requirements imposed by this program. The conferees have included this bill language because they recognize that there are certain circumstances in which grantees might require additional flexibility not provided under current law or regulation. However, the conferees remain committed to maximizing federal resources for direct educational services, as opposed to paying for administrative and other indirect costs that do not increase access to high quality vocational and technical post secondary education programs for students served through this program. Therefore, the conferees urge the Secretary to report to the Committees on Appropriations and Education and the Workforce of the House and the Committees on Appropriations and Health, Education, Labor and Pensions of the Senate on the indirect cost rates of grantees participating in this program, including a justification for any grantee that has an indirect cost rate considerably greater than those allowed under current law and regulation.

The agreement also includes $9,500,000 to continue the occupational and employment information program instead of $10,000,000 as proposed by the Senate. The House bill did not include funding for this activity.

The conference agreement includes $5,000,000 for the tech-prep education demonstration authorized under section 207 of the Perkins Act as proposed by the Senate. The House did not provide funding for this activity. The agreement also includes

$22,000,000 for State Grants for Incarcerated Youth as proposed by the Senate instead of $17,000,000 as proposed by the House.

The conference agreement includes $575,000,000 for adult education state grants instead of $595,000,000 as proposed by the House and $540,000,000 as proposed by the Senate.

STUDENT FINANCIAL ASSISTANCE

The conference agreement includes $12,285,500,000 for Student Financial Assistance instead of $12,410,100,000 as proposed by the House and $12,284,100,000 as proposed by the Senate.

The agreement provides a program level of $10,314,000,000 for Pell Grants as proposed by the Senate instead of $10,458,100,000 as proposed by the House. The conferees note that this is the largest increase in appropriations in the Pell Grant program's history, bringing the total number of students served to 4.3 million, the highest level in the program's history. The Pell Grant program is of great importance in a declining economy because it enables people to develop new job skills so they can become more marketable in highly competitive workplaces. The conferees strongly support an increased maximum in the Pell Grant program and have accordingly retained the maximum Pell Grant for academic year 2002–2003 at $4,000 as set in both the House and Senate bills.

The conferees are aware that the Department of Education is currently projecting a funding shortfall of $716,000,000 in the Pell Grant program for academic year 2001–2002. This shortfall is the result of a larger-than-expected increase in the number of independent students applying and qualifying for the Pell Grant program in a worsening economy and was exacerbated by the terrorist attacks on September 11, 2001. As such, the shortfall was not anticipated in either the budget request or the House and Senate bills. The increase in funding provided in the conference report will retire this shortfall for academic year 2001–2002; however, the conferees are aware that the Pell Grant program will experience an additional shortfall in academic year 2002–2003 at the $4,000 maximum award level and strongly recommend that the Administration propose a supplemental budget request to begin to retire this shortfall in fiscal year 2002.

The conference agreement includes $725,000,000 for Supplemental Educational Opportunity Grants as proposed by the House instead of $713,100,000 as proposed by the Senate. The agreement also includes $67,500,000 for Perkins Loan cancellations instead of $60,000,000 as proposed by the House and $75,000,000 as proposed by the Senate. The agreement also includes $67,000,000 for Leveraging Educational Assistance Partnerships (LEAP) instead of $55,000,000 as proposed by the House and $70,000,000 as proposed by the Senate.

The conferees support continuing funding for work colleges, authorized in section 448 of the Higher Education Act of 1965. These funds help support comprehensive work-service-learning programs at seven work colleges, and cooperative efforts among the work colleges to expose other institutions of higher education to the work college concept. Of the funds provided, the conference agreement includes $4,000,000 to continue and expand the work colleges program.

HIGHER EDUCATION

The conference agreement includes $2,031,048,000 for Higher Education instead of $1,908,151,000 as proposed by the House and $1,826,223,000 as proposed by the Senate.

Aid for Institutional Development

The conference agreement includes $73,625,000 for strengthening institutions instead of $73,000,000 as proposed by the House and $74,250,000 as proposed by the Senate. The agreement also includes $86,000,000 for Hispanic Serving Institutions instead of $81,500,000 as proposed by the House and $77,750,000 as proposed by the Senate.

The conference agreement includes $206,000,000 for Strengthening Historically Black Colleges and Universities instead of $215,000,000 as proposed by the House and $197,000,000 as proposed by the Senate.

The conference agreement includes $49,000,000 for Historically Black Graduate Institutions instead of $50,000,000 as proposed by the House and $48,000,000 as proposed by the Senate.

The conference agreement includes $6,500,000 for Alaska and Native Hawaiian Institutions instead of $7,000,000 as proposed by the Senate and $6,000,000 as proposed by the House.

The conference agreement includes $17,500,000 for Strengthening Tribal Colleges instead of $18,000,000 as proposed by the Senate and $17,000,000 as proposed by the House. The conference agreement provides that the additional funds for Strengthening Tribal Colleges and Universities for fiscal year 2002 shall only be for grants for renovation and construction of facilities, to help address urgently needed facilities repair and expansion.

Fund for the Improvement of Postsecondary Education

The conference agreement includes $180,922,000 for the Fund for the Improvement of Postsecondary Education instead of $52,400,000 as proposed by the House and $51,200,000 as proposed by the Senate. Within the amounts provided for the Fund for the Improvement of Postsecondary Education, the conference agreement includes funding for the following:

Los Angeles Trade-Technical College, California to upgrade and purchase equipment for automotive and culinary training programs	$350,000
Purchase College, NY to develop academic programs and implement a computerized academic advising system	500,000
Africa-America Institute for the African Workforce and Market Development Initiative which will employ new information technologies to deliver education and training from American universities to Africa	500,000
AIB College of Business, Des Moines, IA, to train court reporting students in captioning	800,000
Alabama A&M University Research Institute, Huntsville, Alabama, for continuation of research activities and operations	400,000
Albany Technical College in Albany, GA to reach out to rural communities through the Interactive Distance Learning program and give citizens the opportunity to improve their basic and technical skills.	500,000
Alfred State College of Technology Court and Real-time Reporting program, Alfred, NY, to train close-caption reporters	800,000
Alverno College, Wisconsin, for technology equipment and upgrades	500,000
Amistad Research Center at Tulane University, New Orleans, Louisiana, for education outreach and to develop an African American curatorship program	225,000
Arkansas State University Mountain Home Hearing Healthcare Degree program to utilize distance learning technology to develop and offer a new degree program for hearing health care practitioners	140,000
Assumption College in Worcester, Mass. for technology infrastructure, training and support	200,000
Auburn University at Montgomery for instructional technology lab equipment	100,000
Bakersfield College, Bakersfield, CA, for science center technology, equipment and personnel	1,000,000
Ball State University in Muncie, IN, technology education project	600,000
Bay Mills Community College, Brimley Michigan for instruction equipment and technology infrastructure	200,000
Ben Franklin Technology Partners of Southeastern Pennsylvania, Philadelphia, Pennsylvania, to develop an associates degree program in nanotechnology at four community colleges in southeastern Pennsylvania and to establish outreach programs in local high schools	600,000
Beville State Community College in Sumiton, AL, for technology upgrades	500,000
Bloomsburg University: to provide computer wiring, computers and training for teachers in the 25 surrounding school districts	100,000
Brookdale's Community College for design, acquisition and installation of the technology component of "New Jersey Coastal Communiversity"	500,000
Buena Vista University, Storm Lake, IA, for equipment	1,000,000
Cal State, San Marcos, CA, Center for the Study of Books in Spanish	300,000
Caldwell College, Caldwell, NJ, "Center of Excellence in Teaching" to develop academic programs and workshops and to purchase technology	1,000,000
California State University Monterey Bay, for student support services	200,000
California State University, Monterey Bay, California, for a cooperative project with Western Michigan University for a study of wireless technology in education and industry	75,000
California State University, San Bernardino, CA, for telecommunications and equipment	500,000
California State University, Stanislaus, California, for laboratories, curriculum development, faculty and scholarships for a pre-licensure nursing program	225,000
Cameron County Jr/Sr. High School, Emporium, PA, for technology infrastructure	100,000

Canisius College, Buffalo, New York, to enhance distance learning programs	210,000
Cardinal Stritch University in Milwaukee, Wisconsin to expand programs that address workforce development needs in the teaching and nursing professions	800,000
Center for International Trade, Oklahoma State University, Stillwater, OK, for educational programs	300,000
Central College, Pella, Iowa, for teacher training in technology and for distance education programs	1,000,000
Centre County AVTS, Pleasant Gap, PA, for technology infrastructure	100,000
Chattanooga State Technical Community College, Chattanooga, TN, to support real time captioning training	700,000
City College of San Francisco, California, for the National Articulation and Transfer Network	800,000
Clarion County Career Center, Shippenville, PA, for technology infrastructure	100,000
Clark State Community College, Springfield, OH, to train and recruit students in closed-captioning	250,000
Clemson University College of Health's "Call Me MISTER" program, designed to recruit minority males as teachers in public schools	500,000
Clemson University Extension Service's Digital Divide program, to partner with local communities, agencies, and organizations to make information accessible to those who live in South Carolina's least developed areas	250,000
Clemson University's Strom Thurmond Institute, to address the effect of increased funding on education	250,000
Cleveland State University, College of Education, Cleveland, OH, for technology	1,000,000
College of Charleston School of Sciences and Mathematics for scientific and audio/visual equipment and telecommunications systems	500,000
College of Southern Maryland, in conjunction with the Technical Career Institute in New York City, to implement a Women in Technology demonstration program	250,000
Columbia River Estuary Research Program at Oregon Graduate Institute School of Science and Engineering certificate and degree programs in Environmental Information Technology	50,000
Columbia University Teachers College, New York City, NY to expand teacher professional development and mentoring in high need schools	430,000
Columbia University, New York, for a joint project with the Hostos Community College of the City University of New York, New York, for a distance learning initiative to train minority students in foreign policy disciplines	100,000
Community College of Allegheny and the Orleans Technical Institute to train captioners	200,000
Contra Costa Community College, California, for the Bridge to the Future pilot project to increase the enrollment of low-income students	400,000
Coudersport Area Jr/Sr. High School, Coudersport, PA, for technology infrastructure	100,000
Darton College, Albany, Georgia, for personnel, curriculum development, technology equipment and support for a rural technology network	440,000
Daytona Beach Community College, Daytona, FL, for high technology instructional equipment and technology infrastructure	250,000
Delta State University's Delta Education Initiative in Cleveland, MS, to improve birth through 12th grade education in the impoverished Mississippi Delta	500,000
Dominican University of California to develop a center for science and technology to serve as a national model for the education of female and minority scientists, nurse training and the use of technology in education and outreach	300,000
D'Youville College, Buffalo, New York, to enhance distance learning programs	210,000
Early childhood leadership training initiative at Oregon State University in Corvallis	75,000
East Stroudsburg University, East Stroudsburg, PA, for science center equipment	500,000
Eastern College, St Davids, PA, for telecommunications equipment	200,000
Eastern Oregon University, LaGrande, OR, for technology equipment	500,000
Eastern Washington University, Cheney, WA, for purchase of equipment	1,000,000
Edmonds Community College to enhance programs related to child care for students and staff, parent training courses and training for early childhood educators, including the acquisition of equipment	250,000
Edward Waters College, Jacksonville, Florida, to upgrade computer technology and telecommunications	225,000
Elgin Community College, Elgin, IL, for Integrated Systems Technology Program	250,000
Emerson College in Boston, Mass. for curriculum development in the performing arts	1,000,000
Emmanuel College in Boston, MA to improve academic programs including technology improvements	850,000
Encore Series Inc. in Philadelphia for Music Education and Community Outreach	100,000
Enterprise Center in West Philadelphia to provide resources for entrepreneurial education	250,000
Florida Campus Compact, Tallahassee, Florida, to enhance service learning on college campuses throughout Florida	400,000
Florida Gulf Coast University, Ft. Myers, FL, for curriculum development and planning	1,000,000
Forsyth Technical Community College, Winston-Salem, NC, for an Informational Technology Education Center	100,000
Franklin Pierce College computer upgrades	1,000,000
Franklin Pierce College distance learning initiative	100,000,000
Gadsden State Community College, Gadsen, AL, to recruit and train individuals in performing real-time captioning services	425,000
Gateway Technical College, Kenosha, WI, for equipment	500,000
George J. Mitchell Scholarship Research Institute in Portland, Maine to provide scholarships that allow students attending public high schools in Maine to continue their education	1,000,000
Glendale Community College, Glendale, California, for equipment and technology upgrades for the Cimmarusti Science Center	400,000
Glenville State College, Glenville, West Virginia, for faculty, curriculum development and equipment to establish a computer science program	200,000
Grambling State University to equip a Lifelong Learning and Technology complex	500,000
Green River Community College's Communications Access Realtime Translation (CART) Services Training to provide curriculum, distance learning, scholarships and job placement in the area of closed captioning	250,000
Hartwick College, Oneonta, NY, for equipment	250,000
Heidelburg College, Tiffin, OH, for technology and equipment for science buildings	1,500,000
Higher Education Learning Center in Des Moines, Iowa for curriculum development	200,000
Hillsborough Community College, Tampa, FL, "Teacher Development Initiative"	1,000,000
Hofstra University, New York, for technology enhancements	200,000
Holyoke Community College for technology education programs at the College's Business and Technology Center	350,000
Hood River Integrated Technology Center in Hood River, Oregon	150,000
Huntingdon College for Training Teachers in Technology in Montgomery, Alabama	200,000
Huntingdon College, Montgomery, AL, Super Sport Program for research and equipment	686,000
Illinois Community College Board "Illinois Community College Online initiative" to purchase equipment to implement statewide online degree model	1,000,000
Indian Hills College in Ottumwa, Iowa for technology upgrades and equipment at the Bioprocess Training Center	800,000
Indiana University of Pennsylvania Center for Corrections Education, Indiana, PA, for technology, curriculum development, scholarships and outreach activities	600,000

Indiana University, Bloomington, Indiana, to continue and expand Project TEAM to recruit talented minority students into the field of teaching	675,000
Information Technology Infrastructure, Alabama A&M in Normal, Alabama	100,000
Institute of American History and Democracy, College of William and Mary, Williamsburg, VA, for curriculum development	500,000
Iowa State University Center for Technology in Learning and Teaching and the Center for Excellence in Science and Math Education	150,000
Iowa Student Aid Commission to continue a program of loan forgiveness for teachers	2,000,000
Ivy Tech State College, Indiana, to establish a machine tool training apprenticeship program at campuses in South Bend and East Chicago, Indiana	220,000
Ivy Tech State College-Northeast Region, Ft. Wayne, IN, for equipment	150,000
Jack C. Davis Observatory, Western Nevada Community College to procure educational materials and technology related to the observatory's academic offerings	300,000
Jackson State University, Jackson, Mississippi, to establish an e-Center focused on electronic-based teaching and learning, research and community outreach and services	200,000
Jacksonville State University, Jacksonville, AL, for Little River Canyon Field School program development and technology	412,000
Jefferson College, Hillsboro, Missouri, for the Instructional Support Center to provide technology training and distance learning programs in collaboration with the Gateway Community College Consortium	450,000
Jefferson County-Dubois AVTS, Reynoldsville, PA for technology infrastructure	100,000
Kean University, Union, NJ, Global University Studies Internship Program	800,000
Kent State University, Kent, OH, for Institute for Computational Science for the development of interdisciplinary and outreach activities in research and education	1,200,000
Keystone Central AVTS, Lock Haven, PA, for technology infrastructure	100,000
Keystone Central School District in Pennsylvania, in collaboration with Lock Haven University, to continue a model alternative school	750,000
Keystone College, LaPlume, PA, for technology upgrade	150,000
Kishwaukee College, IL, for Computer Technology Center to purchase computers and equipment	400,000
La Roche College, Pacem In Terris Institute, Pittsburgh, PA, for technology	600,000
LaGuardia Community College, Long Island City, New York, for technology-based teacher training initiatives	600,000
Lake Area Technical Institute in Watertown, SD to integrate interactive learning in technical education programs through the use of technology	80,000
Lake Superior State University to develop and implement a new degree program to meet industry's increasing demand for skilled trades workers trained in new technologies	200,000
Lakeshore Technical College in Cleveland, Wisconsin to provide training, distance learning, education and job placement services for court reporters and captioners	500,000
Landmark College in Putney, VT to develop a model implementation system for improving access to public school and college classrooms through the use of assistive technology	350,000
Lees-McRae College, Banner Elk, NC, "Applied Mathematics Program"	650,000
Lehman College, New York City, New York for a distance learning initiative to connect preservice teachers with experienced classroom teachers	440,000
Lewis and Clark Community College, Illinois for programmatic activities related to study of aquatic and terrestrial ecosystems at the Great Rivers Research and Education Center	100,000
Lincoln University to purchase laboratory and computer equipment to provide a six-week summer workshop for teachers within the Philadelphia School District	100,000
Lorain County Community College, Elyria, Ohio for technology upgrades for distance learning programs and advanced placement programs	480,000
Los Angeles Community College District, California, for the Vocational Instructor Recruitment Initiative	315,000
Los Angeles Harbor College, Wilmington, CA, for equipment, personnel and curriculum development for the Television Network distance learning project	800,000
Lourdes College, Sylvania, Ohio to upgrade laboratory equipment and programs at the Life Lab for Natural and Environmental Sciences	200,000
Macon State College, Macon, GA, for technology and faculty at the Regional Center for Information Technology and Workforce Development	400,000
Madison Area Technical College in Madison, Wisconsin to provide training, distance learning, education and job placement services for court reporters and captioners	500,000
Madonna University, Livonia, Michigan for technology	175,000
Maricopa Community College District, Phoenix, Arizona, for the Hispanic Nursing Fellows Program	400,000
Maryland Association of Community Colleges to reinforce community colleges' ability to educate and train the Information Technology workforce throughout Maryland	1,250,000
Maryland Institute for Minority Achievement and Urban Education, University of Maryland, College Park, MD to develop, evaluate, and implement promising practices for improving minority student achievement and urban education	750,000
Mathematics, Engineering and Science Achievement Program, University of California, Oakland, California to develop strategies to prepare and support students for nursing careers	200,000
Midstate College in Peoria, IL, to establish a real-time captioning training program	100,000
Minnesota State Colleges and Universities for Emerging Curriculum for the 21st Century Program	1,000,000
Minnesota State Colleges and Universities, St. Paul, MN for development of an e-monitoring environment	1,000,000
Minority Math, Jackson State University	550,000
Minot State University to develop an Institute for Rural Human Services that will study systems designed to meet the unique needs of persons with disabilities living in rural communities	250,000
Mohawk Valley Community College, Utica Campus, Utica, NY, for technology	500,000
Montana State University—Northern in Havre, MT to develop curricula and educational materials related to rural development programs	250,000
Montana State University-Bozeman distance learning opportunities for rural and remote populations	500,000
Montana State University-Bozeman to launch a Coalition for Establishing a National Teacher Enhancement Network	500,000
Montclair State University, New Jersey, for the Center for Teacher Preparation and Learning Technology to expand teacher training programs	750,000
Morris Brown College, Atlanta, GA, for computer and technology equipment	2,000,000
Mount St. Clare College, Clinton, IA, to create, test and implement a technology-based undergraduate and graduate teacher training program	1,000,000
Mt Vernon Nazarene College, Mt. Vernon, OH, equipment, technology upgrades of the Natural Sciences and Social Sciences facility	500,000
Murray State University's Telecommunications Training and Learning Center to assist Western Kentucky public schools in exploring new technologies	300,000

National Association of Student Personnel Administrators, Washington, D.C., for a minority undergraduate fellows program to increase minorities in higher education	250,000
National Aviary Conservation Education Technology Integration in Pittsburgh	250,000
New Jersey Institute of Technology to provide technological equipment for expansion of their teacher training programs	350,000
Niagara University, Lewiston, New York, to enhance distance learning programs	210,000
Nicholls State University, Thibodaux, LA for their International Program to support staffing, curriculum development and equipment acquisition	650,000
North Carolina Community College System for information technology upgrades	250,000
North Central State Community College, Mansfield, OH, for equipment and professional development	100,000
North Dakota State University for the Tech-Based Industry Traineeship Program designed to enhance student postsecondary experiences while providing innovative solutions to small business needs	350,000
Northeastern State University, Tahlequah, OK for rural education programs at the Center for Rural Development	250,000
Northern Essex Community College, Haverhill, Massachusetts, for technology equipment for its Technology Training Center	600,000
Northern Illinois University for the Lab for Structural Analysis and Computer Modeling to purchase equipment	500,000
Northern Illinois University for the Nanoscale Science, Engineering, and Technology Laboratory to purchase equipment	2,000,000
Northern Kentucky University for the Institute for Freedom Studies to promote understanding of the Underground Railroad	920,000
Northern Potter Jr/Sr. High School, Ulysses, PA, for technology infrastructure	100,000
Northwestern Michigan College, Traverse City, Michigan, for programmatic activities, including equipment, for the Lifelong Learning Center on the West Bay campus	500,000
Norwalk Community College, Norwalk, CT, for technology and equipment	500,000
Oklahoma Regents for Higher Education, Oklahoma City, OK, for distance learning expansion	1,000,000
Oklahoma State University, Stillwater, OK, for technology in coordination with other state and local telecommunications projects, including the Ponca City broadband project and the Oklahoma Municipal League's Telecommunications project	350,000
Oregon Health and Science University's Institute for Excellence in Nursing in Portland, Oregon	,250,000
Oregon Institute of Technology, Klamath Falls, OR, for course development and equipment	300,000
Peirce College in Philadelphia, Pennsylvania, for technology enhancements, course development, faculty training, and outreach activities to expand Peirce Online	400,000
Philadelphia University, Pennsylvania, for technology equipment and upgrades	600,000
Pittsburgh Digital Greenhouse	250,000
Portland State University, Oregon to recruit, prepare and support secondary school administrators	440,000
Portland State University, Portland, Oregon, to support public service programs at the Mark O. Hatfield School of Government in the College of Urban and Public Affairs	250,000
Research and evaluation agenda for health care delivery in Alaska centered at the University of Alaska in Fairbanks	750,009
Rose State College, Midwest City, OK, for a closed-captioning pilot program	1,000,000
Salve Regina University, Newport RI to expand and update its distance education efforts to serve a larger potential student market via web links and interactive communication	100,000
Salve Regina University, Newport, Rhode Island, to develop and expand a nursing education and minority workforce training program	1,000,000
San Bernardino Community College District, San Bernardino, CA, to support the expansion of distance telecourse broadcasting	1,000,000
Santa Clarita Community College District, Santa Clarita, CA, for equipment, personnel for the University Center	800,000
Science Education Technology initiative at University of Alabama	440,000
Scott County LifeLong Learning Center, Scottsburg, Indiana, for the purchase of industrial training equipment to support training programs that focus on the development of transferable technical skills	808,000
Seminole State College, Seminole, OK, for technology and academic programming	200,000
Seneca Highlands AVTS, Port Allegany, PA, for technology infrastructure	100,000
Sheldon-Jackson College Center for Life Long Learning for teacher training to address the shortage of teachers in rural Alaska	2,000,000
Shelton State Community College Electronics and Technology Training in Tuscaloosa, Alabama	100,000
Shenandoah University, Winchester, VA, "Loudoun Higher Education Initiative"	20,000
Shenandoah University, Winchester, VA, for a teacher technology initiative	380,000
Shippensburg University: for computer wiring and computers for the Performing Arts Center	200,000
Shriver Peace Worker Program, Inc. to establish the Sargent Shriver Peace Center	10,000,000
South Dakota State University in Brookings to enhance the programs offered by the Polytechnic Center of Excellence in the College of Engineering	640,000
South Florida Community College, Avon Park, FL, for equipment	500,000
South Suburban College, South Holland, Illinois, for personnel, curriculum development, training and administrative expenses to implement Project Higher Education aviation and aerospace educational initiatives	250,000
Southeast Missouri State University in Cape Girardeau, MO to utilize advanced communication and computer technology to improve curricula and programs offered by its School of Visual and Performing Arts	900,000
Southeast Missouri State University, Cape Girardeau, MO, River Campus Initiative	850,000
Southern Illinois University, Carbondale in Peoria, IL, to establish a real-time captioning training program	25,000
Southern Methodist University, Texas, for a program to increase enrollment and graduation of engineering students	800,000
Southern New England School of Law, North Dartmouth, Massachusetts, to support faculty, staff and student stipends for the establishment of an immigration law clinic	100,000
Southern New Hampshire University, to support expansion of a distance learning program	625,000
Southern University Center for Community Development, Baton Rouge to coordinate the university's community outreach efforts	75,000
Spelman College, Atlanta, Georgia, in partnership with the Atlanta Public Schools, for a teacher training project to support urban education	267,000
Spring Arbor University teaching consortium of higher education institutions to develop voluntary standards to improve teacher instruction of technology in the classroom	125,000
St. John University, Oakdale, New York for the Institute for Minority Teacher Development and Training to improve math and science education in low-performing school districts and develop a "future teachers" project in middle and high schools	800,000
St. Louis Community College at Meramac (Kirkwood, MO) to train real-time captioners to provide closed captioning to the deaf and hard-of-hearing	200,000
St. Mary Area Senior High School, St. Marys, PA, for technology infrastructure	100,000
St. Norbert College in DePere, Wisconsin to enhance and expand a field-based teacher training program	400,000

St. Petersburg College, St. Petersburg, FL, for an EPICENTER	2,000,000
St. Petersburg College, St. Petersburg, FL, for equipment, technology, curriculum development and educational program planning for students training in museum services	1,000,000
St. Thomas University, Miami, FL, for computer and science laboratory equipment	500,000
Stark State College of Technology, North Canton, OH, Integrated Systems Technology	990,000
State University of New York Empire State College for distance learning project	250,000
Stetson University, Deland, FL, for a scientific instrumentation, technology and infrastructure project	2,500,000
Stevens Institute of Technology, Hoboken, NJ, for the expansion and enhancement of ocean-based science and mathematics education project	500,000
Stillman College, Zelpha Wells Cultural Education Center	50,000
Suffolk University, Boston, Massachusetts, to establish and operate the Moakley Archives and the Moakley Institute	750,000
Sun Area Career Training Center, New Berlin, PA, for technology infrastructure	100,000
Surry Community College "Viticulture Technology Program" for tools, equipment, resource materials, instructional staff, lab supplies	300,000
Tarleton State University, Stephenville, Texas, for equipment for the optical observatory and for science education programs	500,000
Technology Innovation Challenge Grants for Tupelo Public Schools	1,000,000
Texas A&M University-Kingsville, Kingsville, TX, for technology	930,000
The Benjamin L. Hooks Institute for Social Change in Memphis, TN, to pursue a broad academic agenda that emphasizes the continued importance of the Civil Rights Movement and encourages academic research and community outreach	835,000
The Education and Research Consortium of Western North Carolina, Inc., Asheville, NC, for technology	40,000
The Research Foundation of the State University of New York, Buffalo, NY, for technology	600,000
The Technology Center at Mountain State University in Beckley, WV, to provide telecommunications equipment, including wiring for interactive classrooms and tools to train students to create their own electronic business opportunities	1,500,000
Tougaloo College, Mississippi, for establishment of the Leadership Institute to address socio-economic disparities within the Mississippi Delta	440,000
Trident Technical College, Charleston, South Carolina, to equip the information technology center, electro-mechanical skills laboratory, and the hospitality, tourism and culinary arts program	400,000
Union County College in Elizabeth, NJ to expand their program that connects unemployed and underemployed older youth and adults to the College's lifelong learning, literacy and occupational training programs through the use of network technology	250,000
University of Dubuque for the creation of a teacher training program focused on environmental science	800,000
University of Alabama Science Education Technology Initiative in Tuscaloosa, Alabama	200,000
University of Alabama, Huntsville, AL, for computer network and computer security upgrades	400,000
University of Alaska and State of Alaska to create the Alaska Digital Archives and Digital Library	500,000
University of Arizona for training and curriculum development at the Program in Integrative Medicine	500,000
University of California at Santa Barbara, California, for the Walter H. Capps Center for the Study of Religion and Public Life for research, fellowships, lecture series and community outreach	500,000
University of Charleston, in cooperation with the Clay Center for the Arts and Sciences, for technology equipment related to arts and science education as well as outreach	1,000,000
University of Colorado at Boulder, Boulder, CO, for the ATLAS (Alliance for Technology, Learning and Society) Project for technology enhancement	1,000,000
University of Hawaii at Manoa for the Globalization Network program	300,000
University of Houston, Texas, for the Great Cities' Universities Skills Enhancement Partnership Initiative to provide high skill and professional training programs	440,000
University of Idaho Advanced Computing and Modeling Laboratory to provide independent technical expertise and applied research	700,000
University of Louisville-Northern Kentucky University's Urban University Partnership for Math and Science Teaching	1,500,000
University of Massachusetts Schools for Marine Science and Technology to improve marine science research programs, including technology upgrades and equipment	600,000
University of Michigan Gerald R. Ford School of Public Policy, Ann Arbor, Michigan, for curriculum development and training	2,000,000
University of Nebraska-Lincoln, Lincoln, NE, to expand software education and training programs, and curriculum development	800,000
University of Oklahoma Health Sciences Center, Oklahoma City, OK, for technology	300,000
University of Redlands, Redlands, CA, for technology	1,000,000
University of Saint Francis, Fort Wayne, Indiana, to upgrade information technology equipment and infrastructure campus-wide	500,000
University of South Alabama Preparatory Music Program in Mobile, Alabama	50,000
University of South Florida, Tampa, FL, for a "Globalization Research Network"	2,000,000
University of Texas-Pan American, Edinburg, TX, for technology	1,732,000
University of Virginia, Charlottesville, VA, for Governmental Studies "Youth Leadership Initiative"	1,200,000
University of Washington, Tacoma, Washington, for faculty, curriculum development and equipment acquisition to establish a technology institute	100,000
University of West Alabama Electronic Campus in Livingston, Alabama	100,000
University of Wisconsin-Eau Claire for a collaborative effort to develop a curriculum for social workers serving primarily rural, impoverished, and vulnerable adults	213,000
University of Wisconsin-Platteville, Wisconsin for the Wisconsin Agricultural Stewardship Initiative to develop and disseminate environmentally-friendly practices and policies for production agriculture, and related distance learning programs	380,000
Upper Great Lakes Educational Technologies Inc., Marquette, Michigan, for personnel, technology and support costs to design, coordinate and implement "Operation UP Link"	300,000
Urban College of Boston in Massachusetts to support higher education program serving low-income and minority students	1,000,000
Venango County AVTS, Oil City, PA, for technology infrastructure	100,000
Wallace Community College, Dothan AL, for new equipment	114,000
Wallace Community College, Selma, Alabama for biology and chemistry laboratory equipment and to incorporate science technology into instruction	70,000
Warren County AVTS, Warren, PA, for technology infrastructure	100,000
Waukesha County Technical College in Waukesha, Wisconsin and Marquette University to develop a joint curriculum and transfer program targeted to underserved populations in the fields of nursing and engineering'	700,000

Weber State University in Ogden, Utah, to assist the Dumke College of Health Professions for computer technology	150,000
Wellsboro Area High School, Wellsboro, PA, for technology infrastructure	100,000
West Virginia High Technology Consortium Foundation, Fairmont, West Virginia, to support a collaborative effort with Fairmont State College and DSD Laboratories of West Virginia to develop a computer security curriculum and to strengthen an information assurance center of excellence	300,000
Western Governors University in Salt Lake City, UT to improve distance learning education programs, including upgrades in technology	1,800,000
Western Kentucky University Technology Innovation Challenge Program	500,000
Westminster College, Fulton, MO, "Winston Churchill Center for Leadership Service" for communications upgrades, recruitment of staff and academic program development and implementation	800,000
Widener University, Chester, PA, for technological infrastructure improvements to educational entities	400,000
Widener University, Center for Social Work Education, Harrisburg, PA, for curriculum development	350,000
William Tyndale College, Farmington Hills MI, to expand and enhance its curriculum	850,000
Wilson College to expand and develop the "Women with Children Program," which assists single women with children in earning a degree, becoming financially independent, and raising the children's aspirations for educational accomplishment	200,000
Wireless Computer Laboratory, East Central Community College, Ellisville, Mississippi	50,000
Wisconsin Association of Independent Colleges and Universities for a collaboration project to consolidate administrative operations and information technology	800,000
World Learning, Brattleboro, VT for foreign language training programs	200,000
Army War College: to develop a major educational center to provide a joint research and teaching opportunities in military and social history	25,000
Cabrini College: for equipment and programmatic funding for the new Center for Science, Education, and Technology, which will provide a model elementary education classroom	200,000
Keystone Virtual University: to establish a Pennsylvania University "online" university	250,000
Lehigh University: for the Center for Promoting Healthy Development for Individuals with Disabilities for research to develop strategies that can improve the healthy development of individuals with disabilities	500,000
Military Heritage Foundation, Carlisle, PA, for Military History Institute to provide joint research and teaching opportunities in military and social history	175,000
Temple University for the Center for Research in Human Development and Education for the development of innovative models to address teacher recruitment, training and mentoring	500,000

International Education

The conference agreement provides $98,500,000 for Title VI and Fulbright-Hays International Education programs instead of $93,000,000 as proposed by the House and $78,022,000 as proposed by the Senate.

The conferees find that our national security, stability and economic vitality depend, in part, on American experts who have sophisticated language skills and cultural knowledge about the various areas of the world. An urgent need exists to enhance the nation's in-depth knowledge of world areas and transnational issues, and fluency of U.S. citizens in languages relevant to understanding societies where Islamic and/or Muslim culture, politics, religion, and economy are a significant factor.

Therefore, the conferees have included an increase of $20,478,000 for the Title VI/Fulbright-Hays programs to increase the number of international experts (including those entering government service and various professional disciplines) with in-depth expertise and high-level language proficiency in the targeted world areas of Central and South Asia, the Middle East, Russia, and the Independent States of the former Soviet Union. A portion of these funds is intended to enhance the capacity of U.S. higher education institutions to sustain these initiatives over time.

The conferees intend that these additional funds be used for priority initiatives within existing Title VI/Fulbright-Hays mechanisms, but with increased flexibility to address new challenges. Within the amount included in the bill, $5,409,000 is provided to double the number of Title VI Foreign Language and Area Studies (FLAS) fellowships to students pursuing advanced training in Arabic, Azeri, Persian/Dari, Pashto, Tajik, Uzbek, Urdu and other languages spoken in the critical world regions of Central and South Asia, the Middle East, and Russia/Eastern Europe. All current FLAS institutions are eligible to receive supplemental awards if they offer language training in these areas. The bill also includes $3,448,000 to increase the amount of FLAS fellowships from $21,000 to $25,000 as a first step toward making these awards more competitive and to encourage more students to pursue advanced language training, particularly in areas important to national security. The conferees encourage the award of Title VI fellowships to talented students pursuing masters degrees who may be more likely to pursue government service, and the use of these fellowships for immersion foreign language training abroad.

Within the total amount in the bill, $3,368,000 is provided for supplemental awards to existing Title VI national resource centers (NRCs) specializing in Central and South Asia, the Middle East, and Russia/Eastern Europe and to establish four new centers, with FLAS fellowships allocations, focused on these world regions from high quality, unfunded applications from the most recent NRC and FLAS competitions. The conferees encourage the creation of distance learning initiatives to provide more universal access to language training, summer language institutes abroad, one-on-one language tutoring to accelerate student progress to the highest levels of proficiency, engaging the language resources of local heritage communities where appropriate, and increased collaboration with the Title VI language resource centers, the centers for international business education and research, and the American overseas research centers with a focus on the least commonly taught languages and areas and underrepresented professional disciplines. The conference agreement includes $1,000,000 to establish three new language resource centers, each specializing in either Central Asia, the Middle East, or South Asia, to develop the resources needed to improve foreign language teacher training for less commonly taught languages, including research, curriculum and other instructional materials, and language pedagogical strategies. The conferees encourage the development of up-to-date, interactive multi-media material specifically tailored for targeted language instructional needs.

Further, the conference agreement includes an increase of $4,975,000 for all other Title VI activities, including the development of innovative techniques, including electronic technologies, to collect, organize, preserve and disseminate materials focused on the least commonly taught languages, and for centers and programs focused on international business, economic competitiveness and security issues, undergraduate education, and research.

The conferees intend that $1,800,000 be used to expand Fulbright-Hays overseas programs in targeted world areas to increase opportunities for scholars and faculty to enhance their language skills and cultural studies by conducting research and training abroad. The conference agreement includes bill language allowing section 102(b)(6) funds to be used to support individuals planning to apply their advanced language skills in fields outside of teaching, including government, professional fields, or international development, and language permitting up to one percent of the Title VI/Fulbright-Hays funds provided to the Department to be used for program evaluation, national outreach, and information dissemination activities.

The conference agreement also provides $1,500,000 for the Institute of International Public Policy.

TRIO

The conference agreement includes $802,500,000 for TRIO instead of $800,000,000 as proposed by the House and $805,000,000 as proposed by the Senate.

Teacher Quality Enhancement Grants

The conference agreement also includes $90,000,000 for Teacher Quality Enhancement Grants, instead of $100,000,000 as proposed by the House and $54,000,000 as proposed by the Senate.

Demonstrations in Disability

The agreement also includes $7,000,000 for Demonstrations in Disability as proposed by the Senate instead of $6,000,000 as proposed by the House. The conferees are aware that, although minorities comprise a significant number of students with learning disabilities enrolled in postsecondary institutions, no Historically Black Colleges or Universities (HBCU) have been funded since the inception of this demonstration program. The conferees note that subsection 762(c)(3) of the Higher Education Act requires the Secretary to consider a range of types of institutions of higher education when making awards under this program. Therefore, the conferees strongly urge the Secretary to comply with this requirement of the law by providing due consideration to qualified applications from HBCUs, as well as Hispanic Serving Institutions.

Other higher education programs

The conference agreement includes $2,000,000 for the Underground Railroad Educational and Cultural Program as proposed by the Senate instead of $1,750,000 as proposed by the House. The agreement also includes $1,000,000 for GPRA data and program evaluations as proposed by the House instead of $1,500,000 as proposed by the Senate.

The conference agreement also includes $4,000,000 for Thurgood Marshall Scholarships instead of $5,000,000 as proposed by the House, and $1,000,000 for B.J. Stupak Olympic Scholarships as proposed by the House. The Senate bill did not provide funding for these activities.

The conferees are concerned that fiscal year 2001 funding for the Child Care Access Means Parents in School program was not fully expended. The conferees provided additional funds last year because of the understanding that a lack of convenient and affordable childcare services is a significant barrier preventing low-income parents from pursuing postsecondary education. Therefore, the conferees encourage the Department to work with colleges and universities and relevant organizations to heighten awareness and increase utilization of the financial assistance available through this program.

HOWARD UNIVERSITY

The conference agreement includes $237,474,000 for Howard University instead of $242,474,000 as proposed by the House and $232,474,000 as proposed by the Senate.

EDUCATION RESEARCH, STATISTICS AND ASSESSMENT

The conference agreement includes $443,870,000 for Education Research, Statistics and Assessment instead of $421,620,000 as proposed by the House and $389,567,000 as proposed by the Senate.

The conferees provide $121,817,000 for research instead of $147,567,000 as proposed by the House and $120,567,000 as proposed by the Senate.

The conferees provide $85,000,000 for statistics as proposed by the House instead of $80,000,000 as proposed by the Senate.

The conference agreement includes $67,500,000 for regional educational labs instead of $70,000,000 as proposed by the House and $65,000,000 as proposed by the Senate. The conferees have provided this increase to address the increased demand for technical assistance in comprehensive school reform. The conferees intend that regional educational laboratory funds shall be obligated and distributed on the same basis as the fiscal year 2001 allocations not later than January 31, 2002.

The conference agreement includes $107,500,000 for the National Assessment for Educational Progress as proposed by the House instead of $105,000,000 as proposed by the Senate. Within this total, $2,500,000 is included for a trial urban assessment study as proposed by the House. The agreement also includes $4,053,000 for the National Assessment Governing Board as proposed by the House instead of $4,000,000 as proposed by the Senate.

The conference agreement also includes $58,000,000 to continue multi-year grants and contracts for Comprehensive Regional Assistance Centers, Regional Math and Science Education Consortia, the Math and Science Clearinghouse, and Technology-based technical assistance.

DEPARTMENTAL MANAGEMENT

The conference agreement includes $424,212,000 for Departmental program administration as proposed by the Senate instead of $427,212,000 as proposed by the House.

The conferees are very concerned that the Department has made the decision in several programs to provide the full grant amount of multiyear awards in the first year (front loaded), rather than following the traditional practice of providing funding one year at a time. This practice was adopted for several programs during fiscal year 2001 without prior notification to Congress and, in many cases, represented a significant departure from the proposed program implementation outlined in the Department's Justifications of Appropriation Estimates to the Congress. The conferees believe that this practice should be limited and utilized only when justified by programmatic considerations. Moreover, the conferees have a strong interest in receiving complete and accurate information from the Department about the proposed use of appropriations. Therefore, the conferees direct the Secretary to provide notification and justification to the Committees on Appropriations of the House and Senate not later than 30 days prior to release of any grant opportunities or notices inviting applications that propose front-loaded grant awards or that express funding priorities or competitive preferences for funding availability significantly different from what is proposed in Justifications of Appropriation Estimates to the Congress, the House and Senate Committee reports accompanying Department of Education appropriations bills or the Statement of the Managers accompanying Department of Education Appropriations Acts.

The conferees note that the legislation reauthorizing the Elementary and Secondary Education Act has adopted many of the Administration's proposals to consolidate a number of categorical programs into teacher quality, technology, bilingual and innovative education state grants. The conferees expect that as a result of this legislation, the Department will reassign personnel slots previously needed to administer categorical programs to new program priorities. The conferees are concerned that the International Education and Graduate Programs Service has been understaffed and has additional program responsibilities.

The conferees urge the Department to review the organizational structures within the Department to (1) strengthen the staff and support systems as international education programs and responsibilities grow; (2) increase outreach activities and information about funding opportunities; (3) provide greater national accessibility by government agencies, businesses, the media, and education institutions to the expertise and knowledge these programs produce; and (4) increase coordination among all international education activities and programs within the Department. The conferees direct the Department to submit a letter report to the House and Senate Committees on Appropriations by February 1, 2002 describing steps taken and planned to address these program and management needs.

GENERAL PROVISIONS

B.J. STUPAK OLYMPIC SCHOLARSHIPS

The conference agreement includes an amendment which makes changes to the award determinations for the B.J. Stupak Olympic Scholarship program. This language was not included by either the House or the Senate.

SCHOOL RENOVATION

The conference agreement does not include language proposed by the Senate relating to school renovation.

STUDENT LOANS FOR FOREIGN SCHOOLS

The conference agreement does not include language proposed by the Senate relating to student loans for students attending foreign schools.

The conferees are concerned about reports of students obtaining Federal Family Education Loans by fraudulently claiming to attend foreign schools. Since 1995, at least 25 individuals have been convicted of cashing student loan checks without ever attending the foreign institution at which they claimed to be students. Accordingly, the conferees direct the General Accounting Office to examine and report on the extent of fraud, waste, and abuse related to loans for students attending foreign schools, steps taken by the Department of Education to curb such abuses, and possible additional steps, such as tighter disbursement controls, that may be needed to solve this problem.

LEAP PROGRAM

The conference agreement does not include language proposed by the Senate relating to the maintenance of effort requirement in the LEAP program.

COLLEGE WORK STUDY

The conference agreement includes language that allows the Secretary to reallocate funds under the College Work Study program to certain institutions. Neither the House nor the Senate bills contained this language.

REFERENCES TO THE ELEMENTARY AND SECONDARY EDUCATION ACT

The conference agreement includes language clarifying that references made in this Act to the Elementary and Secondary Education Act are to be interpreted as referring to the Elementary and Secondary Education Act of 1965 as it was amended by H.R. 1, the "No Child Left Behind Act of 2001." Neither the House nor the Senate bills contained this language.

TITLE IV—RELATED AGENCIES

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

The conference agreement includes $328,895,000 for the Domestic Volunteer Service programs instead of $324,450,000 as proposed by the House and $321,276,000 as proposed by the Senate.

Volunteers in Service to America (VISTA)

The conference agreement includes $85,287,000 for VISTA instead of $83,074,000 as proposed by the House and $86,500,000 as proposed by the Senate.

Volunteers in Homeland Security

The conference agreement includes $5,000,000 for Volunteers in Homeland Security, a new activity authorized under Section 122 of the Domestic Volunteer Service Act which was not included in either the House or the Senate bills. These funds would be used to place senior and other volunteers in community activities that are targeted specifically at contributing to homeland defense. Grants will be made to states and community organizations on a competitive basis and will support public and nonprofit agencies' efforts in the areas of public safety, public health, and disaster relief and preparedness.

Since September 11, hundreds of volunteers have been actively engaged in supporting relief efforts. Building on this record, the Corporation will use these funds to place additional volunteers in assignments targeted specifically at mitigating the effects of the attacks and in enhancing homeland security.

National Senior Volunteer Corps

The conference agreement includes $106,700,000 for the Foster Grandparent Program (FGP) instead of $109,468,000 as proposed by the House and $102,868,000 as proposed by the Senate.

The conferees have provided sufficient funds to allow for a stipend increase of ten cents per hour for participants in both the Foster Grandparent and the Senior Companion Programs. The conferees direct the Corporation to provide such a stipend increase to these two programs.

One-third of the increases provided for the FGP, SCP, and RSVP programs shall be used to fund Programs of National Significance expansion grants to allow existing FGP, RSVP and SCP programs to expand the number of volunteers serving in areas of critical need as identified by Congress in the Domestic Volunteer Service Act.

Sufficient funding has been included to provide a 2 percent increase for administrative costs realized by all current grantees in the FGP and SCP programs, and a 4 percent increase for administrative costs realized by all current grantees in the RSVP program. Funds remaining above these amounts should be used to begin new FGP, RSVP and SCP programs in geographic areas currently unserved. The conferees expect these projects to be awarded via a nationwide competition among potential community-based sponsors.

The Corporation for National and Community Service shall comply with the directive that use of funding increases in the Foster Grandparent Program, Retired and Senior Volunteer Program and VISTA not be restricted to America Reads activities. The conferees further direct that the Corporation shall not stipulate a minimum or maximum amount for PNS grant augmentations.

The conference agreement includes $400,000 for senior demonstration activities as proposed by both the House and the Senate. These funds are to be used solely to carry out evaluations and to provide recruitment, training, and technical assistance to local projects as described in the budget request. No new demonstration projects may be begun with these funds. None of the increases provided for FGP, SCP, or RSVP in fiscal year 2002 may be used for demonstration activities. The conferees further expect that all future demonstration activities will be funded through allocations made through Part E of the Domestic Volunteer Service Act.

Funds appropriated for fiscal year 2002 may not be used to implement or support service collaboration agreements or any other changes in the administration and/or governance of national service programs prior to passage of a bill by the authorizing committees of jurisdiction specifying such changes.

CORPORATION FOR PUBLIC BROADCASTING

The conference agreement provides $380,000,000 in funding for fiscal year 2004, instead of $365,000,000 as proposed by the House and $395,000,000 as proposed by the Senate.

The conference agreement also includes $25,000,000 for equipment and facilities to enable public broadcasters to meet the statutory deadline for digital conversion as proposed by the Senate. The conference agreement does not provide these funds contingent upon authorization as proposed by the House.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The conference agreement includes $39,982,000 for the Federal Mediation and Conciliation Service instead of $40,482,000 as proposed by the Senate and $39,482,000 as proposed by the House.

The conference agreement includes funds for FMCS to continue their work to prevent youth violence by teaching students mediation and conflict resolution techniques.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

The conference agreement provides $197,602,000 for the Institute of Museum and Library Services instead of $168,078,000 as proposed by the House and the Senate. Within the amount provided, the conference agreement specifies $2,941,000 for library services to Native Americans and Native Hawaiians as proposed by the Senate. The conference agreement also specifies funding for the following:

National Museum of African American History and Culture Plan for Action Presidential Commission	$2,000,000
American Village Project in Montevallo, Alabama	250,000
Evergreen-Conecuh Public Library, Alabama	20,000
Gordo Public Library, Pickens County Commission, Alabama	50,000
Mobile Museum of Art, Mobile, AL, for systems and technology upgrades	300,000
National Museum for Women in the Arts	1,500,000
Tuskegee Human and Civil Rights Multicultural Center	300,000
Heard Museum, Phoenix, Arizona, to develop exhibits and educational programs about the historic Phoenix Indian School and the Native Americans who attended the school	50,000
Children's Museum of Los Angeles, California, for development of exhibits and educational programs	800,000
Chinese American Museum, Los Angeles, California to complete and install the "Family and Community" exhibit and for related educational outreach programs	150,000
Natural History Museum of Los Angeles County, California, for equipment and to develop exhibits and educational materials for the Julian C. Dixon Institute for Cultural Studies	750,000
Santa Barbara Maritime Museum for the installation of an environmental exhibit	290,000
Santa Maria Valley Discovery Museum, California, for the development of exhibits and educational materials	25,000
The Fine Arts Museums of San Francisco to expand model arts education programs at the de Young Museum	1,000,000
Bethel Public Library, Connecticut, for technology upgrades and collections	150,000
Mattatuck Museum in Waterbury, Connecticut to plan and develop a history of Waterbury exhibit	500,000
Museum of Aviation, Warner Robins, GA, to expand outreach and educational activities and programs	250,000
Bishops Museum in Honolulu, Hawaii	700,000
Grout Museum in Waterloo, Iowa for exhibits on the Sullivan brothers	500,000
Iowa State Historical Society to catalogue and archive the history of workers in Iowa	61,000
The National Audubon Society's ARK Museum in Dubuque, Iowa for creation of exhibits and public education	389,000
University of Idaho Performance and Education Facility to preserve the history of jazz and teach it to future generations	750,000
Adler Planetarium and Astronomy Museum	50,000
Johnson County Museum of History, Franklin, IN, for personnel, supplies and equipment	100,000
Plimoth Plantation, Plymouth, Massachusetts, for equipment for the Online Education Center to provide distance learning programs	125,000
Shakespeare Rose Theater to enhance the educational and cultural programs in language, literacy and the arts for students and the general public	1,000,000
Springfield-Greene County Library, Springfield, MO, for education and training	150,000
Webster University, St. Louis, Missouri, for technology enhancements for the Global Access Library	1,160,000
University of Mississippi Foundation, Oxford, MS, for educational and preservation programs at Rowan Oak, the home William Faulkner	850,000
University of Mississippi, Oxford, MS, for digitization of the National Library of the Accounting Profession	350,000
Lois Morgan Edward Memorial Library, Nashville, NC, for furniture, equipment, automation and materials	132,000
Rocky Mount Children's Museum, North Carolina	100,000
Confluence Visitor Center in Williston, ND and the North Dakota State Historical Society for Lewis and Clark exhibits	100,000
Fort Mandan Visitor's Center for exhibits and other interpretation related to the Lewis and Clark Bicentennial Commemoration	100,000
Mandan-on-a-Slant Museum to replace exhibits that preserve the Mandan Indian Heritage	100,000
Life Center library project at Franklin Pierce College, New Hampshire	1,000,000
Monmouth University, West Long Branch, NJ, for collections and technology equipment for the Guggenheim Memorial Library	160,000
Princeton Public Library, Mercer County, NJ, for library security, inventory and circulation system, and technology enhancements to support digital library initiatives	100,000

Albany Institute for History and Art for a two-part technology project that will broaden public access to its collections and improve services to its on-site and off-site constituencies	125,000
Brooklyn Historical Society, NY, for structural repairs and environmental upgrades to preserve collections and for education programs and exhibits	1,000,000
Buffalo and Erie County Library System, Buffalo, NY, for technology equipment	22,500
Center for Jewish History, New York, NY, to support educational and cultural programs and exhibits to facilitate the study of Jewish history	250,000
Children's Museum of Manhattan, NY, to develop exhibits on the Harlem Renaissance	150,000
Four County Library System, Vestal, NY, for technology enhancements for a distance learning initiative	105,000
Hunter College, NY, to identify, preserve and archive research collections of the Center for Puerto Rican Studies, and develop a website	500,000
Long Island Maritime Museum in West Sayville, NY for archival and educational programs	200,000
Lower East Side Tenement Museum, NY, for its collections management program to make collections available to the public, and for the development and implementation of educational programs	750,000
New York Hall of Science to develop, expand, and display science-related educational materials.	1,000,000
NIOGA Library System of Niagara and Orleans County, NY for technology improvements	22,500
The Woodstock Guild of Craftsmen, Inc., Woodstock, NY for the development and promotion of the Byrdcliffe Centennial Exhibition	100,000
Clark County Historical Museum for development, implementation, and enhancement of cultural education exhibits, Ohio	100,000
Cleveland Botanical Garden, Cleveland, OH, to develop educational exhibits and materials	40,000
Crawford Museum, Cleveland, OH, for planning and educational programming	500,000
Farmer's Castle Museum in Belpre, to assist with technical components that will enhance the visitors' experience.	42,000
MAPS Air Museum, Canton OH, for equipment and education	500,000
McKinley Museum, Canton, OH, for technology improvement to the Ramsayer Research Library	44,000
University of Oregon Museum of Natural History in Eugene, OR	50,000
Academy of Natural Sciences in Philadelphia County for the preservation of the Academy's collection of more than 22 million natural sciences specimens, for the development and delivery of natural sciences educational programming for children and the general public and for environmental research	150,000
Beaver Area Memorial Library, Beaver County, PA, for equipment	100,000
Delaware Valley Historical Aircraft Association	300,000
Discovery Square, Inc. in Erie, PA for exhibit development	100,000
Everhart Museum in Scranton, PA	200,000
National Liberty Museum in Philadelphia, PA	300,000
Northland Public Library Authority, Pittsburgh, PA, for digitization	126,000
Penn Hills Public Library in Pittsburgh, PA, to purchase library materials and upgrade technology	235,000
Philadelphia Zoo	250,000
Pittsburgh Children's Museum: to develop educational exhibits and programs for area K–12 schools	100,000
Please Touch Museum at the Children's Museum of Philadelphia, PA, to provide hands-on learning experiences for children	700,000
Wayne Art Center in Wayne, PA	50,000
Bamberg County Library in Bamberg, SC, for books and materials	50,000
Clarendon County Library in Manning, SC, for books and materials	50,000
Marion Wright Edelman Public Library, Bennettsville, SC, for library collections and technology	500,000
The Children's Discovery House, Murfreesboro, TN, for the development of hands-on and interactive exhibits and educational programs	600,000
The International Storytelling Center in Jonesborough, TN	150,000
El Progreso Library, Uvalde, TX, for computers, equipment	500,000
Vietnam Archive Center, Texas Tech University, Lubbock, TX, for digitization	500,000
Children's Museum of Virginia, Portsmouth, VA, for new programs and exhibits, educational training opportunities for children and teachers	800,000
Virginia Living Museum	325,000
Burlington City Arts in Burlington, VT for the creation of exhibits, displays and programming at the Firehouse Center for the Visual Arts	100,000
Lake Champlain Science Center in Burlington, VT for displays and education	125,000
Vermont Historical Society in Montpelier, VT, to expand displays, exhibits and programming	175,000
Beaver Creek Reserve Education Center, Fall Creek, WI, for environmental and conservation education programs for elementary and secondary students	100,000
The Kenosha Civil War Museum in Kenosha, WI for exhibits and programming related to the Civil War	500,000
Village of Hawkins, WI, for library technology programs, including equipment	75,000
Weis Earth Science Museum in Menasha, WI for educational exhibits, including interactive videos, simulated mine tunnels and paleontological specimens	500,000

MEDICARE PAYMENT ADVISORY COMMISSION

The conference agreement includes $8,250,000 for the medicare payment advisory commission, instead of $8,000,000 as proposed by the House, and $8,500,000 as proposed by the Senate.

The conferees are concerned about the reported impact of the Medicare Part B payment reduction scheduled to take effect in 2002. The conferees urge MedPAC to study replacing the sustainable growth rate (SGR) as a factor in determining the update for Medicare Part B payments with a factor that more fully accounts for the changes in the unit costs of providing physicians' services and report back its findings and recommendations to the Committees on Appropriations and authorizing committees not later than March 1, 2002.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The conference agreement provides $1,000,000 for the National Commission on Libraries and Information Science as proposed by the House, instead of $1,495,000 as proposed by the Senate.

NATIONAL EDUCATION GOALS PANEL

The conference agreement provides $400,000 for close-out costs associated with the termination of the National Education Goals Panel. The Senate provided $2,000,000 for ongoing activities. The House did not propose funding for this agency. The conferees note that this panel was not reauthorized in the recent reauthorization of the Elementary and Secondary Education Act.

NATIONAL LABOR RELATIONS BOARD

The conference agreement provides $226,438,000 for the National Labor Relations Board as proposed by the Senate instead of $221,438,000 as proposed by the House.

RAILROAD RETIREMENT BOARD

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

The conference agreement includes a limitation on transfers from the railroad trust funds of $6,261,000 for administrative expenses of the Office of Inspector General instead of $6,480,000 as proposed by the Senate and $6,042,000 as proposed by the House.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

The conference agreement includes $21,277,412,000 for the Supplemental Security Income Program as proposed by the Senate instead of $21,270,412,000 as proposed by the House. Within the funds provided, the conference agreement includes $7,000,000 as proposed by the Senate for outreach efforts to identify individuals who may be eligible for payment of the cost of Medicare cost sharing under the Medicaid program. The House report contained no similar provision.

UNITED STATES INSTITUTE OF PEACE

The conference agreement provides $15,104,000 for the United States Institute of Peace, instead of $15,000,000 as proposed by the House and $15,207,000 as proposed by the Senate.

TITLE V—GENERAL PROVISIONS

OFFICIAL EXPENSES

The conference agreement includes language to provide an additional $3,000 from funds made available to the Department of Labor in salaries and expenses accounts for official receptions and representation expenses.

DISTRIBUTION OF STERILE NEEDLES

The conference agreement includes a provision proposed by the House that prohibits the use of funds in this Act to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug. The Senate bill contained a similar provision except that it would have allowed for such a program if the Secretary of Health and Human Services determines that these programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs.

BUY AMERICAN ACT

The conference agreement deletes without prejudice a provision proposed by the House to prohibit any funds made available in this Act to any person or entity that violates the Buy American Act. The Senate bill contained no similar provision. The agreement includes a Sense of the Congress provision regarding this issue that was proposed in both the House and the Senate bills.

NIH LICENSE AGREEMENTS

The conference agreement does not include a provision proposed by the House regarding NIH license agreements. The Senate bill contained no similar provision.

CONGRESSIONAL NOTIFICATION OF GRANT AWARDS

The conference agreement does not include a provision proposed by the Senate to prohibit the Departments of Labor, Health and Human Services, and Education from making a grant award totaling more than $500,000 unless the House and Senate Committees on Appropriations are notified. The House bill contained no similar provision.

SECURE RURAL SCHOOLS ACT

The conference agreement does not include a provision proposed by the Senate to establish certain requirements related to maintenance of effort for State expenditures on public education. The House bill contained no similar provision.

SENSE OF THE SENATE REGARDING LOW-INCOME HOME ENERGY ASSISTANCE

The conferees delete without prejudice a Sense of the Senate provision regarding Low-Income Home Energy Assistance. The House bill contained no similar provision.

NATIVE HAWAIIAN HEALTH CARE IMPROVEMENT ACT

The conference agreement includes a provision proposed by the Senate to change the names of eligible organizations named in the Native Hawaiian Health Care Improvement Act. The House bill contained no similar provision.

GAO STUDY REGARDING IMPLEMENTATION OF HIPAA REGULATIONS

The conference agreement does not include a provision proposed by the Senate to require GAO to report on the State and local impacts of the administrative simplification requirements of HIPAA. The House bill contained no similar provision.

ELECTION OF AN ANNUITY FOR QUALIFIED MAGISTRATE JUDGES

The conference agreement includes a provision proposed by the Senate to provide for an election of an annuity under section 377 of title 28, United States Code, for any qualified magistrate judge. The House bill contained no similar provision.

INTERIOR APPROPRIATIONS

The conference agreement does not include a provision proposed by the Senate to modify language contained in H.R. 2217, the Interior Appropriations bill. The House bill contained no similar provision.

ACROSS-THE-BOARD ADMINISTRATIVE AND RELATED EXPENSES REDUCTION

The conference agreement includes a modified provision proposed by the Senate to reduce administrative and related expenses of the Departments of Labor, Health and Human Services, and Education. The House bill contained no similar provision.

TITLE VII—MENTAL HEALTH PARITY

The conference agreement modifies language proposed by the Senate amending the Public Health Service Act and the Employee Retirement Income Security Act with respect to equitable treatment in insurance coverage of mental illnesses. The Senate amendment had expanded the provisions in the respective Acts concerning parity in mental health parity in mental health coverage. The conference agreement instead extends for one year the previously expired mental health parity provisions in the Public Health Service Act, the Employee Retirement Income Security Act, and the Internal Revenue Code of 1986.

The conferees recognize the devastating impact of mental illnesses on Americans from every walk of life and widespread bipartisan support of mental health parity legislation in both houses of Congress. The conferees strongly urge the committees of jurisdiction in the House and the Senate to convene early hearings and undertake swift consideration of legislation to extend and improve mental health parity protections during the second session of 107th Congress.

INFORMATION ON PASSENGERS AND CARGO

The conference agreement does not include a provision proposed by the Senate to require advance electronic information for air cargo and passengers entering the United States. The House bill contained no similar provision.

CONFERENCE AGREEMENT

The following table displays the amounts agreed to for each program, project or activity with appropriate comparisons:

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
TITLE I - DEPARTMENT OF LABOR									
EMPLOYMENT AND TRAINING ADMINISTRATION									
TRAINING AND EMPLOYMENT SERVICES									
Grants to States:									
Adult Training, current year......................	238,000	900,000	238,000	238,000	238,000	---	---	---	D FF
Advance from prior year.......................	(712,000)	(712,000)	(712,000)	(712,000)	(712,000)	---	---	---	NA
FY03..	712,000	---	712,000	712,000	712,000	---	---	---	D
Adult Training, program level..............	950,000	900,000	950,000	950,000	950,000	---	---	---	
Youth Training..................................	1,127,965	1,000,965	1,353,065	1,127,965	1,127,965	---	-225,100	---	D FF
Dislocated Worker Assistance, current year........	377,540	1,383,040	840,040	489,000	489,000	+111,460	-351,040	---	D FF
Advance from prior year.......................	(1,060,000)	(1,060,000)	(1,060,000)	(1,060,000)	(1,060,000)	---	---	---	NA
FY03..	1,060,000	---	695,000	1,060,000	1,060,000	---	+365,000	---	D
Dislocated Worker Assistance, program level.	1,437,540	1,383,040	1,535,040	1,549,000	1,549,000	+111,460	+13,960	---	
Federally administered programs:									
Native Americans..................................	55,000	55,000	55,000	57,800	57,000	+2,000	+2,000	-800	D FF
Migrant and Seasonal Farmworkers..................	76,770	76,770	77,270	80,770	79,751	+2,981	+2,481	-1,019	D FF
Job Corps:									
Operations....................................	687,773	1,278,773	762,799	687,773	737,825	+50,052	-24,974	+50,052	D FF
Advance from prior year...................	(591,000)	(591,000)	(591,000)	(591,000)	(591,000)	---	---	---	NA
FY03......................................	591,000	---	591,000	591,000	591,000	---	---	---	D
Construction and Renovation...................	20,375	120,375	20,375	20,375	30,375	+10,000	+10,000	+10,000	D FF
Advance from prior year...................	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	---	---	---	NA
FY03......................................	100,000	---	100,000	100,000	100,000	---	---	---	D
Subtotal, Job Corps, program level.....	1,399,148	1,399,148	1,474,174	1,399,148	1,459,200	+60,052	-14,974	+60,052	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
National activities:									
Pilots, Demonstrations and Research...........	97,432	35,000	55,000	35,000	97,649	+217	+42,649	+62,649	D FF
Responsible Reintegration of Youthful Offender	55,000	---	55,000	55,000	55,000	---	---	---	D FF
Evaluation....................................	9,098	9,098	9,098	9,098	9,098	---	---	---	D FF
Incumbent Workers.............................	---	---	---	---	---	---	---	---	D
Safe Schools/Healthy Students.................	---	---	---	---	---	---	---	---	D
Youth Opportunity Grants......................	250,000	250,000	---	250,000	225,100	-24,900	+225,100	-24,900	D FF
Other...	15,000	15,000	15,000	15,000	16,019	+1,019	+1,019	+1,019	D FF
Subtotal, National activities...............	426,530	309,098	134,098	364,098	402,866	-23,664	+268,768	+38,768	
Subtotal, Federal activities................	1,957,448	1,840,016	1,740,542	1,901,816	1,998,817	+41,369	+258,275	+97,001	
Total, Workforce Investment Act.............	5,472,953	5,124,021	5,578,647	5,528,781	5,625,782	+152,829	+47,135	+97,001	
Women in Apprenticeship.........................	1,000	1,000	1,000	1,000	1,000	---	---	---	D
Skill Standards.................................	3,500	3,500	3,500	3,500	3,500	---	---	---	D
Subtotal, National activities, TES..............	431,030	313,598	138,598	368,598	407,366	-23,664	+268,768	+38,768	
Total, Training and Employment Services.........	5,477,453	5,128,521	5,583,147	5,533,281	5,630,282	+152,829	+47,135	+97,001	
Current Year..................................	(3,014,453)	(5,128,521)	(3,485,147)	(3,070,281)	(3,167,282)	(+152,829)	(-317,865)	(+97,001)	
FY03..	(2,463,000)	---	(2,098,000)	(2,463,000)	(2,463,000)	---	(+365,000)	---	
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS......	440,200	440,200	440,200	450,000	445,100	+4,900	+4,900	-4,900	D FF

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES									
Trade Adjustment	342,400	---	---	349,500	349,500	+7,100	+349,500	---	M
NAFTA Activities	64,150	11,000	11,000	66,150	66,150	+2,000	+55,150	---	M
Legislative Proposal (NAFTA/TAA)	---	404,650	404,650	---	---	---	-404,650	---	M
Total	406,550	415,650	415,650	415,650	415,650	+9,100	---	---	
STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS									
Unemployment Compensation:									
State Operations	2,357,295	2,403,923	2,403,923	2,403,923	2,403,923	+46,628	---	---	TF
National Activities	10,000	10,000	10,000	10,000	10,000	---	---	---	TF
Subtotal, Unemployment Comp (trust funds)	2,367,295	2,413,923	2,413,923	2,413,923	2,413,923	+46,628	---	---	
Employment Service:									
Allotments to States:									
Federal Funds	23,452	23,452	23,452	23,452	23,452	---	---	---	D
Trust Funds	773,283	773,283	773,283	773,283	773,283	---	---	---	TF
Subtotal	796,735	796,735	796,735	796,735	796,735	---	---	---	
ES National Activities	49,680	49,680	49,680	51,680	50,680	+1,000	+1,000	-1,000	TF
Subtotal, Employment Service	846,415	846,415	846,415	848,415	847,415	+1,000	+1,000	-1,000	
Federal Funds	23,452	23,452	23,452	23,452	23,452	---	---	---	
Trust Funds	822,963	822,963	822,963	824,963	823,963	+1,000	+1,000	-1,000	
One-Stop Career Centers/Labor Market Information	150,000	134,000	120,000	148,000	120,000	-30,000	---	-28,000	D
Work Incentives Grants	20,000	20,000	20,000	20,000	20,000	---	---	---	D FF
Total, State Unemployment	3,383,710	3,414,338	3,400,338	3,430,338	3,401,338	+17,628	+1,000	-29,000	
Federal Funds	193,452	177,452	163,452	191,452	163,452	-30,000	---	-28,000	
Trust Funds	3,190,258	3,236,886	3,236,886	3,238,886	3,237,886	+47,628	+1,000	-1,000	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
ADVANCES TO THE UI AND OTHER TRUST FUNDS (1)..........	435,000	464,000	464,000	464,000	464,000	+29,000	---	---	M
PROGRAM ADMINISTRATION									
Adult Employment and Training..........................	32,911	34,010	34,184	34,010	34,184	+1,273	---	+174	D
Trust Funds..	2,797	2,887	2,887	2,887	2,887	+90	---	---	TF
Youth Employment and Training..........................	37,011	37,557	37,743	37,557	37,743	+732	---	+186	D
Employment Security....................................	4,974	5,789	6,030	5,789	6,030	+1,056	---	+241	D
Trust Funds..	44,351	44,216	44,216	44,216	44,216	-135	---	---	TF
Apprenticeship Services................................	21,069	21,367	21,474	21,367	21,474	+405	---	+107	D
Executive Direction....................................	7,960	7,945	7,991	7,945	7,991	+31	---	+46	D
Trust Funds..	1,359	1,404	1,404	1,404	1,404	+45	---	---	TF
Welfare to Work..	6,431	5,903	5,934	5,903	5,934	-497	---	+31	D
Total, Program Administration...................	158,863	161,078	161,863	161,078	161,863	+3,000	---	+785	
Federal Funds.................................	110,356	112,571	113,356	112,571	113,356	+3,000	---	+785	
Trust Funds...................................	48,507	48,507	48,507	48,507	48,507	---	---	---	
Total, Employment & Training Administration.....	10,301,776	10,023,787	10,465,198	10,454,347	10,518,233	+216,457	+53,035	+63,886	
Federal Funds...............................	7,063,011	6,738,394	7,179,805	7,166,954	7,231,840	+168,829	+52,035	+64,886	
Current Year.............................	(4,600,011)	(6,738,394)	(5,081,805)	(4,703,954)	(4,768,840)	(+168,829)	(-312,965)	(+64,886)	
FY03.....................................	(2,463,000)	---	(2,098,000)	(2,463,000)	(2,463,000)	---	(+365,000)	---	
Trust Funds.................................	3,238,765	3,285,393	3,285,393	3,287,393	3,286,393	+47,628	+1,000	-1,000	

(1) Two year availability.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
PENSION AND WELFARE BENEFITS ADMINISTRATION									
SALARIES AND EXPENSES									
Enforcement and Compliance	83,453	84,640	85,525	87,542	85,525	+2,072	---	-2,017	D
Policy, Regulation and Public Service	20,205	19,234	20,205	20,762	20,205	---	---	-557	D
Program Oversight	3,975	4,114	4,136	4,114	4,136	+161	---	+22	D
Total, PWBA	107,633	107,988	109,866	112,418	109,866	+2,233	---	-2,552	
PENSION BENEFIT GUARANTY CORPORATION									
Program Administration subject to limitation (TF)	11,652	11,652	11,690	11,690	11,690	+38	---	---	TF
Termination services not subject to limitation (NA)	(178,924)	(178,924)	(178,924)	(178,924)	(178,924)	---	---	---	NA
Total, PBGC (Program level)	(190,576)	(190,576)	(190,614)	(190,614)	(190,614)	(+38)	---	---	
EMPLOYMENT STANDARDS ADMINISTRATION									
SALARIES AND EXPENSES									
Enforcement of Wage and Hour Standards	152,369	152,569	153,862	158,322	156,092	+3,723	+2,230	-2,230	D
Office of Labor-Management Standards	30,492	30,632	32,769	32,869	30,632	+140	-2,137	-2,237	D
Federal Contractor EEO Standards Enforcement	76,148	76,308	76,979	78,849	77,914	+1,766	+935	-935	D
Federal Programs for Workers' Compensation	88,687	90,098	90,846	91,866	91,356	+2,669	+510	-510	D
FECA Fees	---	-80,281	---	---	---	---	---	---	D
Trust Funds	1,981	1,981	1,981	1,981	1,981	---	---	---	TF
Program Direction and Support	13,039	13,127	13,194	13,258	13,226	+187	+32	-32	D
Total, ESA salaries and expenses	362,716	284,434	369,631	377,145	371,201	+8,485	+1,570	-5,944	
Federal Funds	360,735	282,453	367,650	375,164	369,220	+8,485	+1,570	-5,944	
Trust Funds	1,981	1,981	1,981	1,981	1,981	---	---	---	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
SPECIAL BENEFITS									
Federal employees compensation benefits	53,000	118,000	118,000	118,000	118,000	+65,000	---	---	M
Longshore and harbor workers' benefits	3,000	3,000	3,000	3,000	3,000	---	---	---	M
Total, Special Benefits	56,000	121,000	121,000	121,000	121,000	+65,000	---	---	
ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION FUND									
Program Benefits	(358,000)	(597,000)	(597,000)	(597,000)	(597,000)	(+239,000)	---	---	NA
Administrative Expenses (1)	60,328	136,000	136,000	136,000	136,000	+75,672	---	---	M
BLACK LUNG DISABILITY TRUST FUND									
Benefit payments and interest on advances	975,343	981,283	981,283	981,283	981,283	+5,940	---	---	M
Employment Standards Adm. S&E	30,293	31,443	31,558	31,558	31,558	+1,265	---	---	M
Departmental Management S&E	21,590	22,590	22,590	22,590	22,590	+1,000	---	---	M
Departmental Management, Inspector General	318	328	328	328	328	+10	---	---	M
Subtotal, Black Lung Disablty	1,027,544	1,035,644	1,035,759	1,035,759	1,035,759	+8,215	---	---	
Treasury Administrative Costs	356	356	356	356	356	---	---	---	M
Total, Black Lung Disability Trust Fund	1,027,900	1,036,000	1,036,115	1,036,115	1,036,115	+8,215	---	---	
Total, Employment Standards Administration	1,506,944	1,577,434	1,662,746	1,670,260	1,664,316	+157,372	+1,570	-5,944	
Federal Funds	1,504,963	1,575,453	1,660,765	1,668,279	1,662,335	+157,372	+1,570	-5,944	
Trust Funds	1,981	1,981	1,981	1,981	1,981	---	---	---	

(1) $10,000,000 transferred from ESA to CDC, OSHA.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION									
SALARIES AND EXPENSES									
Safety and Health Standards	15,069	13,875	13,931	16,321	16,321	+1,252	+2,390	---	D
Federal Enforcement	151,836	154,816	157,788	162,768	161,768	+9,932	+3,980	-1,000	D
State Programs	88,369	88,119	88,694	92,119	89,747	+1,378	+1,053	-2,372	D
Technical Support	20,189	19,562	20,251	20,251	19,562	-627	-689	-689	D
Compliance Assistance:									
Federal Assistance	56,255	57,180	57,393	60,173	58,783	+2,528	+1,390	-1,390	D
State Consultation Grants	48,834	48,834	50,199	51,843	51,021	+2,187	+822	-822	D
Training Grants	11,175	8,175	11,175	11,175	11,175	---	---	---	D
Subtotal	116,264	114,189	118,767	123,191	120,979	+4,715	+2,212	-2,212	
Safety and Health Statistics	25,597	26,257	26,595	26,595	26,257	+660	-338	-338	D
Executive Direction and Administration	8,562	9,017	9,281	9,017	9,017	+455	-264	---	D
Total, OSHA	425,886	425,835	435,307	450,262	443,651	+17,765	+8,344	-6,611	
MINE SAFETY AND HEALTH ADMINISTRATION									
SALARIES AND EXPENSES									
Coal Enforcement	114,505	110,915	113,449	119,885	117,885	+3,380	+4,436	-2,000	D
Metal/Non-Metal Enforcement	55,117	60,424	61,773	60,424	61,099	+5,982	-674	+675	D
Standards Development	1,760	2,304	2,357	2,357	2,357	+597	---	---	D
Assessments	4,265	4,701	4,807	4,807	4,807	+542	---	---	D
Educational Policy and Development	31,455	27,984	28,585	27,984	27,984	-3,471	-601	---	D
Technical Support	27,053	27,427	28,025	28,085	28,085	+1,032	+60	---	D
Program Administration	12,151	12,551	12,729	12,551	12,551	+400	-178	---	D
Total, Mine Safety and Health Administration	246,306	246,306	251,725	256,093	254,768	+8,462	+3,043	-1,325	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
BUREAU OF LABOR STATISTICS									
SALARIES AND EXPENSES									
Employment and Unemployment Statistics................	142,313	146,796	147,038	146,796	146,917	+4,604	-121	+121	D
Labor Market Information (Trust Funds)................	67,257	69,132	69,132	69,132	69,132	+1,875	---	---	TF
Prices and Cost of Living.............................	135,136	149,264	149,801	149,264	149,532	+14,396	-269	+268	D
Compensation and Working Conditions...................	71,076	74,126	74,390	74,126	74,258	+3,182	-132	+132	D
Productivity and Technology...........................	9,164	9,599	9,621	9,599	9,610	+446	-11	+11	D
Economic Growth and Employment Projections............	---	---	---	---	---	---	---	---	D
Executive Direction and Staff Services................	25,941	27,083	27,126	27,083	27,105	+1,164	-21	+22	D
Total, Bureau of Labor Statistics...............	450,887	476,000	477,108	476,000	476,554	+25,667	-554	+554	
Federal Funds.................................	383,630	406,868	407,976	406,868	407,422	+23,792	-554	+554	
Trust Funds...................................	67,257	69,132	69,132	69,132	69,132	+1,875	---	---	
OFFICE OF DISABILITY EMPLOYMENT POLICY									
Office of Disability Employment Policy................	20,413	40,623	30,413	40,623	35,518	+15,105	+5,105	-5,105	D
Task Force on Employment of Adults with Disabilities..	2,556	2,640	2,640	2,640	2,640	+84	---	---	D
Total, Office of Disability Employment Policy...	22,969	43,263	33,053	43,263	38,158	+15,189	+5,105	-5,105	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
DEPARTMENTAL MANAGEMENT									
SALARIES AND EXPENSES									
Executive Direction	26,303	26,502	26,672	25,177	26,502	+199	-170	+1,325	D
Departmental IT Crosscut	37,000	80,000	51,708	37,000	50,000	+13,000	-1,708	+13,000	D
Legal Services	74,384	74,657	79,914	74,657	77,286	+2,902	-2,628	+2,629	D
Trust Funds	310	310	310	310	310	---	---	---	TF
International Labor Affairs	147,982	71,588	147,982	147,982	148,282	+300	+300	+300	D
Administration and Management	24,732	29,732	29,833	29,732	29,732	+5,000	-101	---	D
Adjudication	24,688	24,688	25,009	24,688	24,688	---	-321	---	D
Women's Bureau	10,186	10,186	10,251	10,186	10,186	---	-65	---	D
Civil Rights Activities	5,839	5,839	5,887	5,839	5,839	---	-48	---	D
Chief Financial Officer	5,963	6,263	6,312	6,263	6,263	+300	-49	---	D
Disability Policy	---	---	---	---	---	---	---	---	D
Total, Salaries and expenses	357,387	329,765	383,878	361,834	379,088	+21,701	-4,790	+17,254	
Federal Funds	357,077	329,455	383,568	361,524	378,778	+21,701	-4,790	+17,254	
Trust Funds	310	310	310	310	310	---	---	---	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
VETERANS EMPLOYMENT AND TRAINING									
State Administration:									
Disabled Veterans Outreach Program	81,615	81,615	81,615	81,615	81,615	---	---	---	TF
Local Veterans Employment Program	77,253	77,253	77,253	77,253	77,253	---	---	---	TF
Subtotal, State Administration	158,868	158,868	158,868	158,868	158,868	---	---	---	
Federal Administration	27,988	28,035	28,035	28,035	28,035	+47	---	---	TF
Homeless Veterans Program	17,500	17,500	17,500	19,000	18,250	+750	+750	-750	D
Veterans Workforce Investment Programs	7,300	7,300	7,300	7,800	7,550	+250	+250	-250	D FF
Total, Veterans Employment and Training	211,656	211,703	211,703	213,703	212,703	+1,047	+1,000	-1,000	
Federal Funds	24,800	24,800	24,800	26,800	25,800	+1,000	+1,000	-1,000	
Trust Funds	186,856	186,903	186,903	186,903	186,903	+47	---	---	
OFFICE OF THE INSPECTOR GENERAL									
Program Activities	43,111	45,114	45,114	45,114	45,114	+2,003	---	---	D
Trust Funds	4,770	4,951	4,951	4,951	4,951	+181	---	---	TF
Executive Direction and Management	6,802	7,068	7,068	7,068	7,068	+266	---	---	D
Total, Office of the Inspector General	54,683	57,133	57,133	57,133	57,133	+2,450	---	---	
Federal funds	49,913	52,182	52,182	52,182	52,182	+2,269	---	---	
Trust funds	4,770	4,951	4,951	4,951	4,951	+181	---	---	
Total, Departmental Management	623,726	598,601	652,714	632,670	648,924	+25,198	-3,790	+16,254	
Federal Funds	431,790	406,437	460,550	440,506	456,760	+24,970	-3,790	+16,254	
Trust Funds	191,936	192,164	192,164	192,164	192,164	+228	---	---	
Total, Labor Department	13,697,779	13,510,866	14,099,407	14,107,003	14,166,160	+468,381	+66,753	+59,157	
Federal Funds	10,186,188	9,950,544	10,539,047	10,544,643	10,604,800	+418,612	+65,753	+60,157	
Current Year	(7,723,188)	(9,950,544)	(8,441,047)	(8,081,643)	(8,141,800)	(+418,612)	(-299,247)	(+60,157)	
FY03	(2,463,000)	---	(2,098,000)	(2,463,000)	(2,463,000)	---	(+365,000)	---	
Trust Funds	3,511,591	3,560,322	3,560,360	3,562,360	3,561,360	+49,769	+1,000	-1,000	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
TITLE II - DEPARTMENT OF HEALTH AND HUMAN SERVICES									
HEALTH RESOURCES AND SERVICES ADMINISTRATION									
HEALTH RESOURCES AND SERVICES									
Community health centers	1,168,559	1,292,723	1,318,559	1,343,723	1,343,723	+175,164	+25,164	---	D
National Health Service Corps:									
Field placements	41,462	42,511	42,511	49,511	46,511	+5,049	+4,000	-3,000	D
Recruitment	87,912	87,916	100,000	104,916	107,000	+19,088	+7,000	+2,084	D
Subtotal	129,374	130,427	142,511	154,427	153,511	+24,137	+11,000	-916	
Health Professions									
Training for Diversity:									
Centers of excellence	30,637	12,847	33,637	---	32,637	+2,000	-1,000	+32,637	D
Health careers opportunity program	32,795	13,752	35,795	---	34,795	+2,000	-1,000	+34,795	D
Faculty loan repayment	1,330	557	1,330	---	1,330	---	---	+1,330	D
Scholarships for disadvantaged students	44,473	18,651	46,473	---	46,238	+1,765	-235	+46,238	D
Subtotal	109,235	45,807	117,235	---	115,000	+5,765	-2,235	+115,000	
Training in Primary Care Medicine and Dentistry	91,048	---	95,048	---	93,048	+2,000	-2,000	+93,048	D
Interdisciplinary Community-Based Linkages:									
Area health education centers	33,362	7,556	33,362	---	33,362	---	---	+33,362	D
Health education and training centers	4,403	---	4,403	---	4,403	---	---	+4,403	D
Allied health and other disciplines	8,422	1,907	9,501	---	9,500	+1,078	-1	+9,500	D
Geriatric programs	12,410	---	22,410	---	20,410	+8,000	-2,000	+20,410	D
Quentin N. Burdick pgm for rural training	5,988	---	5,988	---	7,000	+1,012	+1,012	+7,000	D
Subtotal	64,585	9,463	75,664	---	74,675	+10,090	-989	+74,675	
Health Professions Workforce Info & Analysis	824	824	824	---	824	---	---	+824	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Public Health Workforce Development:									
Public health, preventive med. & dental pgms......	9,478	2,147	11,478	---	10,478	+1,000	-1,000	+10,478	D
Health administration programs....................	1,231	---	1,231	---	1,231	---	---	+1,231	D
Subtotal...	10,709	2,147	12,709	---	11,709	+1,000	-1,000	+11,709	
Children's Hospitals Graduate Medical Educ............	234,980	200,094	285,000	243,442	285,000	+50,020	---	+41,558	D
Advanced Education Nursing............................	59,045	59,048	61,048	---	60,048	+1,003	-1,000	+60,048	D
Basic nurse education and practice....................	12,790	16,291	16,291	---	16,291	+3,501	---	+16,291	D
Nursing workforce diversity...........................	4,673	6,173	6,173	---	6,173	+1,500	---	+6,173	D
Consolidated Health Professions.......................	---	---	---	352,927	---	---	---	-352,927	D
Subtotal, Health professions....................	587,889	339,847	669,992	596,369	662,768	+74,879	-7,224	+66,399	
Other HRSA Programs:									
Hansen's Disease Services.........................	17,890	18,391	17,491	18,391	17,841	-49	+350	-550	D
Maternal & Child Health Block Grant...............	714,151	709,087	740,000	719,087	731,615	+17,464	-8,385	+12,528	D
Abstinence Education									
Advance from prior year.......................	(20,000)	(30,000)	(30,000)	(30,000)	(30,000)	(+10,000)	---	---	NA
FY03..	30,000	---	---	30,000	---	-30,000	---	-30,000	D
Current Year..................................	---	15	10,000	15	10,000	+10,000	---	+9,985	D
Healthy Start.....................................	89,996	89,996	102,000	89,996	99,000	+9,004	-3,000	+9,004	D
Universal Newborn Hearing.........................	7,999	6,581	10,000	10,000	10,000	+2,001	---	---	D
Organ Transplantation.............................	14,992	19,992	19,992	19,992	19,992	+5,000	---	---	D
Bone Marrow Program...............................	21,958	22,000	22,000	22,000	22,000	+42	---	---	D
Rural outreach grants.............................	58,211	37,863	51,863	52,921	51,478	-6,733	-385	-1,443	D
Rural Health Research.............................	13,436	6,099	12,099	15,000	16,810	+3,374	+4,711	+1,810	D
Telehealth..	35,976	5,609	27,609	5,609	39,197	+3,221	+11,588	+33,588	D
Denali Commission.................................	10,000	---	---	20,000	20,000	+10,000	+20,000	---	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Critical care programs:									
Emergency medical services for children	18,985	15,574	19,000	18,986	18,993	+8	-7	+7	D
Poison control	19,995	16,421	16,421	24,000	21,210	+1,215	+4,789	-2,790	D
Traumatic Brain Injury (1)	---	---	---	10,000	7,500	+7,500	+7,500	-2,500	D
Subtotal, Critical care programs	38,980	31,995	35,421	52,986	47,703	+8,723	+12,282	-5,283	
Black lung clinics	6,000	6,000	6,000	7,000	6,000	---	---	-1,000	D
Trauma Care	3,000	2,467	3,000	4,000	3,500	+500	+500	-500	D
Nursing loan repayment for shortage area service	7,279	2,279	2,279	15,000	10,240	+2,961	+7,961	-4,760	D
Payment to Hawaii, treatment of Hansen's	2,045	2,045	2,045	2,045	2,045	---	---	---	D
Subtotal, Other HRSA programs:									
Current year	1,041,913	960,419	1,061,799	1,054,042	1,107,421	+65,508	+45,622	+53,379	
FY03	30,000	---	---	30,000	---	-30,000	---	-30,000	
Ryan White AIDS Programs:									
Emergency Assistance	604,169	604,169	619,169	620,000	619,585	+15,416	+416	-415	D
Comprehensive Care Programs	910,969	910,969	985,969	950,000	977,485	+66,516	-8,484	+27,485	D
AIDS Drug Assistance Program (ADAP) (NA)	(589,000)	(589,000)	(649,000)	(610,000)	(639,000)	(+50,000)	(-10,000)	(+29,000)	NA
Early Intervention Program	185,879	186,034	192,878	195,000	193,939	+8,060	+1,061	-1,061	D
Pediatric HIV/AIDS	64,995	64,995	69,995	72,000	70,998	+6,003	+1,003	-1,002	D
AIDS Dental Services	9,999	9,999	15,000	12,000	13,500	+3,501	-1,500	+1,500	D
Education and Training Centers	31,598	31,598	36,598	34,000	35,299	+3,701	-1,299	+1,299	D
Subtotal, Ryan White AIDS programs	1,807,609	1,807,764	1,919,609	1,883,000	1,910,806	+103,197	-8,803	+27,806	

(1) The House provided funding for this program in MCH SPRANS.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Family Planning	253,897	254,170	264,170	266,000	265,085	+11,188	+915	-915	D
Health Care and Other Facilities	251,546	---	---	10,000	311,978	+60,432	+311,978	+301,978	D
Buildings and Facilities	250	250	250	250	250	---	---	---	D
Rural Hospital Flexibility Grants	24,996	24,997	35,000	25,000	40,000	+15,004	+5,000	+15,000	D
Rural Access to Emergency Devices	---	---	12,500	12,500	12,500	+12,500	---	---	D
Radiation Exposure Compensation Act	---	---	---	5,000	4,000	+4,000	+4,000	-1,000	D
National Practitioner Data Bank	17,200	17,200	17,200	17,200	17,200	---	---	---	D
User Fees	-17,200	-17,200	-17,200	-17,200	-17,200	---	---	---	D
Health Care Integrity and Protection Data Bank	4,317	8,000	8,000	8,000	8,000	+3,683	---	---	D
User Fees	-4,317	-8,000	-8,000	-8,000	-8,000	-3,683	---	---	D
Community Access Program	139,984	15,041	120,041	15,041	120,041	-19,943	---	+105,000	D
Program Management	138,972	147,049	147,049	135,991	149,154	+10,182	+2,105	+13,163	D
Total, Health resources and services	5,574,989	4,972,687	5,691,480	5,531,343	6,081,237	+506,248	+389,757	+549,894	
Current year	(5,544,989)	(4,972,687)	(5,691,480)	(5,501,343)	(6,081,237)	(+536,248)	(+389,757)	(+579,894)	
FY03	(30,000)	---	---	(30,000)	---	(-30,000)	---	(-30,000)	
HEALTH EDUCATION ASSISTANCE LOANS PROGRAM:									
Liquidating account	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	---	---	---	NA
Program account	(9,000)	---	---	---	---	(-9,000)	---	---	NA
Program management	3,672	3,792	3,792	3,792	3,792	+120	---	---	D
VACCINE INJURY COMPENSATION PROGRAM TRUST FUND:									
Post-FY88 claims	114,355	114,855	114,855	114,855	114,855	+500	---	---	M
HRSA administration	2,992	2,992	2,992	2,992	2,992	---	---	---	D
Total, Vaccine injury	117,347	117,847	117,847	117,847	117,847	+500	---	---	
Total, Health Resources & Services Admin	5,696,008	5,094,326	5,813,119	5,652,982	6,202,876	+506,868	+389,757	+549,894	
Current year	(5,666,008)	(5,094,326)	(5,813,119)	(5,622,982)	(6,202,876)	(+536,868)	(+389,757)	(+579,894)	
FY03	(30,000)	---	---	(30,000)	---	(-30,000)	---	(-30,000)	
Evaluation Tap	(38,800)	(68,600)	(35,927)	---	---	(-38,800)	(-35,927)	---	NA

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
CENTERS FOR DISEASE CONTROL									
DISEASE CONTROL, RESEARCH AND TRAINING									
Birth Defects/Developmental Disabitities/Disability and Health	70,726	76,280	80,280	88,748	90,078	+19,352	+9,798	+1,330	D
Chronic Disease Prevention and Health Promotion	749,708	574,560	722,495	701,654	747,823	-1,885	+25,328	+46,169	D
Environmental Health	137,255	136,683	146,683	171,863	153,753	+16,498	+7,070	-18,110	D
Epidemic Services and Response	77,761	80,303	80,303	85,303	80,303	+2,542	---	-5,000	D
Health Statistics	50,260	---	33,014	126,978	103,692	+53,432	+70,678	-23,286	D
Evaluation Tap funding (NA)	(71,690)	(126,978)	(93,964)	---	(23,286)	(-48,404)	(-70,678)	(+23,286)	NA
HIV/AIDS, STD and TB Prevention	1,044,070	1,068,452	1,148,452	1,121,612	1,135,532	+91,462	-12,920	+13,920	D
Immunization	552,572	574,645	599,645	637,145	627,895	+75,323	+28,250	-9,250	D
Infectious Disease Control	317,582	331,518	343,018	331,518	344,858	+27,276	+1,840	+13,340	D
Injury Prevention and Control	142,832	143,655	143,655	146,655	149,767	+6,935	+6,112	+3,112	D
Occupational Safety and Health (1)	260,032	266,135	270,135	276,135	276,460	+16,428	+6,325	+325	D
Preventive Health and Health Services Block Grant	135,029	135,030	135,030	135,030	135,030	+1	---	---	D
Public Health Improvement	110,876	109,910	149,910	114,910	148,520	+37,644	-1,390	+33,610	D
Buildings and Facilities	175,000	150,000	175,000	250,000	250,000	+75,000	+75,000	---	D
Office of the Director	39,070	49,440	49,440	49,440	49,440	+10,370	---	---	D

(1) Includes Mine Safety and Health.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
Bioterrorism (1)	180,919	181,919	231,919	181,919	---	-180,919	-231,919	-181,919	NA
Discretionary	---	---	---	181,919	---	---	---	-181,919	D
ATSDR (2)	(74,835)	(78,235)	---	(78,235)	(78,235)	(+3,400)	(+78,235)	---	NA
Total, Disease Control	3,862,773	3,696,611	4,077,060	4,418,910	4,293,151	+430,378	+216,091	-125,759	
Evaluation Tap funding (NA)	(71,690)	(126,978)	(93,964)	---	(23,286)	(-48,404)	(-70,678)	(+23,286)	NA

(1) The House provides funds in the Public Health and Social Service Emergency Fund. The Senate provided funds for this program as a Discretionary add-in.

(2) Funded in VA/HUD Bill.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
NATIONAL INSTITUTES OF HEALTH									
National Cancer Institute	3,737,217	4,177,203	4,146,291	4,258,516	4,190,405	+453,188	+44,114	-68,111	D
Evaluation Tap	(36,712)	(68,807)	(37,895)	(68,807)	(53,351)	(+16,639)	(+15,456)	(-15,456)	NA
Program Level	(3,700,505)	(4,108,396)	(4,108,396)	(4,189,709)	(4,137,054)	(+436,549)	(+28,658)	(-52,655)	
National Heart, Lung, and Blood Institute	2,298,664	2,567,429	2,547,675	2,618,966	2,576,125	+277,461	+28,450	-42,841	D
Evaluation Tap	(22,497)	(43,972)	(24,218)	(43,972)	(34,095)	(+11,598)	(+9,877)	(-9,877)	NA
Program Level	(2,276,167)	(2,523,457)	(2,523,457)	(2,574,994)	(2,542,030)	(+265,863)	(+18,573)	(-32,964)	
National Institute of Dental & Craniofacial Research	306,153	341,898	339,268	348,767	343,327	+37,174	+4,059	-5,440	D
Evaluation Tap	(3,003)	(5,856)	(3,226)	(5,856)	(4,541)	(+1,538)	(+1,315)	(-1,315)	NA
Program Level	(303,150)	(336,042)	(336,042)	(342,911)	(338,786)	(+35,636)	(+2,744)	(-4,125)	
National Institute of Diabetes and Digestive and Kidney Diseases	1,303,570	1,457,915	1,446,705	1,501,476	1,466,833	+163,263	+20,128	-34,643	D
Evaluation Tap	(12,751)	(24,952)	(13,742)	(24,952)	(19,347)	(+6,596)	(+5,605)	(-5,605)	NA
Program Level	(1,290,819)	(1,432,963)	(1,432,963)	(1,476,524)	(1,447,486)	(+156,667)	(+14,523)	(-29,038)	
National Institute of Neurological Disorders & Stroke	1,176,797	1,316,448	1,306,321	1,352,055	1,328,188	+151,391	+21,867	-23,867	D
Evaluation Tap	(11,511)	(22,541)	(12,414)	(22,541)	(17,478)	(+5,967)	(+5,064)	(-5,063)	NA
Program Level	(1,165,286)	(1,293,907)	(1,293,907)	(1,329,514)	(1,310,710)	(+145,424)	(+16,803)	(-18,804)	
National Institute of Allergy and Infectious Diseases	2,062,621	2,330,325	2,312,204	2,350,836	2,347,278	+284,657	+35,074	-3,558	D
Global HIV/AIDS Fund Transfer	---	25,000	25,000	25,000	25,000	+25,000	---	---	D
Subtotal	2,062,621	2,355,325	2,337,204	2,375,836	2,372,278	+309,657	+35,074	-3,558	
Evaluation Tap	(19,979)	(40,336)	(22,215)	(40,336)	(31,276)	(+11,297)	(+9,061)	(-9,060)	NA
Program Level	(2,042,642)	(2,314,989)	(2,314,989)	(2,335,500)	(2,341,002)	(+298,360)	(+26,013)	(+5,502)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
National Institute of General Medical Sciences	1,539,903	1,720,206	1,706,968	1,753,465	1,725,263	+185,360	+18,295	-28,202	D
Evaluation Tap	(15,018)	(29,467)	(16,229)	(29,467)	(22,848)	(+7,830)	(+6,619)	(-6,619)	NA
Program Level	(1,524,885)	(1,690,739)	(1,690,739)	(1,723,998)	(1,702,415)	(+177,530)	(+11,676)	(-21,583)	
National Institute of Child Health & Human Development	978,721	1,096,650	1,088,208	1,123,692	1,113,605	+134,884	+25,397	-10,087	D
Evaluation Tap	(9,554)	(18,790)	(10,348)	(18,790)	(14,569)	(+5,015)	(+4,221)	(-4,221)	NA
Program Level	(969,167)	(1,077,860)	(1,077,860)	(1,104,902)	(1,099,036)	(+129,869)	(+21,176)	(-5,866)	
National Eye Institute	510,525	571,126	566,725	614,000	581,366	+70,841	+14,641	-32,634	D
Evaluation Tap	(5,001)	(9,797)	(5,396)	(9,797)	(7,597)	(+2,596)	(+2,201)	(-2,200)	NA
Program Level	(505,524)	(561,329)	(561,329)	(604,203)	(573,769)	(+68,245)	(+12,440)	(-30,434)	
National Institute of Environmental Health Sciences	502,987	561,750	557,435	585,946	566,639	+63,652	+9,204	-19,307	D
Evaluation Tap	(4,902)	(9,606)	(5,291)	(9,606)	(7,449)	(+2,547)	(+2,158)	(-2,157)	NA
Program Level	(498,085)	(552,144)	(552,144)	(576,340)	(559,190)	(+61,105)	(+7,046)	(-17,150)	
NIEHS/Superfund (NA) (1)	(62,861)	(70,228)	(70,228)	(70,228)	(70,228)	(+7,367)	---	---	
National Institute on Aging	786,303	879,961	873,186	909,174	893,443	+107,140	+20,257	-15,731	D
Evaluation Tap	(7,693)	(15,079)	(8,304)	(15,079)	(11,692)	(+3,999)	(+3,388)	(-3,387)	NA
Program Level	(778,610)	(864,882)	(864,882)	(894,095)	(881,751)	(+103,141)	(+16,869)	(-12,344)	
National Institute of Arthritis and Musculoskeletal and Skin Diseases	396,528	443,565	440,144	460,202	448,865	+52,337	+8,721	-11,337	D
Evaluation Tap	(3,875)	(7,616)	(4,195)	(7,616)	(5,906)	(+2,031)	(+1,711)	(-1,710)	NA
Program Level	(392,653)	(435,949)	(435,949)	(452,586)	(442,959)	(+50,306)	(+7,010)	(-9,627)	

(1) Superfund $ are appropriated in the VA/HUD Bill.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
National Institute on Deafness and Other Communication Disorders	301,069	336,757	334,161	349,983	342,072	+41,003	+7,911	-7,911	D
Evaluation Tap	(2,945)	(5,778)	(3,182)	(5,778)	(4,480)	(+1,535)	(+1,298)	(-1,298)	NA
Program Level	(298,124)	(330,979)	(330,979)	(344,205)	(337,592)	(+39,468)	(+6,613)	(-6,613)	
National Institute of Nursing Research	105,158	117,686	116,773	125,659	120,451	+15,293	+3,678	-5,208	D
Evaluation Tap	(1,026)	(2,029)	(1,116)	(2,029)	(1,573)	(+547)	(+457)	(-456)	NA
Program Level	(104,132)	(115,657)	(115,657)	(123,630)	(118,878)	(+14,746)	(+3,221)	(-4,752)	
National Institute on Alcohol Abuse and Alcoholism	340,537	381,966	379,026	390,761	384,238	+43,701	+5,212	-6,523	D
Evaluation Tap	(3,333)	(6,544)	(3,604)	(6,544)	(5,074)	(+1,741)	(+1,470)	(-1,470)	NA
Program Level	(337,204)	(375,422)	(375,422)	(384,217)	(379,164)	(+41,960)	(+3,742)	(-5,053)	
National Institute on Drug Abuse	780,827	907,369	900,389	902,000	888,105	+107,278	-12,284	-13,895	D
Evaluation Tap	(7,637)	(15,538)	(8,558)	(15,538)	(12,048)	(+4,411)	(+3,490)	(-3,490)	NA
Program Level	(773,190)	(891,831)	(891,831)	(886,462)	(876,057)	(+102,867)	(-15,774)	(-10,405)	
National Institute of Mental Health	1,106,519	1,238,305	1,228,780	1,279,383	1,248,626	+142,107	+19,846	-30,757	D
Evaluation Tap	(10,832)	(21,202)	(11,677)	(21,202)	(16,440)	(+5,608)	(+4,763)	(-4,762)	NA
Program Level	(1,095,687)	(1,217,103)	(1,217,103)	(1,258,181)	(1,232,186)	(+136,499)	(+15,083)	(-25,995)	
National Human Genome Research Institute	382,040	426,739	423,454	440,448	429,515	+47,475	+6,061	-10,933	D
Evaluation Tap	(3,740)	(7,311)	(4,026)	(7,311)	(5,669)	(+1,929)	(+1,643)	(-1,642)	NA
Program Level	(378,300)	(419,428)	(419,428)	(433,137)	(423,846)	(+45,546)	(+4,418)	(-9,291)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
National Institute of Biomedical Imaging and Bioengineering	1,975	40,206	39,896	140,000	111,984	+110,009	+72,088	-28,016	D
Evaluation Tap	---	(689)	(379)	(689)	(534)	(+534)	(+155)	(-155)	NA
Program Level	(1,975)	(39,517)	(39,517)	(139,311)	(111,450)	(+109,475)	(+71,933)	(-27,861)	
National Center for Research Resources	817,098	974,038	966,541	1,014,044	1,011,594	+194,496	+45,053	-2,450	D
Evaluation Tap	(8,003)	(16,686)	(9,189)	(16,686)	(12,938)	(+4,935)	(+3,749)	(-3,748)	NA
Program Level	(809,095)	(957,352)	(957,352)	(997,358)	(998,656)	(+189,561)	(+41,304)	(+1,298)	
National Center for Complementary and Alternative Medicine	89,121	100,063	99,288	110,000	104,644	+15,523	+5,356	-5,356	D
Evaluation Tap	(873)	(1,723)	(948)	(1,723)	(1,336)	(+463)	(+388)	(-387)	NA
Program Level	(88,248)	(98,340)	(98,340)	(108,277)	(103,308)	(+15,060)	(+4,968)	(-4,969)	
National Center on Minority Health and Health Disparities	132,044	158,425	157,204	158,421	157,812	+25,768	+608	-609	D
Evaluation Tap	---	(2,718)	(1,497)	(2,718)	(2,108)	(+2,108)	(+611)	(-610)	NA
Program Level	(132,044)	(155,707)	(155,707)	(155,703)	(155,704)	(+23,660)	(-3)	(+1)	
John E. Fogarty International Center	50,472	56,449	56,021	57,874	56,940	+6,468	+919	-934	D
Evaluation Tap	(485)	(956)	(528)	(956)	(742)	(+257)	(+214)	(-214)	NA
Program Level	(49,987)	(55,493)	(55,493)	(56,918)	(56,198)	(+6,211)	(+705)	(-720)	
National Library of Medicine	246,304	275,725	273,610	281,584	277,658	+31,354	+4,048	-3,926	D
Evaluation Tap	(2,404)	(4,707)	(2,592)	(4,707)	(3,650)	(+1,246)	(+1,058)	(-1,057)	NA
Program Level	(243,900)	(271,018)	(271,018)	(276,877)	(274,008)	(+30,108)	(+2,990)	(-2,869)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Office of the Director	188,346	232,098	232,098	236,408	235,540	+47,194	+3,442	-868	D
Buildings and Facilities	153,761	236,600	236,600	236,600	234,600	+80,839	-2,000	-2,000	D
Global HIV/AIDS Fund Transfer	---	70,000	75,000	70,000	75,000	+75,000	---	+5,000	D
Subtotal	153,761	306,600	311,600	306,600	309,600	+155,839	-2,000	+3,000	
Total, N.I.H. appropriations	20,295,260	23,041,902	22,874,971	23,695,260	23,285,116	+2,989,856	+410,145	-410,144	
Evaluation Tap	(193,774)	(382,700)	(210,769)	(382,700)	(296,741)	(+102,967)	(+85,972)	(-85,959)	
Global HIV/AIDS Fund Transfer	---	(95,000)	(100,000)	(95,000)	(100,000)	(+100,000)	---	(+5,000)	
Program Level	(20,101,486)	(22,564,202)	(22,564,202)	(23,217,560)	(22,888,375)	(+2,786,889)	(+324,173)	(-329,185)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION									
Mental Health:									
Programs of Regional and National Significance....	203,390	187,599	223,499	208,599	230,067	+26,677	+6,568	+21,468	D
Mental Health Performance Partnership............	420,000	420,000	440,000	420,000	433,000	+13,000	-7,000	+13,000	D
Children's Mental Health.........................	91,645	91,694	97,694	91,694	96,694	+5,049	-1,000	+5,000	D
Grants to States for the Homeless (PATH)..........	36,855	36,855	39,855	39,855	39,855	+3,000	---	---	D
Protection and Advocacy..........................	30,000	30,000	33,000	32,000	32,500	+2,500	-500	+500	D
Subtotal, Mental Health.........................	781,890	766,148	834,048	792,148	832,116	+50,226	-1,932	+39,968	
Substance Abuse Treatment:									
Programs of Regional and National Significance....	255,985	296,122	305,122	276,122	291,572	+35,587	-13,550	+15,450	D
Substance Abuse Performance Partnership...........	1,665,000	1,725,000	1,725,000	1,725,000	1,725,000	+60,000	---	---	D
Subtotal, Substance Abuse Treatment.............	1,920,985	2,021,122	2,030,122	2,001,122	2,016,572	+95,587	-13,550	+15,450	
Substance Abuse Prevention:									
Programs of Regional and National Significance....	174,919	175,013	187,215	199,013	198,140	+23,221	+10,925	-873	D
Program Management and Buildings and Facilities.......	85,630	67,173	80,173	96,173	91,451	+5,821	+11,278	-4,722	D
Evaluation Tap funding (NA).......................	---	(29,000)	---	---	---	---	---	---	NA
Total, Substance Abuse and Mental Health........	2,963,424	3,029,456	3,131,558	3,088,456	3,138,279	+174,855	+6,721	+49,823	
Evaluation Tap funding......................	(7,700)	(14,900)	(7,873)	---	---	(-7,700)	(-7,873)	---	NA

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
AGENCY FOR HEALTHCARE RESEARCH AND QUALITY									
Research on Health Costs, Quality, and Outcomes:									
Federal Funds	102,255	---	165,835	240,145	---	-102,255	-165,835	-240,145	D
Evaluation Tap funding (NA)	(124,130)	(255,145)	(89,310)	---	(247,645)	(+123,515)	(+158,335)	(+247,645)	NA
Portion for reducing medical errors (non-add)	(50,000)	(50,000)	(50,000)	(60,000)	(55,000)	(+5,000)	(+5,000)	(-5,000)	NA
Subtotal	(226,385)	(255,145)	(255,145)	(240,145)	(247,645)	(+21,260)	(-7,500)	(+7,500)	
Health insurance and expenditure surveys:									
Federal Funds	---	---	---	48,500	---	---	---	-48,500	D
Evaluation Tap funding (NA)	(40,850)	(48,500)	(48,500)	---	(48,500)	(+7,650)	---	(+48,500)	NA
Program Support	2,500	---	2,600	2,600	2,600	+100	---	---	D
Evaluation Tap funding (NA)	---	(2,600)	---	---	---	---	---	---	
Total, AHRQ	(269,735)	(303,645)	(306,245)	(291,245)	(298,745)	(+29,010)	(-7,500)	(+7,500)	
Federal Funds	104,755	---	168,435	291,245	2,600	-102,155	-165,835	-288,645	
Evaluation Tap funding (NA)	(164,980)	(303,645)	(137,810)	---	(296,145)	(+131,165)	(+158,335)	(+296,145)	
Total, Public Health Service	32,922,220	34,862,295	36,065,143	37,146,853	36,922,022	+3,999,802	+856,879	-224,831	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
CENTER FOR MEDICARE AND MEDICAID SERVICES									
GRANTS TO STATES FOR MEDICAID									
Medicaid current law benefits	122,488,800	134,308,100	134,308,100	134,308,100	134,308,100	+11,819,300	---	---	M
State and local administration	6,998,100	7,995,800	7,995,800	7,995,800	7,995,800	+997,700	---	---	M
Vaccines for Children	775,233	795,533	795,533	795,533	795,533	+20,300	---	---	M
Subtotal, Medicaid program level, current year	130,262,133	143,099,433	143,099,433	143,099,433	143,099,433	+12,837,300	---	---	
Less Medicare Transfer (P.L. 105-33)	-60,000	-70,000	-70,000	-70,000	-70,000	-10,000	---	---	M
Less funds advanced in prior year	-30,589,003	-36,207,551	-36,207,551	-36,207,551	-36,207,551	-5,618,548	---	---	M
Total, request, current year	99,613,130	106,821,882	106,821,882	106,821,882	106,821,882	+7,208,752	---	---	
New advance 1st quarter	36,207,551	46,601,937	46,601,937	46,601,937	46,601,937	+10,394,386	---	---	M
PAYMENTS TO HEALTH CARE TRUST FUNDS									
Supplemental medical insurance	69,777,000	81,332,000	81,332,000	81,332,000	81,332,000	+11,555,000	---	---	M
Hospital insurance for the uninsured	321,000	292,000	292,000	292,000	292,000	-29,000	---	---	M
Federal uninsured payment	132,000	150,000	150,000	150,000	150,000	+18,000	---	---	M
Program management	151,600	150,200	150,200	220,200	205,200	+53,600	+55,000	-15,000	M
Total, Payments to Trust Funds, current law	70,381,600	81,924,200	81,924,200	81,994,200	81,979,200	+11,597,600	+55,000	-15,000	
PROGRAM MANAGEMENT									
Research, demonstration, and evaluation: Regular Program	138,311	55,311	55,311	125,311	118,201	-20,110	+62,890	-7,110	TF
Medicare Contractors	1,304,436	1,470,000	1,470,000	1,495,000	1,482,500	+178,064	+12,500	-12,500	TF
User fee legislative proposal	---	(115,000)	---	---	---	---	---	---	NA
H.R. 3103 funding (NA)	(682,552)	(700,000)	(680,000)	(700,000)	(700,000)	(+17,448)	(+20,000)	---	NA
Medicare Plus Choice	52,000	52,000	52,000	52,000	52,000	---	---	---	TF
Subtotal, Contractors program level	(2,038,988)	(2,337,000)	(2,202,000)	(2,247,000)	(2,234,500)	(+195,512)	(+32,500)	(-12,500)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
State Survey and Certification	242,147	242,147	252,147	260,647	256,397	+14,250	+4,250	-4,250	TF
Federal Administration									
Federal Administration	506,778	533,818	533,818	533,818	533,818	+27,040	---	---	TF
User Fees	-2,074	-2,118	-2,118	-2,118	-2,118	-44	---	---	TF
Subtotal, Federal Administration	504,704	531,700	531,700	531,700	531,700	+26,996	---	---	
Total, Program management	2,241,598	2,351,158	2,361,158	2,464,658	2,440,798	+199,200	+79,640	-23,860	
Total, Program management, program level	(2,924,150)	(3,051,158)	(3,041,158)	(3,164,658)	(3,140,798)	(+216,648)	(+99,640)	(-23,860)	
Total, Center for Medicare & Medicaid Services	208,443,879	237,699,177	237,709,177	237,882,677	237,843,817	+29,399,938	+134,640	-38,860	
Federal funds	206,202,281	235,348,019	235,348,019	235,418,019	235,403,019	+29,200,738	+55,000	-15,000	
Current year	(169,994,730)	(188,746,082)	(188,746,082)	(188,816,082)	(188,801,082)	(+18,806,352)	(+55,000)	(-15,000)	
New advance, 1st quarter, FY03	(36,207,551)	(46,601,937)	(46,601,937)	(46,601,937)	(46,601,937)	(+10,394,386)	---	---	
Trust Funds	2,241,598	2,351,158	2,361,158	2,464,658	2,440,798	+199,200	+79,640	-23,860	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
ADMINISTRATION FOR CHILDREN AND FAMILIES									
FAMILY SUPPORT PAYMENTS TO STATES									
AFDC/JOBS Child Care (State Claims)	2,000	---	---	---	---	-2,000	---	---	M
Payments to territories	23,000	23,000	23,000	23,000	23,000	---	---	---	M
Emergency assistance	37,000	---	---	---	---	-37,000	---	---	M
State & Local Administrative Training	1,000	---	---	---	---	-1,000	---	---	M
Repatriation	1,000	1,000	1,000	1,000	1,000	---	---	---	M
Subtotal, Welfare payments	64,000	24,000	24,000	24,000	24,000	-40,000	---	---	
Child Support Enforcement:									
State and local administration	3,247,800	3,413,800	3,413,800	3,413,800	3,413,800	+166,000	---	---	M
Federal incentive payments	416,000	450,000	450,000	450,000	450,000	+34,000	---	---	M
Hold Harmless payments	10,000	10,000	10,000	10,000	10,000	---	---	---	M
Access and visitation	10,000	10,000	10,000	10,000	10,000	---	---	---	M
Subtotal, Child Support Enforcement	3,683,800	3,883,800	3,883,800	3,883,800	3,883,800	+200,000	---	---	
Total, Payments, current year program level	3,747,800	3,907,800	3,907,800	3,907,800	3,907,800	+160,000	---	---	
Less funds advanced in previous years	-650,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-350,000	---	---	M
Total, payments, current request	3,097,800	2,907,800	2,907,800	2,907,800	2,907,800	-190,000	---	---	
New advance, 1st quarter, FY03	1,000,000	1,100,000	1,100,000	1,100,000	1,100,000	+100,000	---	---	M

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM									
Advance from prior year (NA)	(1,100,000)	---	---	---	---	(-1,100,000)	---	---	NA
Current Year	300,000	1,400,000	1,700,000	1,700,000	1,700,000	+1,400,000	---	---	D
Current year program level	1,400,000	1,400,000	1,700,000	1,700,000	1,700,000	+300,000	---	---	
Emergency Allocation:									
Non-emergency funding	300,000	300,000	---	---	---	-300,000	---	---	D
Contingent emergency funding	300,000	---	300,000	300,000	300,000	---	---	---	D EMG
Subtotal	600,000	300,000	300,000	300,000	300,000	-300,000	---	---	
REFUGEE AND ENTRANT ASSISTANCE									
Transitional and Medical Services	225,105	237,291	237,291	227,291	227,291	+2,186	-10,000	---	D
Victims of Trafficking (1)	---	---	---	10,000	10,000	+10,000	+10,000	---	D
Social Services	143,621	143,621	158,621	143,621	158,600	+14,979	-21	+14,979	D
Preventive Health	4,835	4,835	4,835	4,835	4,835	---	---	---	D
Targeted Assistance	49,477	49,477	49,477	49,477	49,477	---	---	---	D
Victims of Torture	10,000	10,000	10,000	10,000	10,000	---	---	---	D
Total, Refugee and entrant assistance	433,038	445,224	460,224	445,224	460,203	+27,165	-21	+14,979	

(1) The House provided $10 million in Transitional and Medical Services.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
CHILD CARE AND DEVELOPMENT GRANT									
Advance funding from prior year (NA)	(1,182,672)	---	---	---	---	(-1,182,672)	---	---	NA
Current year request	817,196	1,799,987	2,199,987	2,000,000	2,099,994	+1,282,798	-99,993	+99,994	D
After school voucher program	---	400,000	DEFER	---	---	---	---	---	D
Current year program level	1,999,868	2,199,987	2,199,987	2,000,000	2,099,994	+100,126	-99,993	+99,994	
SOCIAL SERVICES BLOCK GRANT (TITLE XX)	1,725,000	1,700,000	1,700,000	1,700,000	1,700,000	-25,000	---	---	M
CHILDREN AND FAMILIES SERVICES PROGRAMS									
Programs for Children, Youth, and Families: Head Start, current funded	4,799,812	6,324,812	5,075,812	5,200,000	5,137,906	+338,094	+62,094	-62,094	D
Advance from prior year	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	---	---	---	NA
FY03	1,400,000	---	1,400,000	1,400,000	1,400,000	---	---	---	D
Subtotal, Head Start program level	6,199,812	6,324,812	6,475,812	6,600,000	6,537,906	+338,094	+62,094	-62,094	
Consolidated Runaway, Homeless Youth Prog	69,123	69,133	71,133	105,133	88,133	+19,010	+17,000	-17,000	D
Maternity Group Homes	---	33,000	DEFER	(33,000)	---	---	---	---	D
Child Abuse State Grants	21,026	21,026	23,000	21,026	22,013	+987	-987	+987	D
Child Abuse Discretionary Activities	33,204	17,978	19,978	33,717	26,178	-7,026	+6,200	-7,539	D
Abandoned Infants Assistance	12,182	12,205	12,205	12,205	12,205	+23	---	---	D
Child Welfare Services	291,986	291,986	291,986	291,986	291,986	---	---	---	D
Child Welfare Training	6,998	6,998	6,998	7,998	7,498	+500	+500	-500	D
Adoption Opportunities	27,379	27,405	27,405	27,405	27,405	+26	---	---	D
Adoption Incentive	20,000	20,000	20,000	20,000	20,000	---	---	---	D
Adoption Incentive (no cap adjustment)	22,994	23,000	23,000	23,000	23,000	+6	---	---	D
Adoption Awareness	9,900	9,906	9,906	12,906	12,906	+3,006	+3,000	---	D
Compassion Capital Fund	---	89,000	30,000	89,000	30,000	+30,000	---	-59,000	D
Promoting Responsible Fatherhood	---	64,000	DEFER	---	---	---	---	---	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
Social Services and Income Maintenance Research.......	38,096	6,426	27,000	27,426	31,250	-6,846	+4,250	+3,824	D
Community Based Resource Centers......................	32,834	32,834	34,000	32,834	33,417	+583	-583	+583	D
Developmental disabilities program:									
State Councils....................................	67,800	67,800	69,800	69,800	69,800	+2,000	---	---	D
Protection and Advocacy...........................	33,000	33,000	34,000	35,000	35,000	+2,000	+1,000	---	D
Developmental Disabilities Special Projects.......	10,915	10,734	10,734	11,734	11,734	+819	+1,000	---	D
Developmental Disabilities University Affiliated..	21,800	21,800	21,800	24,000	24,000	+2,200	+2,200	---	D
Subtotal, Developmental disabilities............	133,515	133,334	136,334	140,534	140,534	+7,019	+4,200	---	
Native American Programs..............................	45,989	44,396	44,396	45,996	45,946	-43	+1,550	-50	D
Community services:									
Grants to States for Community Services...........	599,991	599,991	620,000	675,000	650,000	+50,009	+30,000	-25,000	D
Community initiative program:									
Economic Development..........................	30,034	30,034	30,034	35,000	32,517	+2,483	+2,483	-2,483	D
Individual Development Account Initiative.....	24,891	24,990	24,990	24,990	24,990	+99	---	---	D
Rural Community Facilities....................	5,321	---	5,321	7,000	7,000	+1,679	+1,679	---	D
Subtotal, discretionary funds...............	60,246	55,024	60,345	66,990	64,507	+4,261	+4,162	-2,483	
National Youth Sports.............................	16,000	---	17,000	16,000	17,000	+1,000	---	+1,000	D
Community Food and Nutrition......................	6,314	---	6,000	7,314	7,314	+1,000	+1,314	---	D
Subtotal, Community services...................	682,551	655,015	703,345	765,304	738,821	+56,270	+35,476	-26,483	
Runaway Youth Prevention..............................	14,999	14,999	14,999	14,999	14,999	---	---	---	D
Domestic Violence Hotline.............................	2,157	2,157	2,157	2,157	2,157	---	---	---	D
Battered Women's Shelters.............................	116,899	116,918	126,918	122,000	124,459	+7,560	-2,459	+2,459	D
Early Learning Fund...................................	19,995	---	---	25,000	25,000	+5,005	+25,000	---	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Faith-Based Center	---	3,000	3,000	---	1,500	+1,500	-1,500	+1,500	D
Program Direction	163,846	171,870	171,870	171,870	171,870	+8,024	---	---	D
Total, Children and Families Services Programs	7,965,485	8,191,398	8,275,442	8,592,496	8,429,183	+463,698	+153,741	-163,313	
Current Year	(6,565,485)	(8,191,398)	(6,875,442)	(7,192,496)	(7,029,183)	(+463,698)	(+153,741)	(-163,313)	
FY03	(1,400,000)	---	(1,400,000)	(1,400,000)	(1,400,000)	---	---	---	
Rescission of permanent appropriations	-21,000	---	-21,000	-21,000	-21,000	---	---	---	D
PROMOTING SAFE AND STABLE FAMILIES	305,000	305,000	305,000	305,000	305,000	---	---	---	M
Legislative Proposal(1)	---	200,000	70,000	70,000	70,000	+70,000	---	---	D
MENTORING CHILDREN OF PRISONERS	---	67,000	DEFER	---	---	---	---	---	D
PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION									
Foster Care	5,063,500	5,055,500	5,055,500	5,055,100	5,055,500	-8,000	---	+400	M
Adoption Assistance	1,197,600	1,426,000	1,426,000	1,426,000	1,426,000	+228,400	---	---	M
Independent living	140,000	140,000	140,000	140,000	140,000	---	---	---	M
Independent living proposal	---	60,000	DEFER	---	---	---	---	---	M
Total, Payments, current year program level	6,401,100	6,681,500	6,621,500	6,621,100	6,621,500	+220,400	---	+400	
Less Advances from Prior Year	-1,538,000	-1,735,900	-1,735,900	-1,735,900	-1,735,900	-197,900	---	---	M
Total, payments, current request	4,863,100	4,945,600	4,885,600	4,885,200	4,885,600	+22,500	---	+400	
New Advance, 1st quarter	1,735,900	1,754,000	1,754,000	1,754,000	1,754,000	+18,100	---	---	M
Total, Administration for Children & Families	22,821,519	25,516,009	25,637,053	25,738,720	25,690,780	+2,869,261	+53,727	-47,940	
Current year	(18,685,619)	(22,662,009)	(21,383,053)	(21,484,720)	(21,436,780)	(+2,751,161)	(+53,727)	(-47,940)	
FY03	(4,135,900)	(2,854,000)	(4,254,000)	(4,254,000)	(4,254,000)	(+118,100)	---	---	

(1) Funds for this program were reclassified in the mid-session review as discretionary.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
ADMINISTRATION ON AGING									
Grants to States:									
Supportive Services and Centers	325,027	327,075	327,075	366,500	357,000	+31,973	+29,925	-9,500	D
Preventive Health	21,120	21,123	21,123	22,000	21,123	+3	---	-877	D
Title VII	14,181	14,181	14,181	18,181	17,681	+3,500	+3,500	-500	D
Family Caregivers	124,981	127,000	137,000	140,000	136,000	+11,019	-1,000	-4,000	D
Native American Caregivers support (1)	---	---	---	6,000	5,500	+5,500	+5,500	-500	D
Subtotal, caregivers	124,981	127,000	137,000	146,000	141,500	+16,519	+4,500	-4,500	
Nutrition:									
Congregate Meals	378,356	378,412	396,000	384,000	390,000	+11,644	-6,000	+6,000	D
Home Delivered Meals	151,978	158,000	176,000	177,000	176,500	+24,522	+500	-500	D
Grants to Indians	23,457	25,457	25,457	26,000	25,729	+2,272	+272	-271	D
Aging Research, Training and Special Projects	35,852	17,574	19,100	36,574	38,280	+2,428	+19,180	+1,706	D
Aging Network Support Activities	1,812	1,812	1,812	2,379	2,379	+567	+567	---	D
Alzheimer's Initiative	8,962	8,962	8,962	13,000	11,500	+2,538	+2,538	-1,500	D
Program Administration	17,216	18,122	18,122	18,122	18,122	+906	---	---	D
Total, Administration on Aging	1,102,942	1,097,718	1,144,832	1,209,756	1,199,814	+96,872	+54,982	-9,942	
OFFICE OF THE SECRETARY									
GENERAL DEPARTMENTAL MANAGEMENT:									
Federal Funds	133,709	145,532	137,547	157,807	140,497	+6,788	+2,950	-17,310	D
NAS study	500	---	---	1,000	500	---	+500	-500	D
Global HIV/AIDS Fund Transfer	---	5,000	---	---	---	---	---	---	D
Trust Funds	5,851	5,851	5,851	5,851	5,851	---	---	---	TF
1% Evaluation funds (ASPE) (NA)	(21,552)	(21,552)	(21,552)	---	(21,552)	---	---	(+21,552)	NA
Subtotal	(161,612)	(177,935)	(164,950)	(164,658)	(168,400)	(+6,788)	(+3,450)	(+3,742)	

(1) The House includes this in Family Caregivers.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Adolescent Family Life (Title XX)	24,327	27,862	27,862	30,000	28,931	+4,604	+1,069	-1,069	D
Physical Fitness and Sports	1,091	1,139	1,139	1,139	1,139	+48	---	---	D
Minority health	49,019	43,084	43,084	43,084	49,584	+565	+6,500	+6,500	D
Office of women's health	17,270	27,396	26,769	27,396	26,819	+9,549	+50	-577	D
U.S. Surgeon General initiative	400	400	400	1,000	1,000	+600	+600	---	D
Office of Emergency Preparedness	11,668	14,200	14,200	14,200	14,200	+2,532	---	---	D
Office of Human Research Protection	5,800	7,035	7,035	7,035	7,035	+1,235	---	---	D
Bioterrorism (PHSSEF) (1)	(60,030)	(63,700)	(68,700)	(68,700)	---	(-60,030)	(-68,700)	(-68,700)	NA
Discretionary	---	---	---	68,700	---	---	---	-68,700	D
Minority HIV/AIDS	50,000	50,000	50,000	50,000	50,000	---	---	---	D
IT Security and Innovation Fund	---	30,000	25,000	15,000	21,998	+21,998	-3,002	+6,998	D
Total, General Departmental Management	299,635	357,499	338,887	422,212	347,554	+47,919	+8,667	-74,658	
Federal Funds	293,784	351,648	333,036	416,361	341,703	+47,919	+8,667	-74,658	
Trust Funds	5,851	5,851	5,851	5,851	5,851	---	---	---	
OFFICE OF THE INSPECTOR GENERAL:									
Federal Funds	33,586	35,786	35,786	35,786	35,786	+2,200	---	---	D
HIPAA funding (NA)	(130,000)	(150,000)	(130,000)	(150,000)	(150,000)	(+20,000)	(+20,000)	---	NA
Total, Inspector General program level	(163,586)	(185,786)	(165,786)	(185,786)	(185,786)	(+22,200)	(+20,000)	---	
OFFICE FOR CIVIL RIGHTS:									
Federal Funds	24,669	28,691	28,691	28,691	28,691	+4,022	---	---	D
Trust Funds	3,314	3,314	3,314	3,314	3,314	---	---	---	TF
Total, Office for Civil Rights	27,983	32,005	32,005	32,005	32,005	+4,022	---	---	
POLICY RESEARCH	16,548	2,500	2,500	20,500	2,500	-14,048	---	-18,000	D

(1) The House provides funds in the Public Health and Social Service Emergency Fund. The Senate provided funds for this program as a Discretionary add-in.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS:									
Retirement payments	175,405	196,261	196,261	196,261	196,261	+20,856	---	---	M
Survivors benefits	12,204	12,856	12,856	12,856	12,856	+652	---	---	M
Dependents' medical care	30,811	32,167	32,167	32,167	32,167	+1,356	---	---	M
Military services credits	1,352	1,293	1,293	1,293	1,293	-59	---	---	M
Total, Retirement pay and medical benefits	219,772	242,577	242,577	242,577	242,577	+22,805	---	---	
PUBLIC HEALTH AND SOCIAL SERVICE EMERGENCY FUND	126,150	---	---	---	---	-126,150	---	---	D EMG
Public Health/Social Service Fund (1)	240,949	245,619	300,619	---	242,949	+2,000	-57,670	+242,949	D
Total, Office of the Secretary	964,623	915,986	952,374	753,080	903,371	-61,252	-49,003	+150,291	
Federal Funds	955,458	906,821	943,209	743,915	894,206	-61,252	-49,003	+150,291	
Trust Funds	9,165	9,165	9,165	9,165	9,165	---	---	---	
Total, Department of Health and Human Services	266,255,183	300,091,185	301,508,579	302,731,086	302,559,804	+36,304,621	+1,051,225	-171,282	
Federal Funds	264,004,420	297,730,862	299,138,256	300,257,263	300,109,841	+36,105,421	+971,585	-147,422	
Current year	(223,630,969)	(248,274,925)	(248,282,319)	(249,371,326)	(249,253,904)	(+25,622,935)	(+971,585)	(-117,422)	
FY03	(40,373,451)	(49,455,937)	(50,855,937)	(50,885,937)	(50,855,937)	(+10,482,486)	---	(-30,000)	
Trust Funds	2,250,763	2,360,323	2,370,323	2,473,823	2,449,963	+199,200	+79,640	-23,860	

(1) The funding for this program was transferred from the Office of the Secretary and CDC to the PHSSEF.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
TITLE III - DEPARTMENT OF EDUCATION									
EDUCATION REFORM									
Goals 2000: Educate America Act:									
State Grants forward funded	---	---	---	---	---	---	---	---	D FF
Parental Assistance	38,000	---	---	---	---	-38,000	---	---	D
Recognition and Reward	---	---	---	---	---	---	---	---	D
Subtotal, Goals 2000	38,000	---	---	---	---	-38,000	---	---	
Educational Technology: (1)									
Technology Literacy Challenge Fund	450,000	---	---	---	---	-450,000	---	---	D
Technology Innovation Challenge Fund	136,328	---	---	---	---	-136,328	---	---	D
Regional Technology in Education Consortia	10,000	---	---	---	---	-10,000	---	---	D
Subtotal	596,328	---	---	---	---	-596,328	---	---	
National Activities									
Technology Leadership Activities	2,000	---	---	---	---	-2,000	---	---	D
Teacher Training in Technology	125,000	---	---	---	---	-125,000	---	---	D
Community-Based Technology Centers	64,950	---	---	---	---	-64,950	---	---	D
Subtotal	191,950	---	---	---	---	-191,950	---	---	
Star Schools	59,318	---	---	---	---	-59,318	---	---	D
Ready to Learn Television	16,000	---	---	---	---	-16,000	---	---	D
Telcom Demo Project for Mathematics	8,500	---	---	---	---	-8,500	---	---	D
Subtotal, Educational technology	872,096	---	---	---	---	-872,096	---	---	
Total, Education Reform	910,096	---	---	---	---	-910,096	---	---	

(1) The budget request for $817,096,000 in education technology funding is displayed in the school improvement account.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
EDUCATION FOR THE DISADVANTAGED									
Grants to Local Education Agencies (LEAs):									
Basic Grants									
Advance from prior year	(5,046,366)	(5,394,300)	(5,394,300)	(5,394,300)	(5,394,300)	(+347,934)	---	---	NA
Forward funded	2,000,171	7,237,721	2,642,700	1,775,921	3,158,199	+1,158,028	+515,499	+1,382,278	D FF
Current funded	3,500	---	---	3,500	3,500	---	+3,500	---	D
Subtotal, Basic grants current year funding	2,003,671	7,237,721	2,642,700	1,779,421	3,161,699	+1,158,028	+518,999	+1,382,278	
Basic Grants FY03 Advance	5,394,300	---	5,394,300	5,393,269	4,011,272	-1,383,028	-1,383,028	-1,381,997	D
Subtotal, Basic grants, program level	7,397,971	7,237,721	8,037,000	7,172,690	7,172,971	-225,000	-864,029	+281	
Concentration Grants									
Advance from prior year	(1,158,397)	(1,364,000)	(1,364,000)	(1,364,000)	(1,364,000)	(+205,603)	---	---	NA
Forward funded	750	1,364,000	320,000	---	---	-750	-320,000	---	D FF
FY03	1,364,000	---	1,364,000	1,365,031	1,365,031	+1,031	+1,031	---	D
Targeted Grants	---	459,000	779,000	1,000,000	---	---	-779,000	-1,000,000	D FF
FY03	---	459,000	779,000	1,000,000	1,018,499	+1,018,499	+239,499	+18,499	D
Education Finance Incentive Grants	---	---	---	662,279	---	---	---	-662,279	D
FY03	---	---	---	662,279	793,499	+793,499	+793,499	+131,220	D
Subtotal, Grants to LEAs	8,762,721	9,519,721	11,279,000	11,862,279	10,350,000	+1,587,279	-929,000	-1,512,279	
Capital Expenses for Private School Children	6,000	---	---	---	---	-6,000	---	---	D FF
Even Start	250,000	250,000	260,000	200,000	250,000	---	-10,000	+50,000	D FF
Reading First:									
State Grants	---	900,000	900,000	705,000	705,000	+705,000	-195,000	---	D FF
Early Reading First	---	75,000	75,000	75,000	75,000	+75,000	---	---	D
FY03	---	---	---	195,000	195,000	+195,000	+195,000	---	D
Subtotal, reading first	---	975,000	975,000	975,000	975,000	+975,000	---	---	
Literacy through School Libraries	---	---	---	25,000	12,500	+12,500	+12,500	-12,500	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
State agency programs:									
Migrant	380,000	380,000	410,000	405,000	396,000	+16,000	-14,000	-9,000	D FF
Neglected and Delinquent/High Risk Youth	46,000	46,000	46,000	50,000	48,000	+2,000	+2,000	-2,000	D FF
Evaluation	8,900	8,900	8,900	8,900	8,900	---	---	---	D
Comprehensive School Reform Demonstration	210,000	260,000	310,000	---	235,000	+25,000	-75,000	+235,000	D FF
Total, ESEA	9,663,621	11,439,621	13,288,900	13,526,179	12,275,400	+2,611,779	-1,013,500	-1,250,779	
Migrant education:									
High School Equivalency Program	20,000	20,000	23,000	23,000	23,000	+3,000	---	---	D
College Assistance Migrant Program	10,000	10,000	15,000	15,000	15,000	+5,000	---	---	D
Subtotal, migrant education	30,000	30,000	38,000	38,000	38,000	+8,000	---	---	
Dropout Prevention Programs (1)	---	---	---	---	10,000	+10,000	+10,000	+10,000	D
Ellender Fellowships/Close Up	1,500	---	1,500	2,500	1,500	---	---	-1,000	D
Advanced Placement Fees	22,000	22,000	22,000	22,000	22,000	---	---	---	D
Total, Education for the disadvantaged	9,717,121	11,491,621	13,350,400	13,588,679	12,346,900	+2,629,779	-1,003,500	-1,241,779	
Current Year	(2,958,821)	(11,032,621)	(5,813,100)	(4,973,100)	(4,963,599)	(+2,004,778)	(-849,501)	(-9,501)	
FY03	(6,758,300)	(459,000)	(7,537,300)	(8,615,579)	(7,383,301)	(+625,001)	(-153,999)	(-1,232,278)	
Subtotal, forward funded	(2,892,921)	(10,896,721)	(5,667,700)	(4,135,921)	(4,792,199)	(+1,899,278)	(-875,501)	(+656,278)	
IMPACT AID									
Basic Support Payments	882,000	882,000	982,500	982,500	982,500	+100,500	---	---	D
Payments for Children with Disabilities	50,000	50,000	50,000	50,000	50,000	---	---	---	D
Facilities Maintenance (Sec. 8008)	8,000	8,000	8,000	8,000	8,000	---	---	---	D
Construction (Sec. 8007)	12,802	150,000	35,000	35,000	48,000	+35,198	+13,000	+13,000	D
Payments for Federal Property (Sec. 8002)	40,500	40,500	55,000	55,000	55,000	+14,500	---	---	D
Total, Impact aid	993,302	1,130,500	1,130,500	1,130,500	1,143,500	+150,198	+13,000	+13,000	

(1) Funded in FIE in FY01 & in Senate bill.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
SCHOOL IMPROVEMENT PROGRAMS									
State Grants for Improving Teacher Quality............	---	2,600,000	1,830,000	1,889,834	1,700,000	+1,700,000	-130,000	-189,834	D FF
Advance from prior year............................	---	---	---	(1,150,000)	(1,150,000)	(+1,150,000)	(+1,150,000)	---	NA
FY03..	---	---	1,345,000	1,150,000	1,150,000	+1,150,000	-195,000	---	D
Improving Teacher Quality, program level........	---	2,600,000	3,175,000	3,039,834	2,850,000	+2,850,000	-325,000	-189,834	
Mathematics and Science Partnerships..................	---	---	---	25,000	12,500	+12,500	+12,500	-12,500	D
Transition to Teaching/Troops to Teachers/National Act	---	30,000	50,000	95,000	88,000	+88,000	+38,000	-7,000	D
Eisenhower Professional Development...................	485,000	---	---	---	---	-485,000	---	---	D FF
National Programs.....................................	41,000	---	---	---	---	-41,000	---	---	D
Innovative Education (Education Block Grant)..........	100,000	---	100,000	125,000	100,000	---	---	-25,000	D FF
Advance from prior year............................	(285,000)	(285,000)	(285,000)	(285,000)	(285,000)	---	---	---	NA
FY03..	285,000	---	285,000	285,000	285,000	---	---	---	D
Education Block Grant, program level............	385,000	---	385,000	410,000	385,000	---	---	-25,000	
Class Size Reduction, current.........................	473,000	---	---	---	---	-473,000	---	---	D FF
Advance from prior year............................	(900,000)	(1,150,000)	(1,150,000)	---	---	(-900,000)	(-1,150,000)	---	NA
FY03..	1,150,000	---	---	---	---	-1,150,000	---	---	D
Class Size Reduction, program level............	1,623,000	---	---	---	---	-1,623,000	---	---	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
School Renovation Grants to States	1,200,000	---	---	925,000	---	-1,200,000	---	-925,000	D FF
Educational Technology State Grants (1)	---	817,096	1,000,000	712,146	700,500	+700,500	-299,500	-11,646	D
Ready to Learn (1)	---	---	16,000	24,000	22,000	+22,000	+6,000	-2,000	D
Ready to Teach (1) (2)	---	---	---	15,000	---	---	---	-15,000	D
21st Century Community Learning Centers (1)	845,614	845,614	1,000,000	1,000,000	1,000,000	+154,386	---	---	D
Small, Safe, and Successful High Schools (1) (2)	125,000	---	200,000	100,000	---	-125,000	-200,000	-100,000	D
Teacher Training in Technology	---	---	---	125,000	62,500	+62,500	+62,500	-62,500	D
Community-Based Technology Centers (2)	---	---	---	64,950	---	---	---	-64,950	D
Safe and Drug Free Schools:									
State Grants, current funded	109,250	547,612	197,250	114,250	142,017	+32,767	-55,233	+27,767	D FF
Advance from prior year	(330,000)	(330,000)	(330,000)	(330,000)	(330,000)	---	---	---	NA
FY03	330,000	---	330,000	330,000	330,000	---	---	---	D
State Grants, program level	439,250	547,612	527,250	444,250	472,017	+32,767	-55,233	+27,767	
National Programs	155,000	96,638	117,000	150,000	172,233	+17,233	+55,233	+22,233	D
Coordinator Initiative (3)	50,000	---	---	50,000	---	-50,000	---	-50,000	D
Subtotal, Safe and drug free schools	644,250	644,250	644,250	644,250	644,250	---	---	---	
Choice and Innovation State Grants	---	471,500	---	---	---	---	---	---	D
Improvement of Education Achievement:									
State Assessments/Enhanced Assessment Instruments.	---	320,000	400,000	320,000	387,000	+387,000	-13,000	+67,000	D FF
Reform and Innovation Fund	---	40,000	---	---	---	---	---	---	D
Subtotal, Improvement of Education Achievement..	---	360,000	400,000	320,000	387,000	+387,000	-13,000	+67,000	

(1) Funding for these activities was provided under the education reform acccount in FY 2001.

(2) Funding provided under FIE.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Inexpensive Book Distribution (RIF) (1)...............	23,000	---	23,000	25,000	---	-23,000	-23,000	-25,000	D
Enhanced Assessment Instruments........................	---	---	---	32,000	---	---	---	-32,000	D
Arts in Education (1)..................................	28,000	---	30,000	---	---	-28,000	-30,000	---	D
Other school improvement programs:									
Magnet Schools Assistance..........................	110,000	110,000	110,000	110,000	110,000	---	---	---	D
Education for Homeless Children & Youth (2).......	35,000	35,000	50,000	36,000	50,000	+15,000	---	+14,000	D FF
Women's Educational Equity (1)....................	3,000	---	3,000	---	---	-3,000	-3,000	---	D
Training and Advisory Services (Civil Rights).....	7,334	7,334	7,334	7,334	7,334	---	---	---	D
Education for Native Hawaiians....................	28,000	28,000	28,000	33,000	30,500	+2,500	+2,500	-2,500	D
Alaska Native Education Equity....................	15,000	15,000	15,000	33,000	24,000	+9,000	+9,000	-9,000	D
Rural Education...................................	---	---	200,000	---	162,500	+162,500	-37,500	+162,500	D FF
Character Education (1) (2).......................	---	---	25,000	---	---	---	-25,000	---	D
Mentoring Programs................................	---	---	30,000	5,000	17,500	+17,500	-12,500	+12,500	D
Elementary School Counseling (1) (3)..............	---	---	30,000	---	---	---	-30,000	---	D
Charter Schools Homestead Fund....................	---	175,000	---	50,000	---	---	---	-50,000	D
Charter Schools...................................	190,000	200,000	200,000	200,000	200,000	+10,000	---	---	D
Subtotal, other school improvement programs.....	388,334	570,334	698,334	474,334	601,834	+213,500	-96,500	+127,500	

(1) Funding provided under FIE.

(2) Senate bill provided funding for this program in the Education for Disadvantaged account.

(3) The budget request included $25 million for Character Education under the Reform and Innovation Fund.

(4) $30 million was provided in the Fund for the Improvement of Education account in FY2001 for this activity.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Comprehensive Regional Assistance Centers (1).........	28,000	28,000	28,000	28,000	---	-28,000	-28,000	-28,000	D
Fund for the Improvement of Education (FIE) (2).......	338,781	---	---	305,000	622,809	+284,028	+622,809	+317,809	D
Fund for the Improvement of Educ (FIE), forward funded	---	---	---	---	210,080	+210,080	+210,080	+210,080	D FF
Parental Assistance (3)...............................	---	---	---	45,000	---	---	---	-45,000	D
Community Service for Expelled or Suspended Students..	---	---	---	50,000	50,000	+50,000	+50,000	---	D FF
Public School Choice..................................	---	---	---	50,000	25,000	+25,000	+25,000	-25,000	D
Alcohol Abuse Reduction...............................	---	---	---	25,000	25,000	+25,000	+25,000	---	D
Small Rural Schools Achievement.......................	---	---	---	62,500	---	---	---	-62,500	D
Low-Income and Rural Schools..........................	---	---	---	62,500	---	---	---	-62,500	D
Carol M. White Physical Education for Progress (3)....	---	---	---	50,000	---	---	---	-50,000	D
American History (4)..................................	---	---	---	---	100,000	+100,000	+100,000	+100,000	D
Cooperative Education Exchanges.......................	10,000	---	---	12,000	11,500	+1,500	+11,500	-500	D
Civic Education.......................................	12,000	---	12,000	15,000	15,500	+3,500	+3,500	+500	D
National Writing Project..............................	10,000	---	12,000	15,000	14,000	+4,000	+2,000	-1,000	D
Total, School improvement programs..............	6,186,979	6,366,794	7,673,584	8,751,514	7,827,473	+1,640,494	+153,889	-924,041	
Current Year..................................	(4,421,979)	(6,366,794)	(5,713,584)	(6,986,514)	(6,062,473)	(+1,640,494)	(+348,889)	(-924,041)	
FY03..	(1,765,000)	---	(1,960,000)	(1,765,000)	(1,765,000)	---	(-195,000)	---	
Subtotal, forward funded........................	(2,402,250)	(3,502,612)	(2,777,250)	(3,460,084)	(2,801,597)	(+399,347)	(+24,347)	(-658,487)	

(1) Funding provided under multi-year grants in Education Research.

(2) Called Local Innovations for Education (LIFE) in Senate bill.

(3) Funding provided under FIE.

(4) Funded in FIE in FY01 & in Senate bill.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
READING EXCELLENCE									
Reading Excellence Act	91,000	---	---	---	---	-91,000	---	---	D
Advance from prior year	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	---	---	---	NA
FY03	195,000	---	---	---	---	-195,000	---	---	D
Reading Excellence, program level	286,000	---	---	---	---	-286,000	---	---	
INDIAN EDUCATION									
Grants to Local Educational Agencies	92,765	92,765	100,000	94,265	97,133	+4,368	-2,867	+2,868	D
Federal Programs									
Special Programs for Indian Children	20,000	20,000	20,000	20,000	20,000	---	---	---	D
National Activities	2,735	3,235	3,235	2,735	3,235	+500	---	+500	D
Subtotal	22,735	23,235	23,235	22,735	23,235	+500	---	+500	
Total, Indian Education	115,500	116,000	123,235	117,000	120,368	+4,868	-2,867	+3,368	
BILINGUAL AND IMMIGRANT EDUCATION									
Bilingual and Immigrant Education State Grants	---	460,000	700,000	600,000	665,000	+665,000	-35,000	+65,000	D
Bilingual education:									
Instructional Services	180,000	---	---	---	---	-180,000	---	---	D
Support Services	16,000	---	---	---	---	-16,000	---	---	D
Professional Development	100,000	---	---	---	---	-100,000	---	---	D
Immigrant Education	150,000	---	---	---	---	-150,000	---	---	D
Foreign Language Assistance (1)	14,000	---	---	16,000	---	-14,000	---	-16,000	D
Total, Bilingual and Immigrant Education	460,000	460,000	700,000	616,000	665,000	+205,000	-35,000	+49,000	

(1) Funding provided under FIE.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
SPECIAL EDUCATION									
State grants:									
Grants to States Part B advance funded	5,072,000	---	5,072,000	5,072,000	5,072,000	---	---	---	D
Part B advance from prior year	(3,742,000)	(5,072,000)	(5,072,000)	(5,072,000)	(5,072,000)	(+1,330,000)	---	---	NA
Grants to States Part B current year	1,267,685	7,339,685	2,642,685	2,267,685	2,456,533	+1,188,848	-186,152	+188,848	D FF
Grants to States, program level	6,339,685	7,339,685	7,714,685	7,339,685	7,528,533	+1,188,848	-186,152	+188,848	
Preschool Grants	390,000	390,000	390,000	390,000	390,000	---	---	---	D FF
Grants for Infants and Families	383,567	383,567	430,000	383,567	417,000	+33,433	-13,000	+33,433	D FF
Subtotal, State grants program level	7,113,252	8,113,252	8,534,685	8,113,252	8,335,533	+1,222,281	-199,152	+222,281	
IDEA National Acitivities (current funded):									
State Program Improvement Grants	49,200	49,200	54,200	49,200	51,700	+2,500	-2,500	+2,500	D FF
Research and Innovation	77,353	70,000	70,000	70,000	78,380	+1,027	+8,380	+8,380	D
Technical Assistance and Dissemination	53,481	53,481	53,481	53,481	53,481	---	---	---	D
Personnel Preparation	81,952	81,952	90,000	90,000	90,000	+8,048	---	---	D
Parent Information Centers	26,000	26,000	26,000	26,000	26,000	---	---	---	D
Technology and Media Services	37,210	31,710	31,710	36,210	36,210	-1,000	+4,500	---	D
Public Telecom Info/Training Dissemination	1,500	---	---	1,500	1,500	---	+1,500	---	D
Subtotal, IDEA special programs	326,696	312,343	325,391	326,391	337,271	+10,575	+11,880	+10,880	
Total, Special education	7,439,948	8,425,595	8,860,076	8,439,643	8,672,804	+1,232,856	-187,272	+233,161	
Current Year	(2,367,948)	(8,425,595)	(3,788,076)	(3,367,643)	(3,600,804)	(+1,232,856)	(-187,272)	(+233,161)	
FY03	(5,072,000)	---	(5,072,000)	(5,072,000)	(5,072,000)	---	---	---	
Subtotal, Forward funded	(2,090,452)	(8,162,452)	(3,516,885)	(3,090,452)	(3,315,233)	(+1,224,781)	(-201,652)	(+224,781)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
REHABILITATION SERVICES AND DISABILITY RESEARCH									
Vocational Rehabilitation State Grants	2,399,790	2,481,383	2,481,383	2,481,383	2,481,383	+81,593	---	---	M
Client Assistance State grants	11,647	11,647	11,647	12,147	11,897	+250	+250	-250	D
Training	39,629	39,629	39,629	39,629	39,629	---	---	---	D
Demonstration and training programs	21,092	16,492	16,492	16,492	21,238	+146	+4,746	+4,746	D
Migrant and seasonal farmworkers	2,350	2,350	2,350	2,350	2,350	---	---	---	D
Recreational programs	2,596	2,596	2,596	2,596	2,596	---	---	---	D
Protection and advocacy of individual rights (PAIR)	14,000	14,000	16,000	14,000	15,200	+1,200	-800	+1,200	D
Projects with industry	22,071	22,071	22,071	22,071	22,071	---	---	---	D
Supported employment State grants	38,152	38,152	38,152	38,152	38,152	---	---	---	D
Independent living:									
State grants	22,296	22,296	22,296	22,296	22,296	---	---	---	D
Centers	58,000	58,000	63,000	60,000	62,500	+4,500	-500	+2,500	D
Services for older blind individuals	20,000	20,000	25,000	20,000	25,000	+5,000	---	+5,000	D
Subtotal, Independent living	100,296	100,296	110,296	102,296	109,796	+9,500	-500	+7,500	
Program Improvement	1,900	900	900	900	900	-1,000	---	---	D
Evaluation	1,587	1,000	1,000	1,000	1,000	-587	---	---	D
Helen Keller National Center for Deaf/Blind	8,717	8,717	8,717	8,717	8,717	---	---	---	D
National Institute for Disability and Rehabilitation Research (NIDRR)	100,400	110,000	110,000	110,000	110,000	+9,600	---	---	D
Assistive Technology	41,112	60,884	60,884	60,884	60,884	+19,772	---	---	D
Access to Telework Fund	---	20,000	20,000	20,000	20,000	+20,000	---	---	D
Subtotal, discretionary programs	405,549	448,734	460,734	451,234	464,430	+58,881	+3,696	+13,196	
Total, Rehabilitation services	2,805,339	2,930,117	2,942,117	2,932,617	2,945,813	+140,474	+3,696	+13,196	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES									
AMERICAN PRINTING HOUSE FOR THE BLIND	12,000	12,000	13,000	14,000	14,000	+2,000	+1,000	---	D
NATIONAL TECHNICAL INSTITUTE FOR THE DEAF									
Operations	48,000	48,000	50,000	49,600	50,000	+2,000	---	+400	D
Construction	5,376	4,570	5,376	5,376	5,376	---	---	---	D
Total	53,376	52,570	55,376	54,976	55,376	+2,000	---	+400	
GALLAUDET UNIVERSITY									
Operations	89,400	89,400	95,600	97,000	96,938	+7,538	+1,338	-62	D
Total, Special institutions	154,776	153,970	163,976	165,976	166,314	+11,538	+2,338	+338	
VOCATIONAL AND ADULT EDUCATION									
Vocational education:									
Basic State Grants, current funded	309,000	1,100,000	441,250	309,000	389,000	+80,000	-52,250	+80,000	D FF
Advance from prior year	(791,000)	(791,000)	(791,000)	(791,000)	(791,000)	---	---	---	NA
FY03	791,000	---	808,750	791,000	791,000	---	-17,750	---	D
Basic State Grants, program level	1,100,000	1,100,000	1,250,000	1,100,000	1,180,000	+80,000	-70,000	+80,000	
Tech-Prep Education	106,000	106,000	110,000	106,000	108,000	+2,000	-2,000	+2,000	D FF
Tribally Controlled Postsecondary Vocational Institutions	5,600	5,600	6,000	7,000	6,500	+900	+500	-500	D
National Programs	17,500	12,000	12,000	12,000	12,000	-5,500	---	---	D FF
Tech-Prep Education Demonstration	5,000	---	---	5,000	5,000	---	+5,000	---	D FF
Occupational and Employment Information Program	9,000	---	---	10,000	9,500	+500	+9,500	-500	D FF
Subtotal, Vocational education	1,243,100	1,223,600	1,378,000	1,240,000	1,321,000	+77,900	-57,000	+81,000	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Adult education:									
State Grants, current funded	540,000	540,000	595,000	540,000	575,000	+35,000	-20,000	+35,000	D FF
National programs:									
National Leadership Activities	14,000	9,500	9,500	9,500	9,500	-4,500	---	---	D FF
National Institute for Literacy	6,500	6,560	6,560	6,560	6,560	+60	---	---	D FF
Subtotal, National programs	20,500	16,060	16,060	16,060	16,060	-4,440	---	---	
Subtotal, Adult education	560,500	556,060	611,060	556,060	591,060	+30,560	-20,000	+35,000	
State Grants for Incarcerated Youth Offenders	22,000	22,000	17,000	22,000	22,000	---	+5,000	---	D FF
Total, Vocational and adult education	1,825,600	1,801,660	2,006,060	1,818,060	1,934,060	+108,460	-72,000	+116,000	
Current Year	(1,034,600)	(1,801,660)	(1,197,310)	(1,027,060)	(1,143,060)	(+108,460)	(-54,250)	(+116,000)	
FY03	(791,000)	---	(808,750)	(791,000)	(791,000)	---	(-17,750)	---	
Subtotal, forward funded	(1,029,000)	(1,796,060)	(1,191,310)	(1,020,060)	(1,136,560)	(+107,560)	(-54,750)	(+116,500)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
STUDENT FINANCIAL ASSISTANCE									
Pell Grants -- maximum grant (NA)	(3,750)	(3,850)	(4,000)	(4,000)	(4,000)	(+250)	---	---	NA
Pell Grants -- Regular Program	8,756,000	9,756,000	10,458,100	10,314,000	10,314,000	+1,558,000	-144,100	---	D
Federal Supplemental Educational Opportunity Grants	691,000	691,000	725,000	713,100	725,000	+34,000	---	+11,900	D
Federal Work Study	1,011,000	1,011,000	1,011,000	1,011,000	1,011,000	---	---	---	D
Federal Perkins loans:									
Capital Contributions	100,000	100,000	100,000	100,000	100,000	---	---	---	D
Loan Cancellations	60,000	60,000	60,000	75,000	67,500	+7,500	+7,500	-7,500	D
Subtotal, Federal Perkins loans	160,000	160,000	160,000	175,000	167,500	+7,500	+7,500	-7,500	
LEAP program	55,000	55,000	55,000	70,000	67,000	+12,000	+12,000	-3,000	D
Loan Forgiveness for Child Care	1,000	1,000	1,000	1,000	1,000	---	---	---	D
Total, Student financial assistance	10,674,000	11,674,000	12,410,100	12,284,100	12,285,500	+1,611,500	-124,600	+1,400	
FEDERAL FAMILY EDUCATION LOAN PROGRAM									
Federal Administration	48,000	49,636	49,636	49,636	49,636	+1,636	---	---	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
HIGHER EDUCATION									
Aid for institutional development:									
Strengthening Institutions	73,000	73,000	73,000	74,250	73,625	+625	+625	-625	D
Hispanic Serving Institutions	68,500	72,500	81,500	77,750	86,000	+17,500	+4,500	+8,250	D
Strengthening Historically Black Colleges (HBCUs)	185,000	197,000	215,000	197,000	206,000	+21,000	-9,000	+9,000	D
Strengthening historically black graduate insts	45,000	48,000	50,000	48,000	49,000	+4,000	-1,000	+1,000	D
Strengthening Alaska / Native Hawaiian Instit	6,000	6,000	6,000	7,000	6,500	+500	+500	-500	D
Strengthening Tribal Colleges	15,000	15,000	17,000	18,000	17,500	+2,500	+500	-500	D
Subtotal, Institutional development	392,500	411,500	442,500	422,000	438,625	+46,125	-3,875	+16,625	
Program development:									
Fund for the Improvement of Postsec. Ed. (FIPSE)	146,687	51,200	52,400	51,200	180,922	+34,235	+128,522	+129,722	D
Minority Science and Engineering Improvement	8,500	8,500	8,500	8,500	8,500	---	---	---	D
International education and foreign language:									
Domestic Programs	67,000	67,000	80,000	67,000	85,200	+18,200	+5,200	+18,200	D
Overseas Programs	10,000	10,000	11,500	10,000	11,800	+1,800	+300	+1,800	D
Institute for International Public Policy	1,022	1,022	1,500	1,022	1,500	+478	---	+478	D
Subtotal, International education	78,022	78,022	93,000	78,022	98,500	+20,478	+5,500	+20,478	
Interest Subsidy Grants	10,000	5,000	5,000	5,000	5,000	-5,000	---	---	D
Federal TRIO Programs	730,000	780,000	800,000	805,000	802,500	+72,500	+2,500	-2,500	D
GEAR UP	295,000	227,000	285,000	285,000	285,000	-10,000	---	---	D
Byrd Honors Scholarships	41,001	41,001	41,001	41,001	41,001	---	---	---	D
Javits Fellowships	10,000	10,000	10,000	10,000	10,000	---	---	---	D
Graduate Assistance in Areas of National Need	31,000	31,000	31,000	31,000	31,000	---	---	---	D
Learning Anytime Anywhere Partnerships	30,000	---	---	---	---	-30,000	---	---	D
Teacher Quality Enhancement Grants	98,000	54,000	100,000	54,000	90,000	-8,000	-10,000	+36,000	D
Child Care Access Means Parents in School	25,000	25,000	25,000	25,000	25,000	---	---	---	D
Demonstration in Disabilities / Higher Education	6,000	---	6,000	7,000	7,000	+1,000	+1,000	---	D
Underground Railroad Program	1,750	---	1,750	2,000	2,000	+250	+250	---	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
WEB Based Education Commission	250	---	---	---	---	-250	---	---	D
GPRA data/HEA program evaluation	3,000	1,000	1,000	1,500	1,000	-2,000	---	-500	D
Thurgood Marshall Scholarships	4,000	---	5,000	---	4,000	---	-1,000	+4,000	D
B.J. Stupak Olympic Scholarships	1,000	---	1,000	---	1,000	---	---	+1,000	D
Total, Higher education	1,911,710	1,723,223	1,908,151	1,826,223	2,031,048	+119,338	+122,897	+204,825	
HOWARD UNIVERSITY									
Academic Program	198,500	198,500	208,500	198,500	203,500	+5,000	-5,000	+5,000	D
Endowment Program	3,600	3,600	3,600	3,600	3,600	---	---	---	D
Howard University Hospital	30,374	30,374	30,374	30,374	30,374	---	---	---	D
Total, Howard University	232,474	232,474	242,474	232,474	237,474	+5,000	-5,000	+5,000	
COLLEGE HOUSING & ACADEMIC FACILITIES LOANS PROGRAM: Federal Administration	762	762	762	762	762	---	---	---	D
HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING, PROGRAM ACCOUNT									
Federal Administration	208	208	208	208	208	---	---	---	D

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT									
Research and statistics:									
Research	120,567	123,067	147,567	120,567	121,817	+1,250	-25,750	+1,250	D
Regional Educational Laboratories	65,000	65,000	70,000	65,000	67,500	+2,500	-2,500	+2,500	D
Statistics	80,000	85,000	85,000	80,000	85,000	+5,000	---	+5,000	D
Assessment:									
National Assessment	36,000	105,000	107,500	105,000	107,500	+71,500	---	+2,500	D
National Assessment Governing Board	4,000	4,053	4,053	4,000	4,053	+53	---	+53	D
Subtotal, Assessment	40,000	109,053	111,553	109,000	111,553	+71,553	---	+2,553	
Subtotal, Research and statistics	305,567	382,120	414,120	374,567	385,870	+80,303	-28,250	+11,303	
Fund for the Improvement of Education (1)	---	---	---	---	---	---	---	---	D
Multi-year Grants and Contracts (2)	---	---	---	---	58,000	+58,000	+58,000	+58,000	D
Eisenhower Professional Dvp. Federal Activities	23,300	---	---	---	---	-23,300	---	---	D
Eisenhower Regional Math & Science Ed. Consortia	15,000	---	---	---	---	-15,000	---	---	D
Javits Gifted and Talented Education (3)	7,500	---	7,500	15,000	---	-7,500	-7,500	-15,000	D
Total, ERSI	351,367	382,120	421,620	389,567	443,870	+92,503	+22,250	+54,303	

(1) Moved to the School Improvement Account in conf.

(2) Funded in other areas in FY01.

(3) Funding provided under FIE.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
DEPARTMENTAL MANAGEMENT									
PROGRAM ADMINISTRATION	412,196	424,212	427,212	424,212	424,212	+12,016	-3,000	---	D
OFFICE FOR CIVIL RIGHTS	75,822	79,934	79,934	79,934	79,934	+4,112	---	---	D
OFFICE OF THE INSPECTOR GENERAL	36,411	38,720	38,720	38,720	38,720	+2,309	---	---	D
Total, Departmental management	524,429	542,866	545,866	542,866	542,866	+18,437	-3,000	---	
Total, Department of Education	44,637,611	47,481,546	52,528,765	52,885,825	51,413,596	+6,775,985	-1,115,169	-1,472,229	
Current Year	(30,056,311)	(47,022,546)	(37,150,715)	(36,642,246)	(36,402,295)	(+6,345,984)	(-748,420)	(-239,951)	
FY03	(14,581,300)	(459,000)	(15,378,050)	(16,243,579)	(15,011,301)	(+430,001)	(-366,749)	(-1,232,278)	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
TITLE IV - RELATED AGENCIES									
ARMED FORCES RETIREMENT HOME									
Operations and Maintenance	60,000	61,628	61,628	61,628	61,628	+1,628	---	---	D
Capital Program	9,832	9,812	9,812	9,812	9,812	-20	---	---	D
Total, AFRH	69,832	71,440	71,440	71,440	71,440	+1,608	---	---	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (1)									
Domestic Volunteer Service Programs:									
Volunteers in Service to America (VISTA)	83,074	82,074	83,074	86,500	85,287	+2,213	+2,213	-1,213	D
Volunteers in Homeland Security	---	---	---	---	5,000	+5,000	+5,000	+5,000	D
National Senior Volunteer Corps:									
Foster Grandparents Program	98,868	102,868	109,468	102,868	106,700	+7,832	-2,768	+3,832	D
Senior Companion Program	40,395	44,395	44,395	44,395	44,395	+4,000	---	---	D
Retired Senior Volunteer Program	48,884	54,884	54,884	54,884	54,884	+6,000	---	---	D
Senior Demonstration Program	400	400	400	400	400	---	---	---	D
Subtotal, Senior Volunteers	188,547	202,547	209,147	202,547	206,379	+17,832	-2,768	+3,832	
Program Administration	32,229	32,229	32,229	32,229	32,229	---	---	---	D
Total, Domestic Volunteer Service Programs	303,850	316,850	324,450	321,276	328,895	+25,045	+4,445	+7,619	

(1) Appropriations for Americorps are provided in the VA-HUD bill.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
CORPORATION FOR PUBLIC BROADCASTING:									
FY04 (current request) with FY03 comparable.......	365,000	---	365,000	395,000	380,000	+15,000	+15,000	-15,000	D
FY03 advance with FY02 comparable (NA)............	(350,000)	(365,000)	(365,000)	(365,000)	(365,000)	(+15,000)	---	---	NA
FY02 advance with FY01 comparable (NA)............	(340,000)	(350,000)	(350,000)	(350,000)	(350,000)	(+10,000)	---	---	NA
Digitalization program (1)........................	20,000	20,000	25,000	25,000	25,000	+5,000	---	---	D
Subtotal, FY02 appropriation....................	(360,000)	(370,000)	(375,000)	(375,000)	(375,000)	(+15,000)	---	---	
FEDERAL MEDIATION AND CONCILIATION SERVICE...........	38,200	39,482	39,482	40,482	39,982	+1,782	+500	-500	D
FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION......	6,320	6,939	6,939	6,939	6,939	+619	---	---	D
INSTITUTE OF MUSEUM AND LIBRARY SERVICES.............	207,469	168,078	168,078	168,078	197,602	-9,867	+29,524	+29,524	D
MEDICARE PAYMENT ADVISORY COMMISSION.................	8,000	8,000	8,000	8,500	8,250	+250	+250	-250	TF
NATIONAL COMMISSION ON LIBRARIES AND INFO SCIENCE.....	1,495	---	1,000	1,495	1,000	-495	---	-495	D
NATIONAL COUNCIL ON DISABILITY.......................	2,615	2,830	2,830	2,830	2,830	+215	---	---	D
NATIONAL EDUCATION GOALS PANEL.......................	1,500	2,000	---	2,000	400	-1,100	+400	-1,600	D
NATIONAL LABOR RELATIONS BOARD.......................	216,438	221,438	221,438	226,438	226,438	+10,000	+5,000	---	D
NATIONAL MEDIATION BOARD.............................	10,400	10,635	10,635	10,635	10,635	+235	---	---	D
OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION......	8,720	8,964	8,964	8,964	8,964	+244	---	---	D

(1) Current funded.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand Disc
						FY 2001	House	Senate	
RAILROAD RETIREMENT BOARD									
Dual Benefits Payments Account........................	160,000	146,000	146,000	146,000	146,000	-14,000	---	---	D
Less Income Tax Receipts on Dual Benefits.............	-10,000	-9,000	-9,000	-9,000	-9,000	+1,000	---	---	D
Subtotal, Dual Benefits..........................	150,000	137,000	137,000	137,000	137,000	-13,000	---	---	
Federal Payment to the RR Retirement Account..........	150	150	150	150	150	---	---	---	M
Limitation on administration..........................	95,000	97,700	97,700	97,700	97,700	+2,700	---	---	TF
Inspector General..................................	5,700	6,480	6,042	6,480	6,261	+561	+219	-219	TF
SOCIAL SECURITY ADMINISTRATION									
Payments to Social Security Trust Funds...............	20,400	434,400	434,400	434,400	434,400	+414,000	---	---	M
SPECIAL BENEFITS FOR DISABLED COAL MINERS									
Benefit payments......................................	484,078	440,931	440,931	440,931	440,931	-43,147	---	---	M
Administration..	5,670	5,909	5,909	5,909	5,909	+239	---	---	M
Subtotal, Black Lung, current year program level	489,748	446,840	446,840	446,840	446,840	-42,908	---	---	
Less funds advanced in prior year.............	-124,000	-114,000	-114,000	-114,000	-114,000	+10,000	---	---	M
Total, Black Lung, current request..........	365,748	332,840	332,840	332,840	332,840	-32,908	---	---	
New advances, 1st quarter FY03..............	114,000	108,000	108,000	108,000	108,000	-6,000	---	---	M

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs			Mand
						FY 2001	House	Senate	Disc
SUPPLEMENTAL SECURITY INCOME									
Federal benefit payments	30,483,000	29,046,000	29,046,000	29,046,000	29,046,000	-1,437,000	---	---	M
Beneficiary services	71,000	37,412	37,412	37,412	37,412	-33,588	---	---	M
Research and demonstration	30,000	30,000	30,000	37,000	37,000	+7,000	+7,000	---	M
Administration	2,349,000	2,627,000	2,627,000	2,627,000	2,627,000	+278,000	---	---	D
Subtotal, SSI current year program level	32,933,000	31,740,412	31,740,412	31,747,412	31,747,412	-1,185,588	+7,000	---	
Less funds advanced in prior year	-9,890,000	-10,470,000	-10,470,000	-10,470,000	-10,470,000	-580,000	---	---	M
Subtotal, regular SSI current year (2001/2002)	23,043,000	21,270,412	21,270,412	21,277,412	21,277,412	-1,765,588	+7,000	---	
Additional CDR funding (1)	210,000	200,000	200,000	200,000	200,000	-10,000	---	---	D
User Fee Activities	91,000	100,000	100,000	100,000	100,000	+9,000	---	---	D
Total, SSI, current request	23,344,000	21,570,412	21,570,412	21,577,412	21,577,412	-1,766,588	+7,000	---	
New advance, 1st quarter, FY03	10,470,000	10,790,000	10,790,000	10,790,000	10,790,000	+320,000	---	---	M

(1) Two year availability.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
LIMITATION ON ADMINISTRATIVE EXPENSES									
OASDI Trust Funds	3,138,200	3,212,200	3,212,200	3,212,200	3,212,200	+74,000	---	---	TF
HI/SMI Trust Funds	1,094,000	1,194,000	1,194,000	1,194,000	1,194,000	+100,000	---	---	TF
Social Security Advisory Board	1,800	1,800	1,800	1,800	1,800	---	---	---	TF
SSI	2,349,000	2,627,000	2,627,000	2,627,000	2,627,000	+278,000	---	---	TF
Subtotal, regular LAE	6,583,000	7,035,000	7,035,000	7,035,000	7,035,000	+452,000	---	---	
User Fee Activities (SSI)	91,000	100,000	100,000	100,000	100,000	+9,000	---	---	TF
TOTAL, REGULAR LAE	6,674,000	7,135,000	7,135,000	7,135,000	7,135,000	+461,000	---	---	
Additional CDR funding (1)									
OASDI	240,000	233,000	233,000	233,000	233,000	-7,000	---	---	TF
SSI	210,000	200,000	200,000	200,000	200,000	-10,000	---	---	TF
Subtotal, CDR funding	450,000	433,000	433,000	433,000	433,000	-17,000	---	---	
TOTAL, LAE	7,124,000	7,568,000	7,568,000	7,568,000	7,568,000	+444,000	---	---	

(1) Two year availability.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
OFFICE OF INSPECTOR GENERAL									
Federal Funds	16,944	19,000	19,000	19,000	19,000	+2,056	---	---	D
Trust Funds	52,500	56,000	56,000	56,000	56,000	+3,500	---	---	TF
Total, Office of the Inspector General	69,444	75,000	75,000	75,000	75,000	+5,556	---	---	
Adjustment: Trust fund transfers from general revenues	-2,650,000	-2,927,000	-2,927,000	-2,927,000	-2,927,000	-277,000	---	---	TF
Total, Social Security Administration	38,857,592	37,951,652	37,951,652	37,958,652	37,958,652	-898,940	+7,000	---	
Federal funds	34,331,092	33,254,652	33,254,652	33,261,652	33,261,652	-1,069,440	+7,000	---	
Current year	(23,747,092)	(22,356,652)	(22,356,652)	(22,363,652)	(22,363,652)	(-1,383,440)	(+7,000)	---	
New advances, 1st quarter	(10,584,000)	(10,898,000)	(10,898,000)	(10,898,000)	(10,898,000)	(+314,000)	---	---	
Trust funds	4,526,500	4,697,000	4,697,000	4,697,000	4,697,000	+170,500	---	---	
UNITED STATES INSTITUTE OF PEACE	15,000	15,207	15,000	15,207	15,104	+104	+104	-103	D
Total, Title IV, Related Agencies	40,383,281	39,084,845	39,460,800	39,504,266	39,523,242	-860,039	+62,442	+18,976	
Federal Funds	35,748,081	34,275,665	34,652,058	34,694,586	34,714,031	-1,034,050	+61,973	+19,445	
Current Year	(24,799,081)	(23,377,665)	(23,389,058)	(23,401,586)	(23,436,031)	(-1,363,050)	(+46,973)	(+34,445)	
FY03	(10,584,000)	(10,898,000)	(10,898,000)	(10,898,000)	(10,898,000)	(+314,000)	---	---	
FY04	(365,000)	---	(365,000)	(395,000)	(380,000)	(+15,000)	(+15,000)	(-15,000)	
Trust Funds	4,635,200	4,809,180	4,808,742	4,809,680	4,809,211	+174,011	+469	-469	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
SUMMARY									
Grand bill total	364,973,854	400,168,442	407,597,551	409,228,180	407,662,802	+42,688,948	+65,251	-1,565,378	
Federal Funds	354,576,300	389,438,617	396,858,126	398,382,317	396,842,268	+42,265,968	-15,858	-1,540,049	
Current year	(286,635,699)	(328,625,680)	(317,563,139)	(317,796,801)	(317,534,030)	(+30,898,331)	(-29,109)	(-262,771)	
Advance Year, FY03	(68,001,751)	(60,812,937)	(79,229,987)	(80,490,516)	(79,228,238)	(+11,226,487)	(-1,749)	(-1,262,278)	
Advance Year, FY04	(365,000)	---	(365,000)	(395,000)	(380,000)	(+15,000)	(+15,000)	(-15,000)	
Trust Funds	10,397,554	10,729,825	10,739,425	10,845,863	10,820,534	+422,980	+81,109	-25,329	
BUDGET ENFORCEMENT ACT RECAP									
Mandatory, total in bill	255,313,074	283,380,686	283,320,801	283,397,401	283,382,801	+28,069,727	+62,000	-14,600	
Less advances for subsequent years	-49,527,451	-60,353,937	-60,353,937	-60,353,937	-60,353,937	-10,826,486	---	---	
Plus advances provided in prior years	42,791,003	49,527,451	49,527,451	49,527,451	49,527,451	+6,736,448	---	---	
Subtotal, mandatory	248,576,626	272,554,200	272,494,315	272,570,915	272,556,315	+23,979,689	+62,000	-14,600	

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES, 2002 ($000)	FY 2001 Comparable	FY 2002 Request	House	Senate	Conference	Conference vs FY 2001	Conference vs House	Conference vs Senate	Mand Disc
Discretionary, total in bill	109,660,780	116,787,756	124,276,750	125,830,779	124,280,001	+14,619,221	+3,251	-1,550,778	
Less advances for subsequent years	-18,839,300	-459,000	-19,241,050	-20,531,579	-19,254,301	-415,001	-13,251	+1,277,278	
Plus advances provided in prior years	18,953,435	18,824,300	18,824,300	18,824,300	18,824,300	-129,135	---	---	
Scorekeeping adjustments:									
Adjustment to balance with 2001 bill	-2,061	---	---	---	---	+2,061	---	---	
Adjustment for leg cap on Title XX SSBGs	---	---	---	---	---	---	---	---	
SSA User Fee Collection	-91,000	-100,000	-100,000	-100,000	-100,000	-9,000	---	---	
Sec. 515 - SSA User Fee Collection	-10,000	---	---	---	---	+10,000	---	---	
Title XX	25,000	---	---	---	---	-25,000	---	---	
TANF Transfer	---	---	---	---	---	---	---	---	
SSA State Reimbursement	-295,000	---	---	---	---	+295,000	---	---	
Welfare to work and child support	-50,000	---	---	---	---	+50,000	---	---	
Health care fraud and abuse limitation	---	---	-35,000	---	---	---	+35,000	---	
Title VI - Mark-to-Market	---	---	-354,000	-354,000	-354,000	-354,000	---	---	
Across the Board Admin Expenses Reduction	---	---	---	-98,500	-25,000	-25,000	-25,000	+73,500	
TANF Rescission	---	---	---	-200,000	---	---	---	+200,000	
Total, discretionary, current year	109,351,854	135,053,056	123,371,000	123,371,000	123,371,000	+14,019,146	---	---	
Grand total, current year	357,928,480	407,607,256	395,865,315	395,941,915	395,927,315	+37,998,835	+62,000	-14,600	

Ralph Regula,
C.W. Bill Young,
Ernest J. Istook, Jr.,
Dan Miller,
Roger F. Wicker,
Anne M. Northup,
Randy "Duke" Cunningham,
Kay Granger,
John E. Peterson,
Don Sherwood,
David Obey,
Steny Hoyer,
Nancy Pelosi
Nita M. Lowey,
Rosa DeLauro,
Jesse Jackson, Jr.,
Patrick J. Kennedy,
Managers on the Part of the House.

Tom Harkin,
Ernest Hollings,
Daniel Inouye,
Harry Reid,
Herb Kohl,
Patty Murray,
Mary Landrieu,
Robert C. Byrd,
Arlen Specter,
Thad Cochran,
Judd Gregg,
Larry E. Craig,
Ted Stevens,
Kay Bailey Hutchison,
Mike DeWine,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Becerra (at the request of Mr. Gephardt) for today on account of business in the district.

Mr. Luther (at the request of Mr. Gephardt) for today on account of family matters.

Mr. Ortiz (at the request of Mr. Gephardt) for today on account of business in the district.

Mr. Stark (at the request of Mr. Gephardt) for today on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Mascara) to revise and extend their remarks and include extraneous material:)

Mr. Mascara, for 5 minutes, today.

Mrs. Clayton, for 5 minutes, today.

Ms. Millender-McDonald, for 5 minutes, today.

Ms. Eddie Bernice Johnson of Texas, for 5 minutes, today.

Ms. Jackson-Lee of Texas, for 5 minutes, today.

(The following Member (at the request of Mr. Royce) to revise and extend his remarks and include extraneous material:)

Mr. Tancredo, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 483. An act regarding the use of the trust land and resources of the Confederated Tribes of the Warm Springs Reservation of Oregon.

H.R. 1291. An act to amend title 38, United States Code, to modify and improve authorities relating to education benefits, compensation and pension benefits, housing benefits, burial benefits, and vocational rehabilitation benefits for veterans, to modify certain authorities relating to the United States Court of Appeals for Veterans Claims, and for other purposes.

H.R. 2559. An act to amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance.

H.R. 2883. An act to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

H.R. 3323. An act to ensure that covered entities comply with the standards for electronic health care transactions and code sets adopted under part C of title XI of the Social Security Act, and for other purposes.

H.R. 3442. An act to establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C., and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on December 14, 2001 he presented to the President of the United States, for his approval, the following bills.

H.J. Res. 78. Making further continuing appropriations for the fiscal year 2002, and for other purposes.

H.R. 1230. To provide for the establishment of the Detroit River International Wildlife Refuge in the State of Michigan, and for other purposes.

H.R. 1761. To designate the facility of the United States Postal Service located at 8588 Richmond Highway in Alexandria, Virginia, as the "Herb Harris Post Office Building".

H.R. 2061. To amend the charter of Southeastern University of the District of Columbia.

ADJOURNMENT

Mr. REYNOLDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 26 minutes a.m.), the House adjourned until today, Wednesday, December 19, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of January 24, 2000]

EC04913 A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, rule III of the Rules of the House of Representatives, pursuant to Rule III, clause 2, of the Rules of the House (H. Doc. No. 106–319); to the Committee on House Administration and ordered to be printed.

[Omitted from the Record of January 3, 2001]

EC04912 A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, rule III of the Rules of the House of Representatives, pursuant to Rule III, clause 2, of the Rules of the House (H. Doc. No. 107–156); to the Committee on House Administration and ordered to be printed.

[Submitted December 18, 2001]

4894. A letter from the Assistant Secretary, Department of Defense, transmitting the Financial Addendum to FY 2000 DOD Chief Information Officer Annual Information Assurance Report; to the Committee on Armed Services.

4895. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Truth in Lending [Regulation Z; Docket No. R–1090] received December 17, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4896. A letter from the Legislative and Regulatory Activities Division, Comptroller of the Currency, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Risk-Based Capital Guidelines; Capital Adequacy Guidelines: Capital Maintenance: Capital Treatment of Recourse, Direct Credit Substitutes and Residual Interests in Asset Securitizations [Docket No. 2001–68] (RIN: 1550–AB11) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4897. A letter from the Vice President, Congressional and External Affairs, Export-Import Bank of the United States, transmitting the annual report to Congress on the operations of the Export-Import Bank of the United States for Fiscal Year 2001, pursuant to 12 U.S.C. 635g(a); to the Committee on Financial Services.

4898. A letter from the Director, Office of Integrated Analysis and Forecasting Energy Information Administration, Department of Energy, transmitting a report entitled, "Emissions of Greenhouse Gases in the United States, 2000"; to the Committee on Energy and Commerce.

4899. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—NESHAP: Emergency Extension of the Compliance Date for Standards for Hazardous Air Pollutants for Hazardous Waste Combustors [FRL–7114–6] (RIN: 2050–AE79) received December 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4900. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Indiana: Final Authorization of State Hazardous Waste Management Program Revision [FRL–7110–7] received December 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4901. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revocation of Significant New Uses of Certain Chemical Substances

[OPPTS-50643A; FRL-6807-3] (RIN: 2070-AB27) received December 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4902. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Australia (Transmittal No. DTC 151-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4903. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC 143-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4904. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to France (Transmittal No. DTC 146-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4905. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC 150-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4906. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to France, the United Kingdom, Germany, Switzerland, Sweden, and Spain (Transmittal No. DTC 148-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4907. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC 152-01, pursuant to 22 U.S.C. 2776(c) and 22 U.S.C. 2776(d)); to the Committee on International Relations.

4908. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC 142-01, pursuant to 22 U.S.C. 2776(c) and 22 U.S.C. 2776(d)); to the Committee on International Relations.

4909. A communication from the President of the United States, transmitting progress toward a negotiated settlement of the Cyprus question covering the period October 1 through November 30, 2001, pursuant to 22 U.S.C. 2373(c)); to the Committee on International Relations.

4910. A letter from the Commissioner, Social Security Administration, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001 through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

4911. A letter from the Inspector General, Social Security Administration, transmitting the Administration's FY 2002 Annual Audit Plan; to the Committee on Government Reform.

4912. A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, Rule II of the Rules of the House of Representatives, pursuant to Rule II, clause 2(b), of the Rules of the House; (H. Doc. No. 107—156); to the Committee on House Administration and ordered to be printed.

4913. A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, rule III of the Rules of the House of Representatives, pursuant to Rule II, clause 2(b), of the Rules of the House; to the Committee on House Administration.

4914. A letter from the Librarian, Library of Congress, transmitting the report of the activities of the Library of Congress, including the Copyright Office, for the fiscal year ending September 30, 2000, pursuant to 2 U.S.C. 139; to the Committee on House Administration.

4915. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Tow of the Decommissioned Battleship Iowa, (BB-61), Newport, RI and Narragansett Bay [CGD01-01-006] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4916. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Diving Operations in Boston Harbor—Boston, Massachusetts [CGD01-01-007] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4917. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: USS DE WERT Port Visit—Boston, Massachusetts [CGD1-01-035] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4918. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: St. Johns River, Palatka, FL [COTP Jacksonville 01-018] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4919. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Dry-Dock tow Kennebec River Transit from #1 Sea Buoy inbound to Bath Iron Works, Bath, ME [CGD1-01-012] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4920. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone: USS BOONE Port Visit, Newport, RI [CGD01-01-027] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4921. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Tow of the Decommissioned Battleship Iowa, (BB-61), Newport, RI and Narragansett Bay [CGD01-01-029] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4922. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations; Cocoa Beach, FL [COTP Jacksonville 01-021] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4923. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Queens Gate, Long Beach, CA [COTP Los Angeles-Long Beach, CA; 01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4924. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation [COTP Memphis, TN Regulation 01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4925. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations; Guayanilla Bay, Guayanilla, Puerto Rico [COTP San Juan 01-006] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4926. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Cape Fear River, Wilmington, North Carolina [COTP WILMINGTON 01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4927. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Annual Reenactment of the Ybor City Naval Invasion, Ybor Channel, Tampa Bay, Florida [COTP Tampa 01-004] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4928. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone Regulations: Savannah, GA [COTP SAVANNAH-01-024] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 3343. A bill to amend title X of the Energy Policy Act of 1992, and for other purposes; with an amendment (H. Rept. 107-341). Referred to the Committee of the Whole House on the State of the Union.

[December 19 (legislative day of December 18), 2001]

Mr. REGULA: Committee of Conference. Conference report on H.R. 3061. A bill making appropriations for the Departments of

Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes (Rept. 107-342). Ordered to be printed.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 318. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 107-343). Referred to the House Calendar.

Mr. REYNOLDS: Committee on Rules. House Resolution 319. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 107-344). Referred to the House Calendar.

Mr. KOLBE: Committee of Conference. Conference report on H.R. 2506. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes (Rept. 107-345). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. YOUNG of Alaska (for himself, Mr. OBERSTAR, Mr. LOBIONDO, and Ms. BROWN of Florida):

H.R. 3507. A bill to authorize appropriations for the Coast Guard for fiscal year 2002, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. ACEVEDO-VILA:

H.R. 3508. A bill to amend title XXI of the Social Security Act to provide for the allocation of allotment under the State Children's Health Insurance Program (SCHIP) to territories in the same manner as for States; to the Committee on Energy and Commerce.

By Mr. BENTSEN:

H.R. 3509. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to provide additional fiduciary protections for participants and beneficiaries under employee stock ownership plans with respect to lockdowns placed on plan assets; to the Committee on Education and the Workforce.

By Mr. FILNER:

H.R. 3510. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for the stockpiling of potassium iodide tablets in the United States in areas within a 50-mile radius of the homeport of a naval vessel operated by nuclear power; to the Committee on Transportation and Infrastructure.

By Mr. FLETCHER (for himself, Mr. PETERSON of Minnesota, and Mrs. JOHNSON of Connecticut):

H.R. 3511. A bill to amend title XVIII of the Social Security Act to continue the 2001 conversion factor under the Medicare physician fee schedule for the first 6 months of 2002, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. GRANGER:

H.R. 3512. A bill to authorize the President to award a gold medal on behalf of the Congress to the Comanche Code Talkers of World War II in recognition of their contributions to the Nation; to the Committee on Financial Services.

By Mr. KUCINICH:

H.R. 3513. A bill to direct the Secretary of the Interior to conduct a special resource study to determine whether it is suitable and feasible to include the West Creek Preserve and Greenway in Parma, Ohio, as a unit of the National Park System; to the Committee on Resources.

By Mrs. MALONEY of New York (for herself and Mr. HORN):

H.R. 3514. A bill to promote the sharing of personnel between Federal law enforcement agencies and other public law enforcement agencies, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Intelligence (Permanent Select), for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GEORGE MILLER of California (for himself, Mr. ANDREWS, Mrs. DAVIS of California, Ms. ESHOO, Mr. MORAN of Virginia, Mr. STENHOLM, Mr. TIERNEY, and Ms. WOOLSEY):

H.R. 3515. A bill to ensure that aliens studying in the United States comply with the terms and conditions applicable to such study, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NUSSLE (for himself and Mr. LEACH):

H.R. 3516. A bill to suspend temporarily the duty on saccharose used for nonfood, nonnutritional purposes, as a seed kernel and in additional layers in an industrial granulation process for biocatalyst production; to the Committee on Ways and Means.

By Mr. RAMSTAD:

H.R. 3517. A bill to suspend temporarily the duty on Bronate Advanced; to the Committee on Ways and Means.

By Mr. RAMSTAD:

H.R. 3518. A bill to suspend temporarily the duty on Buctril; to the Committee on Ways and Means.

By Mr. STRICKLAND (for himself and Mr. NEY):

H.R. 3519. A bill to amend the Harmonized Tariff Schedule of the United States to provide separate subheadings for flexible magnets and composite goods containing flexible magnets and to create additional U.S. notes explaining the tariff classification of flexible magnets and composite goods containing flexible magnets; to the Committee on Ways and Means.

By Mr. TAUZIN:

H.R. 3520. A bill to authorize electronic issuance and recognition of migratory bird hunting and conservation stamps; to the Committee on Resources.

By Ms. VELAQUEZ:

H.R. 3521. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide for the indexation of deferred annuities; to provide that a survivor annuity be provided to the widow or widower of a former employee who dies after separating from Government service with title to a deferred annuity under the Civil Service Retirement System but before establishing a valid claim therefor, and for other purposes; to the Committee on Government Reform, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. EDDIE BERNICE JOHNSON of Texas:

H. Con. Res. 290. Concurrent resolution expressing the sense of the Congress that women throughout the world should join together for a week of workshops, forums, and other events to speak up for world peace; to the Committee on International Relations.

By Mr. MCKEON:

H. Con. Res. 291. Concurrent resolution expressing the sense of the Congress with respect to the disease endometriosis; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 250: Mr. ORTIZ.

H.R. 488: Mr. MEEHAN.

H.R. 527: Mr. TIBERI and Ms. KAPTUR.

H.R. 556: Mr. GREEN of Wisconsin.

H.R. 938: Mr. GREENWOOD.

H.R. 966: Mr. FLETCHER.

H.R. 1194: Mr. GRUCCI.

H.R. 1377: Mr. ADERHOLT.

H.R. 1436: Mr. WATT of North Carolina and Mr. DELAHUNT.

H.R. 1490: Mr. HINCHEY, Mrs. CAPPS, Mrs. THURMAN, and Mr. OSBORNE.

H.R. 1564: Mr. JACKSON of Illinois.

H.R. 1587: Ms. ROYBAL-ALLARD.

H.R. 1594: Mr. SABO.

H.R. 1624: Mr. GILCHREST and Mr. OLVER.

H.R. 1771: Ms. RIVERS.

H.R. 1774: Ms. CARSON of Indiana.

H.R. 1927: Mr. SIMMONS.

H.R. 2036: Mr. SHOWS.

H.R. 2057: Mr. TOOMEY and Mr. WICKER.

H.R. 2324: Ms. ESHOO and Mr. MCGOVERN.

H.R. 2341: Mr. PENCE, Mr. ISSA, and Mr. CANNON.

H.R. 2348: Ms. KAPTUR, Mr. CROWLEY, and Mrs. MCCARTHY of New York.

H.R. 2349: Mr. JACKSON of Illinois, Mr. ANDREWS, Mr. WU, Mr. HILLIARD, Mr. ACKERMAN, and Mr. CROWLEY.

H.R. 2352: Ms. WOOLSEY.

H.R. 2354: Mr. STUPAK, Mr. GEORGE MILLER of California, and Mr. BLUMENAUER.

H.R. 2457: Mr. WICKER and Mr. WELDON of Florida.

H.R. 2478: Mr. MCGOVERN.

H.R. 2629: Mr. HORN.

H.R. 2638: Mr. SHIMKUS and Mr. HALL of Texas.

H.R. 2709: Mr. OLVER and Mr. LYNCH.

H.R. 2723: Mr. CHAMBLISS, Mr. FORBES, Mr. LAMPSON, Mr. SPRATT, Ms. MCCARTHY of Missouri, Mr. GREENWOOD, and Mr. HALL of Ohio.

H.R. 2727: Ms. LOFGREN.

H.R. 2796: Mr. HOUGHTON.

H.R. 2820: Mr. KILDEE.

H.R. 2839: Mr. CLYBURN, Mr. BOUCHER, and Mr. BRADY of Pennsylvania.

H.R. 2908: Mr. MOORE, Ms. SANCHEZ, and Mr. UDALL of Colorado.

H.R. 3025: Mr. TOM DAVIS of Virginia.

H.R. 3054: Mr. LANGEVIN and Mrs. JO ANN DAVIS of Virginia.

H.R. 3099: Mrs. THURMAN.

H.R. 3178: Mr. GARY G. MILLER of California, and Ms. MILLENDER-MCDONALD.

H.R. 3188: Ms. MCKINNEY.

H.R. 3215: Mr. KENNEDY of Minnesota. Mr. MCINTYRE, and Mr. MORAN of Virginia.

H.R. 3218: Mr. GREENWOOD.

H.R. 3229: Mrs. ROUKEMA.

H.R. 3239: Mr. VITTER.

H.R. 3255: Ms. WATSON, Mr. MATSUI, and Mr. LAMPSON.

H.R. 3258: Mrs. WILSON and Mr. RADANOVICH.

H.R. 3267: Ms. Pelosi and Ms. Lee.

H.R. 3272: Mr. Rahall.

H.R. 3279: Mr. Sanders.

H.R. 3283: Ms. Lofgren, Ms. McKinney, Mrs. Napolitano, Mr. Fattah, Mr. Lantos, Ms. Solis, Ms. Carson of Indiana, Mr. Bonior, Mr. Owens, Mr. Ross, Mr. McDermott, Mr. Mascara, and Mrs. Lowey.

H.R. 3321: Mr. Abercrombie and Ms. Sanchez.

H.R. 3332: Mr. Graham.

H.R. 3336: Ms. Woolsey, Mr. Brady of Pennsylvania, and Mr. Gutierrez.

H.R. 3342: Mrs. Kelly, Mr. Andrews, Ms. McKinney, Ms. Pelosi, Mr. Kirk, Mr. Sanders, Ms. Slaughter, Mr. McGovern, Mr. Isakson, Mr. Payne, Ms. Lee, Ms. Norton, Ms. Schakowsky, Mr. McNulty, Mr. Stark, Mr. Hinchey, Mr. Engel, Mr. Evans, and Mr. Frost.

H.R. 3347: Mr. Portman, Mr. Moran of Kansas, and Mr. Berry.

H.R. 3351: Mr. Lucas of Oklahoma, Mr. Hilleary, Mr. Quinn, Mr. Holden, Mr. Issa, Mr. Maloney of Connecticut, Mr. Hastings of Florida, Mr. Shays, Mr. Wexler, Mr. Spratt, Mr. Israel, Mr. Frelinghuysen, Mr. Aderholt, Mr. Nadler, Mr. Olver, Mr. Hastings of Washington, Mr. Barcia, Mr. Delahunt, Mr. Hostettler, Ms. Lofgren, Mr. Gilman, Mr. Boyd, Mr. Brown of South Carolina, Mr. Hilliard, Mrs. Roukema, Mr. Rogers of Kentucky, Mr. Matsui, Mr. Scott, and Mr. Hayes.

H.R. 3376: Mr. Nadler.

H.R. 3382: Ms. Berkley and Mr. Sanders.

H.R. 3394: Mr. Forbes, Mrs. Morella, and Ms. Eshoo.

H.R. 3400: Mr. Forbes.

H.R. 3414: Mr. LaHood and Mrs. Jones of Ohio.

H.R. 3423: Mr. Evans, Mr. Gibbons, Mr. Filner, Mr. Gutierrez, Ms. Brown of Florida, Ms. Carson of Indiana, Mr. Reyes, Mr. Shows, Ms. Berkley, and Mrs. Davis of California.

H.R. 3424: Mr. Kirk, Mr. Callahan, Mr. Lantos, Mr. Stenholm, Mr. Hefley, Mr. Everett, Mr. Barton of Texas, Mr. Gutknecht, Mr. Cramer, Mr. Larsen of Washington, Mr. Collins, Mr. Hoeffel, Mr. Culberson, Mr. Bishop, Mr. Chabot, Ms. Lee, Mrs. Morella, Mr. Owens, Mr. Gordon, Mr. Hall of Ohio, Mr. Duncan, Ms. Carson of Indiana, Ms. Sanchez, Mr. English, Mr. Lewis of Georgia, Mr. Shaw, Mr. McInnis, Mr. Jeff Miller of Florida, Mr. Turner, Mr. Brown of South Carolina, Mr. Horn, Mr. Crenshaw, and Mr. DeMint.

H.R. 3431: Mrs. Morella, Mr. Green of Wisconsin, Mr. English, and Mr. Faleomavaega.

H.R. 3450: Ms. Schakowsky, Mr. McGovern, Mr. Hilliard, Mr. Capuano, and Mr. Bonilla.

H.R. 3459: Mr. Waxman and Mr. Baca.

H.R. 3461: Mr. Filner.

H.R. 3462: Mr. Walsh and Mr. LaHood.

H.R. 3484: Mr. Boucher.

H.R. 3487: Mr. Hall of Texas, Mr. Ross, Mr. Deutsch, Mr. Upton, and Mrs. Roukema.

H.R. 3498: Mr. Horn, Ms. Kaptur, Ms. Brown of Florida, Mrs. Jones of Ohio, and Mr. Underwood.

H.R. 3504: Mr. Pallone.

H.J. Res. 75: Mr. Grucci, Mr. Kirk, Mr. Riley, Mr. Lantos, Mr. Gilman, Mr. Barr of Georgia, and Mr. Cox.

H. Con. Res. 68: Mr. Moore.

H. Con. Res. 164: Ms. Harman.

H. Con. Res. 188: Mr. Moore and Mr. Smith of Washington.

H. Con. Res. 199: Mr. Owens.

H. Con. Res. 249: Mr. Diaz-Balart, Mr. Saxton, Mr. LoBiondo, Mr. Berry, Mr. Blagojevich, and Mr. Rahall.

H. Con. Res. 260: Mr. Filner.

H. Con. Res. 273: Mrs. Bono and Mr. Tiahrt.

H. Con. Res. 284: Mr. Stupak and Ms. Harman.

H. Res. 295: Mr. Quinn.

H. Res. 300: Mr. Pallone, Mrs. McCarthy of New York, Mrs. Thurman, Mr. Owens, Mr. Payne, Mr. Strickland, and Mr. Udall of Colorado.

H. Res. 308: Mr. Israel.

H. Res. 313: Mr. Towns and Ms. Eshoo.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3427: Mr. Rohrabacher.

SENATE—*Tuesday, December 18, 2001*

The Senate met at 9:30 a.m. and was called to order by the Honorable E. BENJAMIN NELSON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have revealed in Scripture, through the generations, and in our own experience, that You pour out Your power when there is unity, mutual esteem, and affirmation for the oneness of our patriotism. Bless us with Your Spirit so that we may disagree without being disagreeable, share our convictions without being contentious, and lift up truth without putting anyone down. Help us to seek to convince without coercion, persuade without pressure, motivate without manipulation. May we trust You unreservedly and encourage each other unselfishly.

God, bless America, beginning with these Senators on whom You have placed so much responsibility and from whom the people expect so much. You have brought them to this Senate at this time, not only for what You want to do through them in leading this Nation but also for what You intend to exemplify to the Nation in the way they live and work together. In the name of our Lord. Amen.

PLEDGE OF ALLEGIANCE

The Honorable E. BENJAMIN NELSON led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, December 18, 2001.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable E. BENJAMIN NELSON, a Senator from the State of Nebraska, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mr. NELSON of Nebraska thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, this morning the Senate will resume consideration of the ESEA conference report with 2 hours and 30 minutes of debate prior to the 12 noon rollcall vote on the conference report.

Following this vote, we hope to have a vote on cloture on the substitute amendment to the farm bill.

There will be a recess following the cloture vote for the weekly party conferences.

Additional rollcall votes are expected as the Senate continues to work on the farm bill.

It goes without saying that we hope this is our last week here before the first of the year.

We expect other votes throughout the day on the farm bill.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

NO CHILD LEFT BEHIND ACT OF 2001—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report to accompany H.R. 1. The clerk will report.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, having met, have agreed the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 2½ hours of debate on the conference report with 2 hours to be equally divided and controlled between the chairman and ranking member or their designees for 15 minutes each for Senators WELLSTONE and JEFFORDS.

Who yields time?

The Senator from Kentucky.

Mr. BUNNING. Mr. President, I rise to talk for a few minutes about the bill before us today—the reauthorization of the Elementary and Secondary Education Act.

First of all, I would like to commend the members of the conference committee who worked for months to reach a final agreement.

In Congress, you very rarely get exactly what you want, and in this bill I think both sides reached a good compromise that will help our children and our schools.

I have 9 kids and 35 grandkids, and I know exactly how important education is.

I know how crucial it is for children to be challenged and encouraged at school. It is one of the most important elements of their development.

Every child in America deserves a good education, and the President is exactly right when he says no child should be left behind. This bill takes a big step in that direction.

It provides increased flexibility of funds, accountability for student achievement and more options for parents. It is a win-win-win bill for students, parents and schools.

First, the bill gives new options to kids who have been trapped year after year in failing schools.

Schools that do not make adequate yearly progress will face increasingly stiff penalties. For example, students trapped in failing schools will be allowed to transfer to another public school.

Personally, I would have preferred giving children and their parents even more options and given them the choice of going to a private or religious school as well. But there is no doubt the legislation represents a definite improvement over current law.

If a school continues to fail on a long-term basis, students will receive money for supplemental services like tutoring or an after-school program.

Also, I am very pleased the final version of this bill allows supplemental services to be provided by public, private or faith-based organizations. This could be especially important in smaller communities that offer fewer options to kids.

Furthermore, the bill provides that schools that continue to fail students can be completely restructured.

This means they could be taken over by the states or incompetent staff could be fired.

I know this is drastic. No one wants to see anything like this happen. But if it's a choice between helping the kids or protecting a failing school, the choice is clear.

Second, this bill provides states and school districts greater flexibility with federal education dollars.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

For years, many of us have argued we need to preserve local control over education and guard against a bigger federal bureaucracy.

It is the local school board and state education officials who know better than anyone in Washington what works in their communities, and this bill represents a fundamental shift toward better education policy.

For instance, the legislation before us allows every local school district and state to transfer certain federal funds among a variety of programs, along with establishing a local Straight A's program which will be available for 150 school districts nationwide.

Straight A's is a great idea that actually lets the local officials direct federal money to their most pressing needs, whether it be hiring more teachers or buying new books, in exchange for meeting certain performance goals.

I hope many schools in Kentucky take advantage of these new opportunities.

If you think about it, we trust our local school officials with our children every day. But more and more, we have not been trusting them to know best how to spend education dollars. That does not make any sense to me and now that is going to change.

This bill also consolidates some existing funding for class size reduction and professional development to give schools more options in improving teacher quality.

Under the legislation, schools will have the ability to help teachers do their jobs better, whether it is reducing class size, providing training or recruiting new teachers.

We all know good teachers are one of the keys to a good education. Now school officials are going to have more tools at their disposal to help teachers do their job.

I have always said teachers have one of the hardest, most important jobs in the world, and too often they do not get the credit they deserve. I hope that starts to change.

I am also glad this bill contains the important Troops to Teachers Program. There are no better role models for kids than men and women who have sacrificed for our country. The conference report is going to continue this program.

Along that same line, the legislation also requires schools to give military recruiters the same access to high school students as job recruiters.

Since September 11, there has been a newfound appreciation by many for our military. I hope many of our young people who feel called to serve their country will take advantage of the benefits the armed services can provide.

Finally, I realize some are concerned funding for the Individuals With Disabilities Education Act was not included in this bill. This is an important program. I have long supported increasing funding for IDEA and for the Federal Government living up to its commitment of full funding at 40 percent.

In fact, under a Republican controlled Congress, IDEA funding has virtually tripled from 1994 to 2001. Although we still have not met our goal and have a long way to go to fully fund this program, I am looking forward to working with my colleagues on reauthorizing IDEA next year.

In conclusion, the bill we have before us is a good proposal. It is not perfect, but there is no doubt about it, it represents a clear improvement over current law. I believe our children, our Nation, and our schools will benefit from it. I look forward to voting for this bill, and I urge my colleagues to do the same.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, a year ago this week, in Texas, I joined several colleagues as the then-chairman of the Senate Education Committee and met with President-elect Bush to discuss education reform.

It is interesting to note that the meeting occurred in Texas, the home of the current President, and the home of our 36th President, Lyndon Johnson, who, in 1965, signed into law the original Elementary and Secondary Education Act.

As we emerged from last year's Austin meeting, we made a bipartisan commitment to write and pass an education reform bill that would raise school accountability and improve student achievement.

With the projection of budget surpluses for as far as the eye could see, it appeared that we would not only set in motion innovative reforms, but we would also match those reforms with new monetary investments.

It has been 362 days since we left that optimistic Austin meeting, and the scenario has dramatically changed. We are not only facing a very different economic reality, but we also have an administration in place that does not support the funding needed to successfully carry out its own education reform initiative.

There is no question that we need to improve our Nation's schools. Results from the recently released National Assessment of Educational Progress show that only 1 in 5—that is only 1 in 5—of this country's high school seniors are proficient in math and science, and only 2 in 5 are proficient in reading.

Further, the Third International Mathematics and Science Study shows that performance in math and science by U.S. students declines relative to that of students in other nations as students move through the grades of our school system.

Another startling statistic is that almost half of all adults have either dropped out of high school or have not pursued any type of post-secondary education.

Last year, we had to again raise the cap on the number of H-1B visas because this Nation is lacking the skilled employees necessary to meet the workforce demands of the high-tech and health care industries. That is insulting.

I commend the President and the chairmen and ranking members of the House and Senate Education Committees for creating legislation specifically mandating that States and schools must significantly improve performance.

The bill before us imposes very strict mandates on our schools, requiring States to separate achievement data by race, gender, and other subgroups to better identify those students having academic difficulties. This is a very worthy goal and one which I fully support.

However, I fear that this bill, without the sufficient resources, will merely highlight our shortcomings. I fear it will not provide the assistance—both financial and technical—that schools will need to meet the goal of having every student reach their full academic potential.

Educational budgets throughout this Nation are facing severe cuts due, in part, to the recent economic downturn, but also due to the high costs associated with providing students with disabilities special education services.

In Vermont, 92 percent of the children with disabilities, between the ages of 6 and 11, are educated in their neighborhood schools in classrooms with their nondisabled peers. Special education costs in Vermont have increased 150 percent over the past 10 years.

The Federal underfunding of special education leads to State and local districts spending approximately $20 million more in Vermont from local sources than would be necessary if Federal funding were provided at the level Congress promised in the original law.

In 1975, we, in the Congress, authorized the Federal Government to pay up to 40 percent of each State's excess cost of educating children with disabilities. It has been 26 years since we made that commitment, and we have failed to keep our promise. We are currently providing only 16 percent of the original 40 percent promised.

Earlier this year, during Senate consideration of the ESEA bill, this body unanimously adopted the Harkin-Hagel amendment that required Congress to fully fund IDEA through progressive annual increases. I am extremely disappointed that the final product we are considering today does not include this critical amendment. Without the inclusion of the Harkin-Hagel amendment, and without sufficient funding for the programs outlined in the bill, I am afraid this bill may actually do more harm than good.

The primary feature of H.R. 1 is adequate yearly progress. Under the revamped title I program, every student in every school must be proficient within 12 years. This sounds reasonable. However, at current funding levels, and even with over a billion-dollar increase for title I in the coming year, we will still only be funding less than half of the children who qualify under the title I program.

Since title I was created in the landmark Elementary and Secondary Education Act of 1965, neither Congress nor any administration has provided the dollars required to fund all of the students needing services. It seems to me that Congress has failed to meet its own adequate yearly progress goals for the past 36 years.

I have been in Congress for more than 25 years. I have never voted against an education bill before. But to vote for this education bill as it now stands, I believe, is counterproductive, if not destructive. My instincts tell me that this bill will become law within a matter of days.

Although I am voting against this bill, I will work very hard with all of my colleagues to obtain the funding that is needed so that our educational system will not only be strengthened but, as Dr. Seuss once said in one of the last books to be issued before this author's passing: ". . . you'll be the best of the best. Wherever you go, you will top all the rest."

We can only be the "best of the best" by not only adequately funding these programs but also working with parents and teachers and principals and superintendents and school personnel and school board officials and students, for they have many of the answers that will enable us and our students "to top all of the rest."

Today, I vote against this bill because I believe it is better to approve no bill rather than to approve a bad bill. I am sincerely hoping, for the sake of our children, that history will prove me wrong.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank Senator JEFFORDS for his work on this legislation. He was chairman of our committee when we reported out the Senate version. Sometime after that, we had a change in leadership. As a matter of fact, the bill itself was on the floor. I had the opportunity to chair the legislation.

The Senate should know that on this legislation, the first parts were reported out of the committee when Senator JEFFORDS was the principal architect. Although we come to different conclusions in terms of the outcome on this legislation, I express our great appreciation to him for his longstanding commitment to funding the IDEA. He has been passionate about that and has worked on it. He makes a compelling case. We are closer to the day when I think we will get there. I think we will get there, and we are going to. When we do, Senators JEFFORDS, HARKIN, and HAGEL will all have been enormously helpful in our achieving it.

The final point I will mention: We have in this legislation expanded the afterschool program by 200,000 children. We still have a long way to go. I am mindful that that program started out in 1994 sponsored by Senator JEFFORDS. It started out as a $50 million program and several thousand students. Now there are probably more subscriptions for that program than any other program in these last years because of the recognition of the difference it makes in terms of being a resource for children to get assistance after school. I thank him for his good work. I wish he had come to a different conclusion, but the Senate should know.

I see the Senator from Minnesota. We expect him to talk. If I may, I yield for 30 seconds to the Senator from Rhode Island.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. REED. I thank Senator KENNEDY.

I had the opportunity yesterday to speak at length on this bill and to commend my colleagues, Senator KENNEDY and Senator GREGG, our colleagues from the other body, Mr. BOEHNER and Mr. MILLER, and Senator JEFFORDS for his leadership as chairman.

I neglected to commend people who were much responsible for this legislation, and that is staff members, particularly my staff member Elyse Wasch who did a remarkable job.

I also extend my thanks and congratulations to Danica Petroshius, Roberto Rodriguez, Michael Dannenberg, Dana Fiordaliso, and Michael Myers of the majority staff and Denzel McGuire of the Republican staff. Their efforts were remarkable.

Much of the success of the bill was because of these individuals. I thank them personally for their great work, particularly Elyse Wasch of my staff.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I will take some time now and I will reserve the final 5 minutes right before the vote.

Senator REED, in his characteristically gracious style, thanked his staff and other staff here for their great work. I would as well. I include Jill Morningstar who works with me in that mix.

I also say to Senators KENNEDY and GREGG that I appreciate all of their commitment and all of their very hard work.

I say to Senator JEFFORDS that I greatly appreciate his soul, his unbelievable commitment to children, how strongly he feels about this question. And I very much find myself in agreement with his analysis.

I must say with a smile that I am amazed that so many of my colleagues are now supporting a Federal mandate right under the school district saying every school district—school districts have represented the essence of graduate political culture in our country—every school district, every school, you will test every child, grades 3, 4, 5, 6, 7, and 8. I must say that I think this oversteps, if not the authority, the sort of boundaries of congressional decisionmaking on education. Here I am, a liberal Senator from Minnesota, but this is my honest-to-God belief. I am just amazed that so many Senators have voted for this, especially my conservative friends.

Having said that, I voted for the bill when it was on the Senate floor for two reasons: One, we had the IDEA program mandatory. That is hugely important in terms of getting funding back to our States and school districts. No. 2, I wanted to get on the conference committee to try to make the bill better.

I thank both my colleagues. I can't say the Chair and I always agreed on everything, but I wanted to thank them for letting me be on the conference committee. I enjoyed the work. There is a lot of good policy in this bill. I will be proud of whatever I contributed, but also many Senators contributed to that.

Let me just say that for my own part, the big issue with me is this sort of rush to testing, as if it is the reform. The testing is supposed to test the reform, it is not supposed to be the reform.

This focus on standardized tests, multiple choice tests, and teachers teaching to it has become drill education. It is educationally deadening.

There are a lot of amendments and provisions in this bill I had a chance to work on that talk about high-quality testing, how we do that, and multiple measures, giving our States maximum flexibility so that they have 3 years in the aggregate of testing before they begin to use them as high stakes testing, see how schools do. And they don't have to start until 2005 or 2006. Therefore, we don't get the result until 2008 or 2009, and I am glad we will not have this mad rush to the worst of standardized testing.

There are some good provisions in this bill that will make a difference when it comes to having high-quality testing.

We also have very good legislation in here that deals with teacher recruitment and retainment. That had to do with Senators HUTCHISON, CLINTON, KENNEDY, and DEWINE. That is a huge issue—how we can recruit and retain teachers.

Parent information and resource centers, local family information centers, the ways in which you can have parents more involved—and quite often you have to do it through some of the nonprofits and nongovernmental organizations in the neighborhoods and communities—that is extremely important. We have a great program in Minnesota after which this is modeled. I am so glad that is in the bill.

Then I thank Sheila my wife because she is my teacher when it comes to violence in homes, and there are some really good provisions in this bill that deal with children who witness violence and how to help them.

That is all to the good. But we had the chance to make our rhetoric of the last 26 years about the IDEA program a reality. We did that on the Senate side, but the House Republican leadership killed it on the House side and the administration opposed it. That is what I am saddest about. I believe we could have made the fight for children in education, and we could have said to this administration: You cannot realize this goal of leaving no child behind unless the resources are there to go with the testing. The tests don't bring more teachers. The tests don't lead to smaller class size. The tests don't lead to good textbooks. The tests don't lead to better technology. The tests don't mean the children come to kindergarten ready to learn. All of these things have to change.

Without a commitment to making IDEA mandatory and making the full funding over a 6-year period that should have been this year, we cheat our States and school districts and our schools, and we cheat our teachers and we cheat our children.

That is why I oppose this legislation. People in my State of Minnesota are angry because they believe by acceding to the House Republican position and the administration position, we have cheated Minnesota out of $2 billion of IDEA money over the next 10 years—about $45 million on the glidepath this year. They are angry because no longer are we going to be able to have all-day kindergarten in a lot of our schools. They are angry because we are having to eliminate some of our good early childhood development programs. They are angry because we are going to have to eliminate some of our afterschool programs. And they are angry because we are eliminating teachers and we are increasing class size. They are angry because we are having to make cuts in the school lunch program. They are angry because we are having to make cuts in transportation.

There are first graders who are going to have to walk a mile, and seventh graders 2 miles, to go to school because the bus service has been cut out.

Colleagues, if we had lived up to our commitment on full funding of IDEA, we would not have to make those cuts in Minnesota. But we did. That is why I will vote no. I will vote no for my State of Minnesota.

The Center for Education Policy has a quote that I think is so important:

> Policymakers are being irresponsible if they lead the public into thinking that testing and accountability alone will close the learning gap. Policymakers on the State and national level should be wary of proposals that embrace the rhetoric of closing the gap, but do not help build the capacity to accomplish that goal.

I believe what we have here is a Federal unfunded mandate calling on our States and school districts to do more with less, calling on them to test every child every year, grades 3, 4, 5, 6, 7 and 8, and telling them that they have to do so without a Federal mandate that every child will have the same opportunity to do well on these tests.

Where are the resources to make sure that all the children in America have the same chance to do well? And when they don't do well on these tests or the schools don't do well, where are the additional resources to help them? Not in this bill. When you start talking about we have increased funding for title I, no, not in real dollar terms. We are in a recession. There are many more children who are eligible. We are not doing any more funding in real terms. About a third of the eligible children are going to get the funding, and that is it. We didn't live up to our commitment to fully fund the IDEA program, and there is a pittance in the Federal budget for early childhood development so that children can come to school ready to learn.

The President and the administration talk about leaving no child behind—the mission of the Children's Defense Fund—and that is the title of this bill. We cannot realize the goal of leaving no child behind on a tin cup budget. We are setting a lot of schools and children and school districts up for failure because we have not lived up to this promise. We are calling on the schools to be more accountable. But what about our accountability to our States and our school districts and our teachers and our children? We have failed the test of accountability by not making the IDEA program mandatory and providing full funding. We have failed the test of accountability by not providing that.

The PRESIDING OFFICER (Mr. REED). The Senator has 5 minutes remaining. The Senator wanted to be informed.

Mr. WELLSTONE. Five minutes of the original 15?

The PRESIDING OFFICER. That is correct.

Mr. WELLSTONE. I will take another 2 minutes.

Mr. KENNEDY. I will yield 5 minutes of our time.

Mr. WELLSTONE. I thank the Senator for his graciousness.

Mr. REID. Mr. President, we were trying to arrange some additional time. We were unable to do that. The vote will occur around 12 noon today.

Mr. WELLSTONE. I have made my point. I will say to colleagues that I am amazed that Senators don't want to have a little more debate on this. What is the problem? There are people who want to speak against it, too. I am just amazed that apparently my colleagues on the Republican side, I gather, are opposed to this. They don't want to have more debate. I don't blame you because a lot of people in our States are going to feel quite betrayed.

Mr. GREGG. Will the Senator yield?

Mr. WELLSTONE. Yes.

Mr. GREGG. Mr. President, I don't understand the Senator's accusation against Republicans on that issue. The time agreement on this bill was reached between the majority party and the minority party. It was not unilaterally agreed to by the minority party. It was put forward by the leadership on both sides. Do not accuse the Republican side of the aisle of being the people who are trying to limit this. You have an opportunity to speak. You got 15 minutes. The Senator from Massachusetts has been kind enough to offer you more. I will offer you 5 more minutes of my time if you want more.

Mr. WELLSTONE. Since the Senator speaks with such indignation, I am pleased to offer an explanation. First of all, it is not about me; it is about other colleagues who want to speak. Yesterday, we had an understanding for 2 hours and a half hour—or 1 hour and a half hour. Then there was a unanimous consent yesterday to extend an additional hour for the proponents. I asked the majority whip whether we could have more time for other Senators to speak, and my understanding is that that is fine on our side, but the Republicans have turned that proposal down, in which case, Senator, I stand by my remarks.

I yield the floor.

The PRESIDING OFFICER. The Chair reminds Senators to address each other in the third person and through the Chair.

Mr. REID. Mr. President, parliamentary inquiry: Let's make sure we have the time down here. It is my understanding that the Senator from Massachusetts graciously agreed to give the Senator from Minnesota 5 minutes, and the Senator from New Hampshire also agreed to give him an additional 5 minutes.

Mr. GREGG. Mr. President, I will reserve that. The Senator has clearly rejected my offer.

Mr. REID. The Senator from Minnesota has an additional 5 minutes that the Senator from Massachusetts extended. I ask that that be approved by unanimous consent.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. WELLSTONE. I ask the Senator this. There were several other Senators who wanted to speak in opposition. The Senator from Minnesota, Mr. DAYTON, is one.

Mr. REID. The Senator from Vermont allocated the Senator his 7½ minutes, and he has 5 from Senator KENNEDY.

Mr. WELLSTONE. All together I have how much time left?

The PRESIDING OFFICER. The Senator from Minnesota has 7 minutes remaining.

Mr. REID. Plus the 7½ minutes from the Senator from Vermont, who agreed to let him use that time, but also 5 minutes from the Senator from Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. The Senator from New Hampshire has the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I guess we are going to have more discussion on these points. I think it is appropriate at this time to briefly respond to the Senator from Minnesota relative to his representations on especially IDEA funding.

There is a history to this funding which I think has to be reviewed. During the Clinton administration, not once in the first 7 years of that administration was there an increase sent to the Congress for special education funding—not once—of any significance at all.

However, a group of us on our side of the aisle said that was not right. We decided to significantly increase the IDEA funding beginning about 5 years ago. We were successful in accomplishing that. Over the last 5 years, we have increased IDEA funding, special education funding, by 173 percent. That is the single largest percentage increase that any significant policy account has received over the last 5 years.

The new President, President Bush, also understood, because he was a Governor who was sensitive to this issue, that IDEA was not properly funded.

He sent up in his budget the single largest increase in IDEA funding ever proposed by an administration. At the end of this appropriating process which will occur this year, hopefully before Christmas, IDEA funding will have gone from approximately 6 percent when we began this process in 1995 and 1996, up to approximately 20 percent of the cost of IDEA, not the 40 percent which is our goal, but the obvious path which is being pursued is towards full funding.

I do not believe the Senator from Minnesota voted against any of the budgets offered by President Clinton which had zero increases in special education funding. I do not believe he did. But he comes here today and says that because special education funding was not included in this bill which deals with title I funding we should vote against title I funding.

I find that inherently inconsistent, first because we are on a path towards full funding of special education, but second, by voting against a bill which significantly increases funding for title I, which is the low-income children of this country and who represent a primary responsibility of the Federal Government, which we have assumed as a Federal Government, we are undercutting the capacity of those children to have a chance to compete effectively in the school systems.

These are two different issues, special education and title I. Yes, there is overlap on children, no question about it, but the policy issues involved in the two are significantly different. So a decision was made since we are going to reauthorize special education next year that we should take on the policy issues of special education and the funding issues of special education as a package, as a unit, and do it next year, in the context of the fact we are increasing special education this year by over $1 billion. It is not as if we are saying we are not going to do anything in the special education accounts for dollars; we are actually increasing it by $1 billion this year. The money is being put on the table, but the policy that needs to be addressed in the special education accounts are as important as the dollars that need to be addressed. For example, the issue of discipline needs to be addressed. The disparity in discipline between special education kids and kids who are not in special education is a big problem in school systems.

The issue of bureaucracy needs to be addressed. It is extremely expensive to school districts to meet the bureaucratic requirements of IDEA.

The issue of attorney's fees needs to be addressed. We have created a cottage industry for attorneys dealing with special education. We need to address that.

There are significant policy concerns which should be addressed at the same time we address the issue of how we set up the funding stream. I have one other point on the mandatory funding stream. This in some ways is a smokescreen because, as I pointed out, there is a dramatic expansion in funding occurring in special education.

The question is, Is that money going to come out of the discretionary accounts or is it going to come out of the mandatory accounts, and that is an inside-the-beltway baseball game, but it is a big game because if we move it all over to the mandatory accounts, basically we free up $7 billion in the discretionary accounts. That is $7 billion the Appropriations Committee, on which I have the honor to serve, has available to spend on anything they want to spend it on. It does not have to spend it on education. It frees up that money.

A lot of this exercise in mandatory accounts is an exercise to free up $7 billion of discretionary spending.

I do think the argument that because the IDEA language was not included in this bill, therefore, I am going to vote against the title I reform language is inconsistent with the fact pattern because we know we are going to reauthorize special education next year, we know we will visit the issue of mandatory spending next year, and, at the same time, we know we are significantly increasing special education funding this year through the discretionary accounts; we have done it over the last 6 years.

I find that argument to be one that does not have much in the way of legs, as far as I am concerned, as a reason to oppose this bill. There may be other issues in this bill, and the Senator from Minnesota raised the issue of testing. That is a legitimate issue in this bill. We are significantly changing the role of the Federal Government relative to testing in the States. That is a legitimate issue. I know the Senator from Minnesota feels strongly about that issue and has very credible arguments, in my opinion, but the IDEA is another issue.

I now yield to the Senator from Idaho 3 minutes.

The PRESIDING OFFICER (Mr. BAYH). The Senator from Idaho.

Mr. CRAPO. Mr. President, I appreciate the opportunity to speak on the bill. I came down to express my strong support for this legislation, not only because of the important reforms in education that it proposes but because of the significant new resources that the Federal Government will be providing to public education, and also to discuss the fact we are going to be moving forward from this legislation to reform and strengthen the IDEA legislation next year. I look forward to being a part of that process and working with our chairman and ranking member on addressing these critical needs of our children.

I have worked for the last 3 or 4 years myself with the committee and with others to see if we could somehow reach that goal of 40-percent funding for IDEA, which is our objective. We have had a lot of difficult battles over that issue, and we have had a number of votes to try to get us moving down that path. We are on the path toward achieving that objective.

I certainly agree with my good friend, Senator GREGG, about the fact because we have not yet achieved success does not mean we should vote against this legislation. I also have concerns about the testing language in the legislation. I have concerns about where we should address a number of the critical issues in education.

Not everything in this legislation is as I would have had it. However, I consider this bill to be an important step forward, and I look forward to working with the committee next year on achieving both substantive reforms and the financial commitment we need to make to IDEA.

I yield back the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. Mr. President, I want to take 1 minute to respond, and I want to yield the floor to Senator DAYTON for a few minutes, and that will be in opposition.

Ms. MIKULSKI. Mr. President, there is an order, and the time is being controlled by the Senator from Massachusetts, not by the Senator from Minnesota.

Mr. KENNEDY. Mr. President, after the Senator winds up, I was hoping we were going to go to Senator MIKULSKI. The Senator had been recognized for 15 minutes and then the tentative agreement is that Senator MIKULSKI was going to be able to respond. We are trying to work out an accommodation.

Mr. WELLSTONE. How about Senator MIKULSKI speaking and then Senator DAYTON will follow?

Mr. KENNEDY. We are trying to go from one side to the other.

Mr. WELLSTONE. That is what I was trying to do.

Mr. KENNEDY. I thought the Senator was trying to get Senator DAYTON after himself.

Mr. WELLSTONE. No.

Mr. KENNEDY. I am going to yield time to Senator MIKULSKI.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield for a question.

Ms. LANDRIEU. Mr. President, I ask the Senator from Massachusetts what order we are in, and I am happy to take whatever order he deems appropriate.

Mr. KENNEDY. I thought the Senator might be here a little after 10:30 a.m., if that is convenient to the Senator. We are trying to do the best we can, but we do have an order. I am glad to yield 3 minutes to the Senator from Maryland.

Ms. MIKULSKI. I thank the Chair. Mr. President, I wish to make clear that I will vote for the legislation called the No Child Left Behind Act. The reason I am going to vote for this legislation is because I am a pragmatist. Does the legislation do everything in education that I want done? No. Does it do everything on funding the way I want it to be done? No. But there is a crying need in our public schools to pass this modernization of the Elementary and Secondary Education Act, and I do not want to make this legislation be an example of the perfect is the enemy of the good.

We do many fine things in this legislation. Technology is one area in which I have been concentrating.

This bill does include my amendment to create an education technology goal that every child be computer literate by the eighth grade. It includes my amendment to authorize community tech centers to create and expand community tech centers in rural and distressed urban areas, in other words, to bridge the digital divide and allows the Department of Education to provide competitive grants to community-based organizations.

These nonprofits would set up technology centers where children and adults would have access to technology. What does this mean? It means a safe haven for children: it lets them do their homework as well as surf the Web. It also means job training for adults during the day. This legislation also includes more flexibility for the tech approach, such as maintenance and repair.

In Baltimore, the Social Security Administration gave over 1,000 computers to the Baltimore city school system, but they needed repairs. Some of the microchips had been broken. No one could afford to pay for them. My amendment would allow schools greater flexibility to have these public-private partnerships to repair this equipment.

Now I will address the issue of IDEA. Full funding for IDEA is essential for our special needs children and all of the children. Had the Senate passed the Harkin-Hagel amendment, this would have meant $42 million for my State, as well as an increase of $2.5 billion in overall IDEA funding. Yet that approach was rejected by the House conferees.

I salute Senator JEFFORDS and HASKIN others who led the fight to add more money for IDEA, because at the rate we are funding IDEA it will take us to the year 2017 to fund IDEA at the 40 percent we promised 26 years ago. However, I chose not to hold up this bill over this topic because there is increased funding and next year we are going to address the issue of IDEA, which is: What is the right money and what is the right policy?

Since the IDEA legislation was passed 26 years ago, so many of our children come to school now far more medically challenged than when the legislation was passed, far more challenged with psychological or other learning disabilities. I think we need to take a new look, based on research-driven recommendations, that will give us the guiding principles on what is the right way to handle special needs children because of the complexity of their needs. It is often not only someone who helps sign in the classroom, but it is often the school nurse who now is required to dispense medication or medical treatment.

I could say a lot more about this bill, but when they call my name I will vote aye. I congratulate Senators KENNEDY, GREGG, and JEFFORDS for moving this legislation in the Senate. I also want to thank their staffs and my staff for their outstanding work.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. I think the Senator from Minnesota is next.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Minnesota is next.

Mr. KENNEDY. Mr. President, I had indicated we were going to alternate. The last time I saw Senator MIKULSKI she was a Democrat, so now we will go to the Republican side. That is what I indicated earlier. That is the way we proceeded yesterday. That is our understanding today, and that is the way we will proceed right now.

Mr. WELLSTONE. I say to my friend, I thought we were taking a viewpoint on——

Mr. KENNEDY. We are going from one side to the other.

Mr. WELLSTONE. What is the ruling of the Chair?

The PRESIDING OFFICER. The Senator from Minnesota controls his own time. It was the understanding of the Chair that Senator DAYTON was to be next, using Senator WELLSTONE's time.

Mr. WELLSTONE. I yield 5 minutes to the Senator from Minnesota.

Mr. GREGG. Mr. President, I ask unanimous consent that after Senator DAYTON, Senator BOND be recognized for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

Mr. DAYTON. Mr. President, I rise today to explain my decision to vote against the Elementary and Secondary Education Act Conference Report.

Let me first say what enormous respect I have for the bill's manager, the distinguished Senator from Massachusetts, who, throughout his Senate career, has fought heroically to improve the quality of education for our nation's schoolchildren. He and other Senate conferees have labored long and hard for months to negotiate the best bill possible with the House and the White House, who have other, higher priorities. All year long, they have placed tax giveaways to the rich and the powerful above our nation's schoolchildren.

Let there be no doubt: this legislation fails to achieve the President's stated goal: "Leave No Child Behind." President Bush, this legislation leaves many thousands of children behind throughout this country. It fails, for the 25th consecutive year, to keep the Federal promise to pay for 40 percent of the costs of special education. This broken promise is costing my state of Minnesota over $183 million this year. It means the 110,000 Minnesota schoolchildren in these programs are receiving less special education than they need and deserve. It means that other

Minnesota schoolchildren are harmed, as state and local money intended for their educations must be shifted to cover the Federal shortfall. It means that Minnesota taxpayers must pay higher property taxes to fund this broken Federal promise.

To make matters worse, the House conferees refused to accept the Senate's bipartisan commitment to bring Federal funding for special education to 40 percent over the next six years. Earlier this year, Mr. President, I proposed an amendment to this legislation, which would have funded the 40 percent promise in two years. That amendment was defeated, in favor of a six-year timetable. Now, the House Republicans are saying that even six years is too soon.

That is absolutely unconscionable, unjustifiable, and it should be, to this Senate, unacceptable. As a result, under this legislation, next year's Federal funding for IDEA will cover only 17.5 percent of those costs nationwide. In Minnesota, it will fund only 15 percent. This failure will leave thousands of children behind.

House Republicans reportedly refused to accept the Senate position until after IDEA is "reformed." Yet, just a few weeks earlier, the House added over $30 billion in tax breaks to large energy companies in their Energy Bill. The House Economic Stimulus package would repeal the corporate alternative minimum tax, and it would refund over $25 billion to some of America's largest and most profitable corporations. Neither of these two huge tax giveaways was predicated on any kind of "reform."

The failure to fully fund IDEA is tragic, because that money was available earlier this year. There was also enough money to significantly increase the Federal government's support of all elementary and secondary education nationwide. But massive tax cuts for the rich and powerful were the President's and the House Republicans' higher priorities. Now, those projected Federal surpluses are gone, and our nation's schoolchildren must wait in line again.

Less money and more testing. That will be the legacy of this "education President." Well, the President and the Congress have failed their big education test this year. It shouldn't be surprising when, as a direct result of their failure, more of our nation's schools and schoolchildren do also in the years ahead.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, as a member of the conference committee, we spent nearly 6 months crafting this bill. I am pleased to rise in support of this landmark legislation which leaves no child behind.

As many of my colleagues have already mentioned, this bill provides the most comprehensive education reform since 1965. I take this opportunity to thank and congratulate the leader on our side, the Senator from New Hampshire, Mr. GREGG, and the manager of the bill, the chairman of the committee, the Senator from Massachusetts, Mr. KENNEDY. Their tireless work to bring this bill to the Senate has placed comprehensive education reform within reach of all students across the country.

Too many children in America are segregated by low expectations, illiteracy, and self-doubt. In a constantly changing world that demands increasingly complex skills from its workforce, children are being left behind. Over the years, we have empowered the Federal Government and faceless bureaucrats while burying our educators and schools in regulation, redtape, mandates, and endless paperwork. As a result, we have disenfranchised educators and slowly eroded the opportunity for creativity and innovation at the local level.

At last count, the Federal Government had 760 different education programs operating within 39 different agencies, boards, and commissions. Each was launched as a step toward reform, but each new program comes with added regulation and paperwork.

By one estimate, compliance consumes 50 million hours each year, the equivalent of 25,000 full-time employees just to process the forms. Ask the teacher who has to deal with 760 programs, or the administrator who has to handle it, just how much this detailed reform and direction from Washington has helped them focus on their children. In my State they will say "not one bit."

Today, nearly 70 percent of low-income fourth graders are unable to read at a basic level. Our high school seniors trail students of most industrialized nations on international math tests. Nearly a third of our college freshmen must take a remedial course before they are able to begin college level courses. This is why President Bush has chosen education reform as a cornerstone of his administration.

This conference report reflects an agenda that President Bush outlined during his first days in office. It emphasizes flexibility, local control, accountability, literacy, and parental involvement. I am honored to have had a hand in shaping that policy. Parental involvement, early childhood, and parents as teachers are issues I have worked with a long time. I am pleased the principles of my direct check for education were included in the legislation. Over the years, I have worked with Missouri educators to develop the direct check approach to education reform, which consolidates Federal education programs, cuts Federal strings and paperwork, and sends the money directly to local school districts.

Like my direct check proposal, this conference report recognizes that educational reform and progress will take place in the classrooms in America, not in Washington, DC. This report consolidates a myriad of existing Federal programs and allows States and local school districts to make decisions on their own, to determine their priorities. By reducing the mandates, as well as the costly and time-consuming paperwork that local school districts must endure to obtain Federal grants and funding, parents and teachers are empowered to take back control of educating our Nation's children.

To me, the issue is simple. We must empower our States and local school districts with flexibility to utilize the limited amount of Federal resources as they best see fit to educate our children. This conference report does just that. Local schools will immediately be given the flexibility they need, where they are most needed, because a school in Joplin, MO, may have different needs than one in Hannibal, Kansas City, St. Louis, or Boonville, MO.

Some schools need new teachers. Others may need new textbooks or computers, or wish to begin an after-school program.

We simply cannot continue to ask teachers and local schools to meet higher expectations without empowering them with the freedom and flexibility to do the job.

This legislation strikes a delicate balance. It keeps the Federal Government out of the day-to-day operations of local schools; gives States and school districts more authority and freedom; and requires performance in return.

Education, while a national priority, remains a local responsibility. I believe that those who know the names of the students are better at making decisions than bureaucrats at the Department of Education. Parents, teachers, local school boards are the key to true education reform, not big government, Washington-based educational bureaucracy. In addition to giving local schools more control, I am pleased this conference report recognizes parental involvement and increases resources to our very successful Parents as Teachers Program which we hope to provide to every State in the Nation as well as foreign countries. It strengthens accountability, it provides the necessary funds to attract and retain quality teachers, and develops literacy programs to guarantee all students will be able to read by the third grade.

With its emphasis on the child rather than the bureaucracy, this legislation offers an opportunity to make real progress in our schools.

The great Missourian Mark Twain said: Out of public schools grows the greatness of a nation.

One-sixth of the American population is enrolled in public schools. The content and quality of their education will determine the character of our country.

I thank the managers of this bill for their courtesy to me as well as for their great work over the 6 months in bringing this conference report to the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from Missouri. As he mentioned in his comments, he, as a Governor, was involved in the Parents as Teachers Program. We have developed a different way of recognizing this as a national problem, a national challenge, and different ways to bring people into the teaching profession. His is one of the imaginative and creative programs. We always welcome his continued interest in this program.

Before yielding 3 minutes to the Senator from Louisiana, I take a brief moment to respond to the Senator from Minnesota.

I gather there are three major points the Senator made, one about the funding for the IDEA program. I am in strong support of that program. It seems to me we are only meeting 17 percent of our responsibilities. We are pitting children, title I children, against disabled children. Two-thirds of those who receive the funding under special needs are title I children. We are talking about a similar group of children. We are trying to bring about significant reforms in this program. We will bring about the reforms next, but we should move ahead and recognize we are going to try to be of assistance to them. I am sympathetic and a strong supporter of that.

However, I don't know whether the Senator has read the conference report when it comes to testing because we have effectively accepted the Senator's amendments. The Senator is quite correct, testing is not performed.

We have a situation with some States spending $1.46 per student in one State and another State is $3.16, another State is $3.21. In this legislation we are committing with a trigger that says, if the resources are not there, these provisions do not apply.

We have the most overtested group of students in the country. We understand that. However, what we do not have are content standards established by the States, curriculums established by the States, well-trained teachers to be able to teach the curriculum, and assessments about how the children are doing so they can be assisted in academic achievement and accomplishment. That is what this bill is committed to, not off-the-shelf tests.

We do a disservice in describing this bill as the off-the-shelf test. It is not. It has been rejected. If the Senator read page 458, he would see his language is effectively accepted to enable States or consortiums of States to collaborate with institutions of higher education, other research institutions, other organizations, to improve quality, validity, and reliability of State academic assessments beyond the requirements for such assessments described in the act, and measuring students' academic achievement using multiple measures from multiple sources.

We have leaned over backwards to do it right. The Senator was right in his amendment. We have it right in this program. To try to distort it does not serve the issue well. It is not an accurate reflection of what is in the bill.

I do not yield to the Senator from Minnesota or anyone else in terms of getting additional resources. We started with modest resources, the 3-percent increase in terms of the title I program. That happened to be increased to 20 percent. We started off with only a third of the children covered. It is true, we are facing recession and there will be 600,000 more children covered under this program. They are going to be eligible this year because of the state of the economy, but we only reach 40 percent of the Head Start children. Are we against Head Start because it only reaches 40 percent? Are we breaking our promises? We are out here to try to get full investment in these reforms. That is what I am committed to do.

I think we have made some progress. It is always easy to criticize the failures, but I think, along with our colleagues, this is one of the most important efforts made by the Congress in terms of enhancing academic achievement and accomplishment. We might come back to the other areas, but I thought this was the time to respond.

I yield 3 minutes to the Senator from Louisiana. I thank the Senator. There is additional targeting. Under this bill, Minnesota would get $20 million more for title I. But the targeting, both in urban areas and rural areas, is a direct tribute to the Senator from Louisiana. She fought for that and built a coalition. It is always difficult to alter or change formulas. It is a significant alteration to reach the neediest children. We are grateful to her for her commitment in this area.

Ms. LANDRIEU. Mr. President, I thank the Senator from Massachusetts for those kind remarks and I thank Senator KENNEDY and Senator GREGG for their extraordinary effort that has not gone unnoticed by the Members of this Senate and all the people who have followed so closely the tireless efforts to get to this point where we can support such a solid, principled compromise that all Members can be proud of passing today. It is a great victory for our school system and our Nation and for the Presiding Officer, in the role played as a former Governor of Indiana. I thank also Senator LIEBERMAN, Senator COLLINS, and Senator SESSIONS. It was a really bipartisan effort. And to the President, I say thank you. Through all of the efforts, along with the war in Afghanistan and our defense, trying to stand up and defend our homeland, the President stayed focused on education. We stayed focused on education. I think that speaks well of the work we have done. I am proud to be a part of it.

This bill works for our Nation to strengthen our schools and to build on a promise that every child deserves a quality education and the belief that we can fund it and strengthen it so that every child can learn and so that every child should have an opportunity—not a guarantee but an opportunity—to be all that God created them to be and all their parents and loved ones hope for them to be.

That is why I am excited about this bill. It outlines some new goals and objectives that are going to be difficult and challenging. But we need to lift those expectations for our children. We need to challenge our Nation. We need to fund it.

That is why I thank Senator KENNEDY, our leader from Massachusetts. He fought like a tiger to say: Yes, we want accountability. Yes, we want flexibility. Yes, we want to work in partnership with the Governors, but we want to give them the resources to fight the battle. That is what this bill does. It is the single largest investment in education in a single year.

I also thank the Governors who are our partners—the 23 Governors who are on the front line with mayors and school boards around the Nation leading this fight for their support.

Let me focus on three issues.

First, accountability. We say if you are going to run a school, run it right. If not, we are going to reconstitute it so that every child has a chance.

Second, the flexibility issues that we fund at the Federal level, but we allow the local jurisdictions to make those decisions.

Third, targeting. Senator KENNEDY mentioned this. I want to say for Louisiana that this will mean $100 million more for title I to help with the resources to make these classes really work for children. It will help us with technology and will make sure kids really have an opportunity. It is going to help us with afterschool programs. It is not just given out by a grant but a formula, so we get it to the parishes that really need the most help. This will give them the helping hand.

I am proud to join my colleagues. I could speak for hours and days. I congratulate our leaders for doing such a fine job. It was a joy for me to work on this bill. It will mean a lot to the kids in Louisiana and their families.

Mr. SHELBY. Mr. President, I rise today to congratulate my colleagues on the conference committee for their efforts on behalf of our Nation's school children. This legislation encompasses a number of important reforms for our schools. One notable provision reforms the collection and dissemination of personal information collected from students to protect their privacy.

Earlier this year Senator DODD and I introduced the Student Privacy Protection Act. The goal of this legislation is to ensure that parents have the ability to protect their children's privacy by requiring parental notification of any data collection for commercial purposes from their children during the school day. I am pleased that the conference agreed with Senator DODD and me on the importance of protecting student's privacy and the essential nature of parental participation in the process.

The need for this provision stems from the growing practice of a large number of marketing companies going into classrooms and using class time to gather personal information about students and their families for purely commercial purposes. In many cases, parents are not even aware that these companies have entered their children's school, much less that they are exploiting them in the one place they should be the safest, their classroom.

The provision included in H.R. 1 builds on a long line of privacy legislation to protect kids, such as the Family Educational Rights Act, the Children's Online Privacy Protection Act and the Protection of Pupil Rights Act. The goal of these laws, as is the case with our provision, is to ensure that the privacy of children is protected and that their personal information cannot be collected and/or disseminated without the prior knowledge and, most importantly, the ability of parents to exclude their children from such activities.

We understand that schools today are financially strapped and many of these companies offer enticing financial incentives to gain access. Our goal is not to make it more difficult for schools to access the educational materials and the computers that they so desperately need or to deter beneficial relationships. Rather our goal is to ensure that the details of these arrangements are disclosed and that parents are allowed to participate in the decisionmaking process.

The bottom line is that parents have a right and a responsibility to be involved in their children's education. Much of these noneducational activities are being done at the expense of the parents' decision making authority because schools are allowing companies direct access to students. The provision included in H.R. 1 enhances parental involvement by giving them an opportunity to decide for themselves who does and does not get access to their children during the school day.

Mrs. FEINSTEIN. Mr. President, the bipartisan education bill before the Senate today puts in place some strong and unprecedented reforms in elementary and secondary education to make schools more accountable and help students learn. For the public, this bill helps assure that our schools get results and that we know what those results are. California's public schools should be helped by this bill.

To bolster student achievement, this bill includes several needed reforms, tying the receipt of Federal funds to getting results:

The bill continues the current requirement that States must have academic standards for reading and math and adds a requirement that States establish standards for science.

Schools must assure that students make continuous and substantial academic improvement and that students reach a proficient level within 12 years.

To measure student achievement, States are required to test every student in grades 3–8 annually in reading and math based on State standards, by 2005–06.

To ensure accountability, schools that fail for 2 consecutive years to make adequate yearly progress must be identified for improvement and also must identify specific steps to improve student performance.

After 3 years, a failing school must offer public school choice and provide supplemental services. After 4 years, a school must take corrective actions such as replacing staff or implementing a new curriculum. After 5 years, a failing school must undertake major restructuring. The bill provides $500 million to help turn around low-performing schools.

In order to improve teacher quality, this bill authorizes grants to States for teacher certification, recruitment, and retention services. States must assure that all teachers are qualified by 2006.

The bill authorizes $1.25 billion in 2002 and up to $2.5 billion in 2007 for afterschool programs remedial education, tutoring and other services to improve student achievement.

The bill requires public "report cards," which will report on academic achievement, graduation rates and the names of failing schools.

There are many other important initiatives and reforms.

Another important feature of this bill is that it better directs Federal funds to disadvantaged students than does current law. Here are some examples:

It requires that for the largest Federal education program, Title I, Aid to the Disadvantaged, the poor children count be updated every year instead of every 2 years under current law. This is very important to California, a State that has a higher than average poverty rate and high growth in the number of low-income children.

The bill requires that more funds be funneled to States and districts using the targeted grant formula, which is focused on concentrations of poverty, areas such as Los Angeles, San Diego and other major cities. California is expected to receive a larger share of targeted grant funding than under current law because of its concentrated child poverty enrollment.

The bill shifts bilingual and immigrant education funding from a competitive grant program to a formula grant program based on the number of children. California has a very high proportion of limited-English proficient and newly-immigrant children and should be greatly helped by this change.

These are welcomed changes and should send the resources to where the needs are:

The Federal Government provides only 7 percent of total education funding, but the strength of this bill is that it tries to leverage the Federal share to prod States and school districts to make schools responsible for real results. I believe the bill offers hope and resources to California's students, school officials, parents, and the public.

California's schools are facing huge challenges. California has a projected enrollment rate triple that of the national rate. Unfortunately, many California students perform poorly compared to students in many other States. California has some of the largest classes in the Nation. California has overcrowded and substandard facilities and 30,000 uncredentialed teachers.

I am sorry to say that 34 percent of California's schools that participate in Title I are identified for improvement compared to the national average of 19 percent, according to the U.S. Department of Education.

According to the January 2001 Education Weekly Quarterly Report, only 20 percent of California's fourth grade students are proficient in reading, ranking 36 out of 39 States. California ranks 32 out of 36 States for proficient eighth graders in reading, at 22 percent.

American students are falling behind their counterparts in other countries.

In literacy, 58 percent of U.S. high school graduates rank below an international literacy standard, dead last among the 29 countries that participated, according to Education Week, April 4, 2001.

United States eighth graders scored significantly lower in mathematics and science than their peers in 14 of the 38 participating countries, according to the 1999 TIMMS Benchmarking Study.

The percentage of teachers in the United States that feel they are "very well prepared" to teach science in the classroom is 27 percent. The international average is twice that, peaking at 56 percent, according to the 1999 TIMMS Benchmarking Study.

United States students' knowledge of civic activities ranked 3rd out of the 28 countries that participated. However, those same students have been slipping in scores relating to math and science, according to Civic Know-How: US Students Rise to Test, International Association for the Evaluation of Educational Achievement.

The final bill includes several initiatives that I suggested:

As to Title I funding, I have long argued that Title I should reflect the real numbers of poor students. This bill retains the requirement that the poor child count be updated every two years. Also, the bill better targets funds on concentrations of poor children, which should particularly help our urban school districts, like Los Angeles.

As to master teachers, the bill allows funds under the teacher training title to create "exemplary" or "master" teachers who could mentor and guide less-experienced teachers, in an effort to keep new teachers in teaching. This is an outgrowth of my bill, S. 120.

As to the Title I audit, the bill requires the Inspector General to conduct of audit to determine how Title I funds are used and the degree to which they are used for academic instruction. The Senate had accepted my amendment to better direct Title I funds to academic activities and away from things like playground supervisors. While the limitations of my amendment are not included in the final bill, the required audit will help us determine specifically whether Title I funds are being used to help students learn.

As to small schools, the bill allows the use of Innovative Education funds to create smaller learning environments. While the final bill does not include my amendment that puts in place certain school-size requirements, as a condition for receiving funds, it does move that direction and recognize that smaller schools produce more learning.

As to gun-free schools clarification, the bill includes several clarifications of the current Gun-Free Schools Act, the 1994 law which requires a 1-year expulsion for students who "bring" a gun to school. This bill includes students who "possess" a gun at school; it clarifies that the term "school" means the entire school campus, any setting under the control and supervision of the local school district; and it requires that all modifications of expulsions be put in writing. These are important clarifications to the law, the need for which was highlighted by an Inspector General's report on the implementation of that law.

This bill makes some of the most profound revisions to Federal education policy since ESEA was first enacted in 1965. It is an important reform designed to help students learn, achieve and in fact, excel.

The bill authorizes significant new funding. For example, Title I's authorized funding would grow from $13.5 billion in fiscal year 2002 to $25 billion in 2007. Now the challenge is to in fact provide those funds so that this bill will not be an empty promise.

Mr. WARNER. Mr. President, I rise today in strong support of H.R. 1, the No Child Left Behind Act, which will reauthorize the Elementary and Secondary Education Act, ESEA.

Last year, presidential candidate George W. Bush appropriately indicated that education reform was a top priority. This year, President Bush has worked to make this top priority a reality. The Senate will soon pass H.R. 1, legislation which is based on President Bush's education blueprint, entitled, "No Child Left Behind." I share the President's goal; our educational system must leave no child behind.

I commend President Bush, Secretary of Education Paige, and my colleagues who served with me on the Education Conference Committee. We have worked in bipartisan fashion to forge this legislation that will substantively reform elementary and secondary education in this country.

Education is the key to a better quality of life for all Americans. From early childhood through adult life, educational resources must be provided and supported through partnerships with individuals, parents, communities, and local government. The Federal Government has a limited but important role in assisting states and local authorities with the ever-increasing burdens of education.

Originally passed in 1965, the ESEA provides authority for most federal programs for elementary and secondary education. ESEA programs currently receive about $18 billion in federal funding, which amounts to an estimated 7 cents out of every dollar that is spent on education.

Nearly half of ESEA funds are used on behalf of children from low-income families under title I. Since 1965, the federal government has spent more than $120 billion on Title I.

Despite the conscientious efforts of federal, state, and local entities over many years, our education system continues to lag behind other comparable nations. Nearly 70 percent of inner city fourth graders are unable to read at a basic level on national reading tests. Fourth grade math students in high poverty schools remain two grade levels behind their peers in other schools. Our high school seniors score lower than students in most industrialized nations on international math tests. And, approximately one-third of college freshman must take a remedial course before they are able to even begin college level courses.

The underlying issue is—do we just pour more taxpayer dollars to perpetuate these mediocre results or do we take some bold new initiatives?

The No Child Left Behind Act takes some bold new initiatives by increasing federal education funding, increasing state and local flexibility in their use of Federal funds, and increasing accountability—each are steps in the right direction.

First, in regard to funding, the No Child Left Behind Act authorizes $26.5 billion for elementary and secondary education. This includes a substantial increase for Title I programs—which are education programs directed toward disadvantaged children. The bill also provides substantial funding for programs aimed at having all children read by the 3rd grade, teacher quality programs, and programs aimed at making our schools safe and drug free.

Next, in regard to flexibility, the bill significantly increases State and local flexibility in the use of their Federal education dollars.

Under the ESEA law that exists today, most ESEA programs have a specified purpose and a target population. Our states and localities are given little, if any flexibility in the use of the federal dollars they receive.

Our schools do not need a targeted one size fits all Washington, D.C. approach to education. While schools in some parts of the country may need to use federal education dollars to hire additional teachers to reduce classroom size, schools in other parts of the country may wish to use federal dollars for a more pressing need, like new text books. Federally targeted programs for a specified purpose do not recognize that different states and localities have different needs.

Who is in a better position to recognize these local needs, Senators and Representatives in Washington, D.C. or Governors, localities, and parents? Those Virginians serving in state and local government and serving on local school boards throughout the Commonwealth are certainly in a better position than members of Congress from other states to determine how best to spend education dollars in the Commonwealth of Virginia.

The No Child Left Behind Act increases flexibility and local control. For example, the bill allows every local school district in America to make spending decisions with up to 50 percent of the non-title I funds they receive from the federal government. Thus, with regard to non-title I funds, every local school district will have the freedom to choose alternative uses for these funds within certain broad guidelines.

Moreover, the bill provides even more flexibility in the use of federal education dollars for up to 7 states and 150 school districts. These states and local school districts will be given the opportunity to consolidate a number of federal education programs, providing the participating states and localities the ability to focus federal dollars where they are needed most.

Finally, accountability, in certain areas, is needed. Our education policy is locking out many students and not providing them the key to a better life. It's time to move forward in education to ensure that all of our children are given the opportunity to receive a higher quality of education.

President Bush's proposal to test students annually in grades 3–8 in reading and math, which is part of the No Child Left Behind Act, is a strong proposal that promotes accountability.

These tests will result in parents and teachers receiving the information they need to know to determine how well their children and students are doing in school and to determine how well the school is educating its students. Testing also provides educators the information they need to help them better learn what works, improve their skills, and increase teacher effectiveness.

While some have expressed concern that this legislation calls for too much testing, I have a different view. A yearly standard test in reading and math will allow our educators to catch any problems in reading and math at the earliest possible moment. Tests are becoming a vital part of life, no matter how onerous. If America is to survive in the rapidly emerging global economy, tests are a key part.

I note that Virginia has already recognized the importance of testing, having installed an accountability system called the Standards of Learning (SOLs). In Virginia, we already test our students in math and science in grades 3, 5, and 8. The No Child Left Behind Act will build upon Virginia's experience.

Increased funding, increased flexibility, and enhanced accountability, are all steps in the right direction that we take with the No Child Left Behind Act. However, I must remind my colleagues that we have more work to accomplish.

President Bush's "No Child Left Behind" blueprint calls for tax relief for America's teachers when they dip into their own pocket to purchase supplies for students. Senator COLLINS and I have worked together since early this year to pass legislation to provide teachers with this type of tax relief. Unfortunately, the bill before us today does not contain these provisions.

In my view, as we leave no child behind, we must not forget our nations' teachers.

The important role that our nations' teachers play in educating today's youth and tomorrow's leaders cannot be overstated. Quality, caring teachers along with quality, caring parents, play the predominant roles in ensuring that no child is left behind.

Nevertheless, in part because of their low salaries and the numerous out-of-pocket expenses they incur as part of their profession, we are in the midst of a national teaching shortage. Teacher tax relief legislation is one way the federal government can help.

So, while I look forward to voting in support of the No Child Left Behind Act and look forward to President Bush signing this important education reform legislation into law, I also look forward to working with the President and my colleagues in Congress to ensure that our teachers receive the tax relief they deserve.

Mr. BAUCUS. Mr. President, I rise today to speak briefly about the education bill before us.

First of all, I thank my colleagues for the many hours of work they have spent on this bill. From day one, they have had the best interests of our students and teachers in mind. It is difficult to design a Federal education plan that supports the needs of the countless school districts around the country. But this bill affirms the Federal Government's role as one that seeks to narrow the achievement gap between poor students and their wealthier counterparts. This is clearly a worthy goal, and, while I am not entirely pleased with this compromise, I plan on supporting this bill when we vote on its approval tomorrow morning.

I believe this education bill sets a platform from which we can build a solid, supportive role for the Federal Government in our schools across the country. I must say, however, that this bill does not do everything it needs to do. I am on the floor today to remind my colleagues that we have a long ways to go, that this bill is merely a step along the way, and that our schools will need additional investments if we want to provide our children with the knowledge and skills that will bring them opportunities for personal and professional success.

I want to outline the challenges that lie before us. Our biggest challenge may be to fulfill old promises before requiring new mandates. I am, of course, speaking of our failure to fully fund the Individuals with Disabilities Education Act, IDEA, this year. I am extremely disappointed that we failed to do so, because I recognize the burden that schools face in coming up with special education funds from their own pockets.

We have the very worthy intent of educating all students in this country, regardless of their ability or capability. It simply makes good common sense that we would do whatever we can to support that cause from the federal level. Fulfilling a promise we made to schools in 1975 is an easy way to support that effort. I challenge my colleagues to build on the successful Senate amendment to fully fund IDEA with a bill to fully fund IDEA during next year's reauthorization.

I also want to challenge my colleagues to recognize that a federal presence in our state's education systems must fit into the structure of each state. That has not always been the case in my home state of Montana.

Montana's very successful education system is built on a system of local control. Montana's Constitution is built on this premise, giving control of most education decisions to local school boards rather than to the state. This system has proven effective, but makes compliance with state oversight of federal programs difficult, sometimes impossible. As a result, Montana has not been able to meet the testing and assessment requirements implemented in 1994, despite recording some of the highest student outcomes in the nation.

With the strengthening of accountability provisions in this bill, I am very concerned that Montana's education system may suffer from the inability to integrate federal reforms. The construction of Montana law, for example, will make any attempt by the state to "institute a new curriculum," "restructure the local educational agency," "reconstitute school district personnel," or "make alternative governance arrangements," as outlined in this year's bill, an unconstitutional measure. I hope my colleagues recognize this incongruity and will work to insure that our successful system of local control is not stymied by federal intervention.

Finally, for all our talk of wanting to support public education, I think it is unfortunate that we spend an enormous amount of time, energy, and resources in this bill on oversight and accountability measures from the federal level. As I've just mentioned, our state's successes in education have often been the result of local communities taking on the responsibility to build a successful program tailored to their individual environment.

Just as our communities have taken on the responsibility of providing their students with the best possible education at the local level, so must we, at the federal level, make decisions that support our Federal education goals to support local schools and to eliminate achievement gaps. To that end, our focus must be on improved student outcomes. I am not convinced that the provisions outlined in this bill will reach that goal.

I certainly do not want strict controls to be placed on schools, like those in Montana, that have outstanding student outcomes on limited budgets. Montana's schools, for example, would be much better off with additional funds for teacher and principal recruitment and retention programs, school maintenance and repair, technology hardware and training, and on-going professional development opportunities.

In the end, this bill starts us on a very critical path towards addressing the acute and variable needs of schools in states as diverse as Montana and Florida. This bill takes a good, hard look at the role of the federal government in our elementary and secondary schools for the first time since its inception in 1965. It would be overly optimistic to expect that we could accomplish everything necessary to provide an ideal environment for closing achievement gaps and supporting school teachers and administrators across the country in this bill.

We certainly have not reached that point yet. But we have done something very important in starting that dialogue and in attempting to meet that need. Again, I challenge my colleagues to keep the education debate alive and active and to work every day to make our schools a place where student success is the number one priority.

Mr. MURKOWSKI. Mr. President, the conference report we have before us represents the first comprehensive overhaul of the Federal Elementary and Secondary Education Act, ESEA, in 35 years. And from what all of us have learned, overhaul is mandatory.

Since 1965, the Federal Government has pumped more than $135 billion into our educational system. Yet despite this infusion of funds, achievement gaps between students rich and poor, disadvantaged and affluent remain wide.

In fact, only 13 percent of low-income fourth graders score at or above the "proficient" level on reading tests. As the 2000 National Assessment of Education Progress shows, the reading scores of fourth grade students have shown no improvements since 1992. That is unacceptable.

This conference report reflects the four principles underlying President Bush's education reform plan—accountability and testing; flexibility and local control; funding for what works, and expanded parental options. President Bush promised that he would bring Democrats and Republicans together to develop an education plan that puts children first. And this conference report reflects that commitment.

The House passed this conference report by an overwhelming bipartisan vote of 381 to 41. Last June, after we debated and voted on more than 40 amendments to the education reform bill, the Senate voted 91–8 in favor of the reform measure. I expect a similar vote on this final conference report.

Why is there such strong support for this measure? I think the reason is simple: we cannot afford as a nation to continue to allow our public schools to languish. Our children represent the future of America, yet they are not getting the best training for their future. The first thing we need to do is bring greater accountability to the education system. This legislation does that.

It requires States to implement annual reading and math assessments for grades 3—8. These annual reading and math assessments will give parents the information they need to know how well their child is doing in school, and how well the school is educating their child. This is not a Federal learning test. The State will be able to select and design these tests, while the Federal Government would provide $400 million to help the States design and administer the tests.

The conference report also provides unprecedented new flexibility for all 50 States and every local school district in America to use Federal funds. Every school district would have the freedom to transfer up to 50 percent of their Federal dollars to various educational programs. The conference report attempts to consolidate the myriad Federal programs that comprise ESEA, reducing the number of programs from 55 to 45.

The conference report also provides greater choices for families with children in failing schools. Parents in such schools would be allowed to transfer their children to a better-performing public or charter school immediately after a school is identified as failing. Moreover, additional title I funds, approximately $500 to $1,000 per child, can be used to provide supplemental educational services, including tutoring, after-school services and summer school programs, for children in failing schools.

In addition, the conference report provides a major new expansion of the charter school initiative, providing more opportunities for parents, educators and interested community leaders to create schools outside the bureaucratic structure of the education establishment.

I am very pleased that the conferees retained provisions that I authored which allow the Education Department to provide grants to local schools to develop and implement suicide prevention programs. Moreover, States may use Safe and Drug Free funds to finance suicide prevention programs.

This is a critically important program that desperately needs attention. Suicide is the third leading cause of death among those 15 to 25 years of age, and is the sixth leading cause of death among those 5 to 14 years of age. In Alaska, suicide is the greatest cause of death among high school age youths. In fact, Alaska's suicide rate is more than twice the rate for the entire United States.

None of us know the future so we can never say with certainty whether this conference report will achieve the goals that are being set. But we know that what we have tried in the past with regard to elementary and secondary education has not worked. Too many children in America are being left behind. We cannot afford as a society and as a community to allow these failures to continue.

I believe this conference report is an important first step in changing the interaction between Washington and local school districts and that the ultimate beneficiaries will be the students who will become the leaders of tomorrow.

Mr. EDWARDS. Mr. President, after many months of hard work we have before us today an education bill that represents a quantum leap forward for America's children. We have come together in a common-sense, bipartisan way and we should be proud of the progress we've made.

The bill is a strong one, and I commend my colleagues for recognizing that a quality public education is not a conservative or liberal goal. The education debate in Washington has too often broken down along stale ideological lines. With this bill, we are moving beyond the false choice of greater investment versus stricter accountability. We've struck the right balance by both giving more to our schools and expecting more in return. This bill increases investment in our schools, gives new flexibility to principals and superintendents, encourages high standards for all children, and holds schools accountable for their performance. Every child in America has a right to a world-class education. This bill enacts the reforms and provides the resources necessary to make this right a reality.

My State of North Carolina has much to offer in this debate about national education reform. Since coming to the Senate, I've tried to bring some of North Carolina's successes to the rest of the Nation. I am grateful that the final bill includes a provision which I introduced that will allow States to try out a very simple plan we have implemented with great success in North Carolina.

Here's how our program works: immediately after we learn that a school is in trouble, we appoint a specially-trained Assistance Team composed of experienced educators and administrators who are dedicated to a clear and specific goal: helping that school get back on track. The team begins with an intensive review of school operations to find out what works and what doesn't work.

Then the team evaluates all of the school's personnel; finally, the team works with the school staff and local boards of education to make the changes necessary to restore educational quality, to improve student performance, basically, to turn the school around. It's a simple idea, but sometimes simple ideas can lead to dramatic results, and it has worked in North Carolina. Now other States will also have this same tool in their reform arsenal.

I must confess that I am disappointed that some of our Republican colleagues rejected the proposal by Senators HARKIN and HAGEL to fully fund the Individuals with Disabilities Education Act, IDEA. For almost three decades, the Federal Government has failed to live up to its promise to pay 40 percent of special education costs at the local level. The Senate approved an eminently reasonable, bipartisan proposal to make good on this promise. I regret that this long-overdue provision is not included in the final bill.

For all the progress we have made, my hope is that this bill will only be the beginning of our conversation about education reform. It will take time to learn whether the changes we are making will work and whether the resources we are providing are adequate. We must commit to reviewing these issues periodically and consistently as the consequences of reform become clearer. Today we take an important first step towards a fundamental reform of American education. But it is only a first step. Even as we approve a strong bipartisan bill, we must commit ourselves to doing all that we can for America's children in the months and years to come.

Ms. SNOWE. Mr. President, I rise today in support of the conference report on H.R. 1, the Elementary and Secondary Education Act Authorization Act, the primary Federal law affecting K-12 education today.

Completion of this reauthorization was a long time coming, considering that the original reauthorization expired last year and that the Senate passed its bill 6 months ago. It is critical that the Senate approve this report prior to adjourning for the session.

The fact is, while education is primarily a local and State responsibility, the seven percent of funding the Federal Government does provide plays a key role in preparing today's students for tomorrow's workforce. We have been faced with the daunting task of reauthorizing and revamping the Federal Government's entire K-12 commitment, and the passage of this conference report comes not a moment too soon for the young men and women of America.

We have spent $120 billion in title I education funds over the last 35 years, yet we have failed to close the achievement gap between students in high-income and low-income families. We spend near the maximum for students each year compared to our foreign competitors, $5,300 for a primary education, yet have one of the poorest test records in math, reading and science, with only 40 percent of grade school students meeting today's basic reading standards and only 20 percent who are prepared for high school math. The cold hard truth is that with 89 percent of our kids in public schools, that is almost 50 million students, we cannot afford to let this happen any longer.

So I applaud President Bush for following through on his promises and making education a cornerstone of his Presidency. He has continually set the proper tone by making a case for ensuring that greater flexibility goes hand-in-hand with accountability.

Indeed, the conference report before us creates unprecedented flexibility for States and local educational agencies, while increasing accountability to ensure that they are getting the job done.

This reauthorization allows States to help schools that have not met their annual goal through the dedication of additional resources to help turn the school around, while guaranteeing students access to supplemental services to bolster their education. Students are not trapped in failing schools, as the conference report ensures that students in a failing school can transfer to another public school if their home school is considered to be failing for more than 1 year.

In order to have accountability there needs to be some sort of ruler by which to measure the school's success. I am pleased that the conference report allows States to determine not only the assessment system but also the annual achievement goals.

My own State of Maine has worked for several years to develop its own assessment system to ensure that our students, and our schools, are achieving. Having witnessed the evolution of Maine's Learning Results Program over the past several years, I would not support this conference report if I thought that it would interfere with Maine's efforts. To the contrary, I believe it would build on those efforts, and therefore I will support passage of the conference report. Additionally, passage of the conference report is supported by Maine's Commissioner of Education, Duke Albanese.

My support for this package is tempered only by my disappointment that the conferees did fully fund the Individuals with Disabilities Education Act or IDEA. The Senate, by a unanimous vote, supported the inclusion of mandatory full funding for IDEA during consideration of the ESEA bill in the spring.

IDEA is an unfunded mandate that is draining precious resources from our States and in each and every community. Twenty-six years ago, Congress committed to paying 40 percent of IDEA funding, and we have yet to come close. While Congress has more than doubled IDEA funding over the past 5 years, the Federal Government has not contributed more than 15 percent of the total cost of IDEA.

Full funding would free up billions of dollars nationwide, and approximately $60 million in Maine, freeing up local and State education money which can then be used for other pressing needs. Throughout my tenure in Congress, I have fought for full funding of IDEA and this is a fight I will not give up.

Those conferees who opposed including the full funding provisions in this conference report argued that this program cannot be made mandatory until the program is reformed and reauthorized. Fortunately, IDEA is due for reauthorization next year and I will be working to ensure that it is fully funded.

I appreciate the diligence of my colleagues who sit on the Senate Health, Education, Labor, and Pensions Committee in this effort, and I look forward to supporting this conference report and sending it to the President for his signature. I believe this legislation will make an important difference in the future of our children as well as our Nation.

Mr. SANTORUM. Mr. President, I am very gratified that the House and Senate conferees included in the conference report of the elementary and secondary education bill the language of a resolution I introduced during the earlier Senate debate. That resolution concerned the teaching of controversies in science. It was adopted 91-8 by the Senate. By passing it we were showing our desire that students studying controversial issues in science, such as biological evolution, should be allowed to learn about competing scientific interpretations of evidence. As a result of our vote today that position is about to become a position of the Congress as a whole.

When the Senate bill was first under discussion in this body, I referenced an excellent Utah Law Review article, Volume 2000, Number 1, by David K. DeWolf, Stephen C. Meyer and Mark Edward DeForrest. The authors demonstrate that teachers have a constitutional right to teach, and students to learn, about scientific controversies, so long as the discussion is about science, not religion or philosophy. As the education bill report language makes clear, it is not proper in the science classrooms of our public schools to teach either religion or philosophy. But also, it says, just because some think that contending scientific theories may have implications for religion or philosophy, that is no reason to ignore or trivialize the scientific issues embodied in those theories. After all, there are enormous religious and philosophical questions implied by much of what science does, especially these days. Thus, it is entirely appropriate that the scientific evidence behind them is examined in science classrooms. Efforts to shut down scientific debates, as such, only serve to thwart the true purposes of education, science and law.

There is a question here of academic freedom, freedom to learn, as well as to teach. The debate over origins is an excellent example. Just as has happened in other subjects in the history of science, a number of scholars are now raising scientific challenges to the usual Darwinian account of the origins of life. Some scholars have proposed such alternative theories as intelligent design. In the Utah law review article the authors state, ". . . The time has come for school boards to resist threats of litigation from those who would censor teachers, who teach the scientific controversy over origins, and to defend their efforts to expand student access to evidence and information about this timely and compelling controversy."

The public supports the position we are taking today. For instance, national opinion surveys show—to use the origins issue again—that Americans overwhelmingly desire to have students learn the scientific arguments against, as well as for, Darwin's theory. A recent Zogby International poll shows the preference on this as 71 percent to 15 percent, with 14 percent undecided. The goal is academic excellence, not dogmatism. It is most timely, and gratifying, that Congress is acknowledging and supporting this objective.

Mr. ROBERTS. Mr. President, I am pleased that with the passage of this legislation, we are on our way to assisting our Nation's schools in providing a quality education for each and every child. I want to thank Senators KENNEDY and GREGG, Congressmen BOEHNER and MILLER and their staffs for their hard work in crafting a bipartisan piece of legislation that will give children the opportunity to succeed in the classroom.

I am also happy to see that this legislation includes an emphasis on math and science education. Senator FRIST, Congressman EHLERS and myself have worked hard to make ensure that there is a renewed focus on a portion of education curricula that needs addressing. Scores on the National Assessment for Educational Progress, NAEP, test in the subject area of science have not improved over the last several years and, in fact, have been lower than previous years test scores. Seniors in high school who took the 2000 NAEP science test scored, on average, three points lower than those taking the test in 1996. Only 18 percent correctly answered challenging science questions, down from 21 percent and those students who knew just the basics dropped to 53 percent. This is simply unacceptable.

According to an Associated Press article that appeared in the Kansas City Star on November 20, many science teachers complain that they can't persuade school officials to give them the time or money required for training. Our math and science provision in this bill addresses this very problem through a variety of ways, including: one, improving and upgrading the status and stature of mathematics and science teaching by encouraging institutions of higher education to assume greater responsibility for improving mathematics and science teacher education; two, create career-long opportunities for ongoing professional development for math and science teachers; three, provide mentoring opportunities for teachers by bringing them together with engineers, scientists and mathematicians; and four, develop more rigorous math and science curricula.

This legislation authorizes the math and science partnerships at $450 million in the first year. I would encourage my colleagues, especially in light of the recent NAEP scores, to adequately fund this program in order to improve the abilities of our teachers to provide good, quality instruction in math and science.

We are in an age where science and technology fields are booming and yet we cannot produce students who even have an understanding of basic science principles. How can we attract students into fields that are experiencing dramatic shortages such as nursing or engineering when they don't have a good background in math and science? We have failed our children and I believe it is imperative to the future of our country to make sure that our children are adequately prepared in math and science subject areas.

I am disappointed that we did not have the opportunity to provide our school districts the financial relief needed in the area of special education. I have strongly supported funding the Individuals with Disabilities Education Act, IDEA, at the full 40 percent and yet we will go another year with it being inadequately funded by the Federal Government. We have made dramatic improvements in the funding levels over the last several years. However, we are now only providing approximately 15 percent instead of the 40 that we said we would commit 26 years ago. I look forward to working with my colleagues who have stated throughout the conference their willingness to address this issue next year when IDEA will be reauthorized.

I am pleased with our overall product and will be looking forward to seeing results in the years to come as our States and local districts work to implement the reforms made in this bill. I believe the State of Kansas overall provides a good education for it's children and I look forward to seeing the quality of education in Kansas get even better.

Mr. LEAHY. Mr. President, I rise today to express my opposition to the conference report of H.R. 1, The No Child Left Behind Act of 2001. Earlier this year, I voted in support of S. 1, the Better Education for Students and Teachers Act, with the belief that we were taking the first step toward enacting quality education reform in our nation's schools. My support for this legislation was to be contingent upon taking an essential second step providing adequate financial resources for carrying out these reforms. I will repeat now what I said then: unless we commit ourselves to providing the resources necessary for States to carry out the reforms outlined in the bill, we will be doing serious harm to our children. I am afraid that in passing this bill, we are headed down that very path.

First, I want to express my strong disappointment that an amendment adopted during the Senate's consideration of this bill, authored by Senator HATCH and myself, was dropped in conference. This amendment would have re-authorized Department of Justice grants for new Boys and Girls Clubs in each of the 50 States. In 1997, I was proud to join with Senator HATCH and others to pass bipartisan legislation authorizing grants by the Department of Justice to fund 2,500 Boys and Girls Clubs across the nation. Our bipartisan amendment to this education bill would have authorized $60 million in Department of Justice grants for each of the next five years, enabling the establishment of 1,200 additional Boys and Girls Clubs across the nation. These new grants would have brought the total number of Boys and Girls Clubs to 4,000, serving 6,000,000 young people by January 1, 2007.

In my home state of Vermont, these federal grants have helped establish six Boys and Girls Clubs in Brattleboro, Burlington, Montpelier, Randolph, Rutland, and Vergennes. Together, Vermont's Boys and Girls Clubs have received more than $1 million in Department of Justice grants since 1998. I know what a great impact these after school opportunities have had in these communities, and it is clear to me that more resources must be invested in order to help our kids lead healthy lives and avoid the temptations of drug use. I am disappointed that some members of the conference committee did not want to ensure future funding for these successful programs.

Some of the most publicized and often-discussed provisions of the No Child Left Behind Act are the expanded requirements for measuring student performance through annual testing of students in grades three through eight in math and reading. This conference report requires states to develop and administer this annual testing. While accompanying appropriations will provide the resources necessary to pay for a portion of the costs of developing and administering the tests, the funds are far less than what will be necessary, leaving Vermont and other states with large financial gaps to fill. At a time when our economy is slowing and states are facing difficult budget choices, the Federal Government should not be placing burdensome, unfunded mandates on local and state officials, especially when there are education funding commitments the Federal Government is still yet to meet.

With this legislation, Congress had before it the opportunity to reverse its decades-long transgression in the area of special education funding. The conferees rejected a provision adopted during the Senate's consideration of the education bill that would have ensured that the Federal Government finally lived up to its commitment to our children with special needs and the communities in which they live. I am deeply troubled by this. When Congress first passed the Individuals with Disabilities Act, IDEA, the States were required to comply with the special education provisions, and in exchange, the Federal government would contribute up to 40 percent of the costs. Instead, the Federal contribution is generally only 12 to 15 percent, far from the promised 40 percent. The provision included in the Senate-passed bill would have required the government to contribute the 40 percent by changing the Federal contribution from discretionary spending to mandatory. In Vermont, countless communities struggle each year to pass their local school budgets, hampered by the high costs of providing special education. The actions of the conferees fail to provide the relief States are owed, and have instead placed additional mandates that State and local education officials must find a way to address.

In addition to the inadequate resources provided for special education, and for implementation of the assessment provisions, I am concerned about the extensive Federal control exerted in this bill over the evaluation of whether a school is failing. I am particularly concerned about the definition of what constitutes a failing school, especially because this is a determination that could ultimately lead to the elimination of Federal funds for that school. Finally, I find troubling the degree to which this legislation increases Federal control over teacher qualification and greatly increases administrative paperwork for the States.

Current statistics leave no doubt that some schools in our country are failing—education reform is necessary in some parts of our country. One of the fundamental problems with this legislation, however, is that in recognizing the areas in our education system that are failing and in need of assistance, it fails to recognize the successful things happening in education in some States. My state of Vermont leads the Nation with its innovative and effective policies for assessing student performance and providing necessary technical assistance to struggling schools. This new Federal legislation will require that Vermont abandon its home-grown successful tools and implement—at a high cost—new tools selected by Federal lawmakers that appear to be aimed at failing schools in our Nation's urban areas. This legislation will require schools to make major changes in a short period of time without the resources necessary to implement these changes. With difficult financial times ahead for many States, including Vermont, this Federal law will force State legislatures to make very difficult budget choices in order to comply with these new Federal mandates.

I commend the bipartisan effort that has gone into crafting this legislation. I know that my colleagues all want to ensure that our Nation's children have access to the quality education they deserve. Unfortunately, despite these efforts, the legislation that has been pieced together does more harm than good for school children in Vermont. While there are some positive reforms included in the final measure, there is far more that will hurt Vermont's local educational efforts and cost the State dearly in financial resources. As the former chairman of the Education Committee for many years, and as a leader in education policy, my distinguished colleague from Vermont, Senator JEFFORDS, understands better than most the impact that this bill will have on our home State. During this debate, Senator JEFFORDS' continued perseverance on the issue of increased Federal special education funding has been outstanding, and I commend his tireless advocacy on behalf of our Nation's schoolchildren.

I regret I am not able to support this legislation today. And I regret that we will likely find ourselves on the Senate floor sometime soon, once again discussing education reform efforts. Next time, though, I believe we will be here to discuss how to fix the harm we have done in passing the legislation before us today.

Mr. SMITH of New Hampshire. I rise to say a few words about the Conference report to the Elementary and Secondary Education Act also known as the Better Education for Students and Teachers Act, H.R. 1.

First of all, I want to thank President Bush for his leadership on this important issue, which he has made a cornerstone of his domestic agenda. He is to be commended for this commitment to local control of education, and for "leaving no child behind."

As a former civics and history teacher and school board chairman, I know that decisions regarding education are best executed at the local level, and that we should not run our public schools from Washington DC.

Although the Senate's education bill, S. 1, lacked several important reform provisions, I voted for the bill's passage on June 14 of this year.

I supported the bill because I wanted to move the ball forward to improve our nation's educational system. I supported the bill because I am tired of the status quo.

I am tired of failing schools, and smart kids who are trapped in them. I am tired of money that is directed to our classrooms being spent on bureaucracy. I am tired of the United States' academic progress falling far behind that of other nations.

The reconciled education bill will make modest but necessary and much needed reforms with the goal of making lasting improvements for our nation's schools.

Bill Bennett, the Secretary of Education under President Ronald Reagan and one of the most respected leaders in the education reform movement, said in a recent article that there are several basic ingredients to a quality education for America's children. These ingredients are:

First, strong leadership and excellent teachers;

Second, principals and teachers sharing a common vision of the school's academic mission with clearly defined goals which are adhered to;

Third, a commitment to homework and testing;

Fourth, teaching character education; and

Fifth, a successful school hinges on parents being involved in the academic lives of their children.

I agree with Mr. Bennett completely.

I want to first speak about funding for the Individuals with Disabilities Act, or IDEA as it is commonly called. I have heard from a number of New Hampshire constituents who are concerned about the Federal Government's commitment to funding our share of the costs associated with educating children with disabilities. IDEA does receive substantial funding increases in this bill. I support fully funding the IDEA mandate, and I am also committed to making sure that localities have more flexibility and that true reforms, such as cost control, are enacted to IDEA.

I look forward to addressing IDEA next year when this bill is reauthorized by Congress. I hope to be able to offer amendments to reform and improve this important legislation at that time.

I am also proud to report that this bill reflects the principles of two out of three amendments that I passed during consideration of S. 1. The first amendment requires the Department of Education to initiate a study on sexual abuse in our nation's schools. This is a very serious problem that, unfortunately, has received very little national attention, and I am glad that this amendment was included in the final bill.

The second amendment applies "Dollars to the Classroom" principles to all Federal formula grant programs, and directs 95 percent of this money to the local level.

Unfortunately, the vast majority of all federal education funds do not go to schools or school districts.

According to the Heritage Foundation, audits from around the country have found as little as 26 percent of school district funds are being spent on classroom expenditures. Classroom expenditures are defined as expenditures for teachers and materials.

Twenty six percent is unacceptable to me.

Heritage also found that my home State of New Hampshire only receives 47 cents to the dollar of federal education money. What becomes of the remaining 53 cents?

Many of my colleagues believe that throwing more money at our education system will solve all of its problems.

I respectfully disagree, and let me briefly tell you why.

Over the last 36 years, the federal government has spent more than $130 billion to shrink the scholastic achievement gap between rich and poor students.

I am here to report that not much has improved.

Poor students lag behind their peers by 20 percent even though the scope of the Elementary and Secondary Education Act (ESEA) has expanded.

In fact, the average fourth grader today who comes from a low-income family reads at two grade levels less than his or her peer in that same classroom.

One of the biggest reasons for this failure is that very little accountability exists for how all of this money is spent.

Greater accountability and flexibility, not more money, is the key to education reform.

I am also proud to report that the House/Senate agreement would provide all States and local school districts with the flexibility to shift Federal dollars earmarked for one specific purpose to other uses that more effectively address their needs and priorities.

States would now be allowed to make spending decisions with up to 50 percent of most of their non-title I administrative funds that they receive from the Federal Government.

The proposal would give every State the freedom to choose alternative uses for these funds within certain broad guidelines; for example, technology funds could now be used by the state to improve teacher quality. States can also use Federal funding to improve education for disadvantaged students.

In addition, every local school district will be able to transfer up to half of its non-title I funds at its discretion.

I am also pleased to report that the proposal would also allow 150 districts to apply for waivers from most Federal education rules and requirements associated with a variety of ESEA programs, as long as they obtain certain achievement levels for their lower-income students.

Additionally, seven States will receive additional flexibility, making it possible for State and local education agencies to enter into State-local "flexibility partnerships" to coordinate their efforts and put Federal resources to their most effective use for students.

Although these provisions fall short of what was originally envisioned for the Straight A's concept, I am pleased that we have a foundation on which to build regarding funding flexibility.

It is my hope that these States and school districts will effectively demonstrate that less government heavy-handedness, with more local control and broader decision making power at the local level is the key to improving schools in this nation.

The conference report also consolidates wasteful federal programs.

The proposal would reduce the overall number of ESEA programs to 45, which is 10 fewer programs than in current law, and 34 fewer programs than in the Senate-passed legislation. The proposal would accomplish this by streamlining programs and targeting resources to existing programs that serve poor students.

Additionally, H.R. 1 would, for the first time, require States to begin using annual statewide assessments and insisting that states show that progress is being made toward narrowing the achievement gap.

National testing and federally-administered exams would be prohibited: States would be able to design tests that are consistent with its current academic standards—not Washington D.C.'s standards. States would need to ensure that student academic achievement results could be compared from year to year within the State, and federal funding will be provided to States so they can develop their annual assessments. I also believe that parents should have a choice in schooling options for their children. This can come in the form of tax credits, the option to change to another public school, or private school vouchers. Under the agreement reached by the House and Senate, approximately a portion of title I funding would, for the first time ever, be used to allow parents to obtain supplemental educational services for their children. These services include tutoring, after-school services, and summer school programs.

I am pleased that private, church-related and religiously-affiliated providers would be eligible to provide supplemental services to disadvantaged students. For the first time ever, Federal title I funds would be permitted to flow to private, faith-based educational providers. Another component of H.R. 1 would provide parents with the opportunity for a child trapped in a failing school to transfer to a better public school, including a charter school, with their transportation costs paid for. Although I would have preferred Federal funding being permitted to flow to private schools as well, I am glad that we obtained a good, first step toward the goal of greater accountability in our schools. H.R. 1 contains language to push States and local districts to take responsibility for ensuring teacher quality through testing and certification. It also protects teachers who are trying to maintain order in the classroom by shielding them from frivolous lawsuits. Finally, there are several provisions in the reconciled bill which will give rights to parents that were not available to them previously. Schools must now develop a policy to allow parents the right to inspect surveys given to their children as well as instructional material used as curriculum for their child's education. Parents must be notified about surveys and medical exams and will have the right to opt their child out of them. In addition, parents have new rights to see the National Assessment of Educational Progress (NAEP) test, comment on it, and to receive a response to their concerns. Parents may also choose to opt their child out of the NAEP exam.

I am pleased with several aspects of H.R. 1, because it: Attempts to close the achievement gap; provides flexibility to States and school districts; promotes accountability and teacher excellence; increases parental involvement; provides for a limited education choice component; and finally, this legislation returns decisions regarding education back to the local level, where they belong.

Our children are the future of this Nation. Now, more than ever, we need to guarantee that they will receive a quality education and that federal money will flow to where it is most effective. We need to support our kinds and push them to excel. We need to equip teachers to effectively educate our children. And we need to empower parents to be more involved in the lives of their children. Although there are still aspects of the conference report that I wish were stronger, I am pleased that we are taking incremental steps to raise the grades for our Nation's schools.

Mrs. BOXER. Mr. President, when we first began the debate on the education reauthorization bill, I came to the floor calling for three simple things—reform, resources, and results.

Overall, I believe this education bill makes a significant step toward achieving these three goals, and I want to highlight some of the bill's important provisions.

The bill includes improved targeting of federal funds to the neediest communities and increases support for Limited English Proficient and migrant students.

It continues our federal commitment to improve public schools by reducing class sizes and overcrowding in order to provide safe and orderly places for learning. This will improve the performance of students and teachers in our public schools.

Because I am a firm believer in school testing and accountability standards when properly structured, I am pleased that my colleagues were able to reach a compromise so that the federal government will pay its fair share in supporting the new standards in schools.

This bill also maintains the emergency school repair and construction program, and ensures that every classroom will be led by a qualified teacher.

But the provision of this bill of which I am most pleased is the Title V provision on afterschool programs. This Title includes the afterschool amendment that I offered with my colleague Senator ENSIGN.

Studies have shown that services such as afterschool programs are some of the most important weapons against juvenile crime by keeping our kids out of the streets.

Afterschool programs provide academically-enriched services during the hours of 2 p.m. and 8 p.m., which the FBI reports are the times when children are most likely to be involved in crimes and other delinquent behavior.

This is why I strongly believe in the 21 Century Community Learning Centers program and am delighted that this authorization bill contains the first ever multi-year authorization for afterschool services.

Although my amendment would have provided a total of $4.5 billion in funding for fiscal year 2008, I am extremely pleased that this bill makes a significant step forward in achieving this goal by authorizing over $300 million in additional funds for fiscal year 2002 for a total of $1.25 billion. This bill then increases funding levels by $250 million each year for the next five years.

This will allow for a total of $2.5 billion in 2007 and will provide nearly four million children in need access to afterschool programs.

Finally, I want to mention one thing this bill does not include that it should. The federal government needs to meet its commitment by contributing 40 percent of the average per pupil expenditure toward the funding of special education programs.

Providing full funding of the Individuals with Disabilities in Education Act would have helped alleviate some of the strain placed upon school districts to educate both regular and special education students.

While I regret that we were not able to include mandatory full funding for special education programs, I know that my colleagues and I will not rest until this finally becomes a reality.

Reform plus Resources equals Results. This is the recipe to a successful public school system. Just like any good recipe, we cannot reasonably expect to have a successful public education system if we are not willing to put forth the necessary resources.

I believe that this Education Reauthorization bill symbolizes the willingness of all parties to put aside their differences and work toward the betterment of our children.

Make no mistake, we still have a long way to go toward fully supporting our public education system, but I believe that this bill is a positive step forward in achieving this goal.

Mr. ROCKEFELLER. Mr. President, I rise today to support the final conference report on the Elementary and Secondary Education Act, ESEA, and I commend Senator KENNEDY and all the conferees for their hours of negotiations to forge consensus on this vital legislation.

This package outlines our major Federal framework for education policy for the coming years. The bill requires new emphasis on achievement through annual testing and school report cards, but it also calls for new investments to reach these higher education goals. We must have higher education standards. This bill creates new goals through the Adequate Yearly Progress, AYP, standards, which charts a 12-year strategy to achieve education goals, with meaningful measurement along the way, to ensure that all children, especially disadvantaged students, get help and make strides. Students in schools that are struggling and fail to meet the standards will have the option of afterschool tutoring, which is a good compromise to ensure help to students without using controversial private school vouchers that drain needed resources from public schools.

While high standards are crucial, it takes real resources to achieve them. This legislation authorizes meaningful increases in title I funding for disadvantaged schools and IDEA. This year, West Virginia received $73.7 million in title I funding. Today's legislation authorizes new investments in title I; depending on the final negotiations in the pending Labor-HHS-Education appropriation conference, West Virginia will receive between $78.8 million to $80.9 million for title I, which will be essential to achieving our new goals. However, pushing for the additional resources is not a single event; it will mean hard work on appropriations for the next 6 years. I am committed to working with Senator KENNEDY and others to deliver on the needed funding to fulfill our promises on education.

This is a major legislative initiative. I particularly want to note the emphasis on reading for young children. Teaching a child to read, and read well, is a fundamental building block for education. We should be proud of the bill's provisions highlighting reading and literacy, and its special support for reading programs for preschool and early grades. I am also pleased about the new emphasis on drop-prevent programs and parental involvement. In addition, this legislation protects and continues some key education programs, including the Safe and Drug-Free School program which I worked to create more than a decade ago. We all understand the importance of school safety and protecting children from the dangers of drugs and alcohol.

Our bill requires that all teachers be qualified in their subjects by the school year beginning in 2005. This will be a challenge in West Virginia and many States, especially in crucial subject areas like math and science. When I talk with business leaders in my State, they bring up the importance and the difficulties of attracting teachers who are qualified, especially in math and science. Given the national shortage of teachers, this will be hard to achieve, but we simply must ensure that our teachers are qualified in their subjects if we hope to achieve the adequate yearly progress standards.

In the Senate, we voted to fulfill our Federal commitment to fully fund the IDEA program, which suggests that the Federal Government pay 40 percent of the costs of educating children with disabilities. However, while progress was made on better funding for IDEA, we did not reach the Senate goal of full mandatory funding, and this is a real disappointment to me.

We need accountability and high standards, but we also need investments to achieve those key goals. This legislation provides the framework for success. It will up to President Bush and the Congress to work together over the coming years to secure the investment needed to fill in this bold plan for education reform.

Mr. FEINGOLD. Mr. President, the Senate is about to vote on one of the most important pieces of legislation that we have debated this year. The Elementary and Secondary Education Act has provided the framework for the Federal role in education for more than 35 years. The conference report currently before us, the "No Child Left Behind Act," will chart the course for the Federal role in education for the next 6 years and beyond.

I strongly support maintaining local control over decisions affecting our children's day-to-day classroom experiences. The Federal Government has an important role to play in supporting our States and school districts as they carry out one of their most important responsibilities, the education of our children.

Every child in this country has the right to a free public education. Every child. That is an awesome responsibility, and one that should not have to be shouldered by local communities alone. The States and the Federal Government are partners in this worthy goal, and ESEA is the document that outlines the Federal Government's responsibilities to our Nation's children, to those who educate them, and to our States and local school districts.

It is with this conference report that we must find the right balance between local control and Federal targeting and accountability guidelines for the Federal dollars that are so crucial to local school districts throughout the United States.

I remain opposed to the new federally-mandated annual tests in grades 3–8. I am concerned that adding another layer of testing could result in a generation of students who know how to take tests, but who don't have the skills necessary to become successful adults. I am pleased that the conference committee retained a Senate provision to ensure that the tests that are used are of a high quality and that the conference included language to ensure that the test results are easy to understand and are useful for teachers and school districts to help improve student achievement.

I fear that this new annual testing requirement will disproportionately affect disadvantaged students. We should ensure that all students have an equal opportunity to succeed in school. I am pleased that this conference report authorizes a 20-percent increase in title I funding for fiscal year 2002 and that it authorizes additional increases for this crucial funding in each of the next 5 years, 2003-2007. I am also pleased that the conference report includes language to ensure that these dollars are targeted to students who need them the most. I will continue to work to ensure that Title I is fully funded.

I am pleased that the conference report includes language to ensure that the States will not have to implement or administer this new Federal testing mandate unless the Federal Government provides a specific amount of funding. While the true cost of this mandate is still unclear, it is clear that the Federal Government should provide adequate funding for this new requirement.

I regret that the House-Senate conference voted to strip a Senate provision that would have guaranteed full funding of the federal share of the Individuals with Disabilities Education Act, IDEA. This action, coupled with the new Federal testing mandate, could push already stretched local education budgets to the breaking point. I will continue to work for fiscally responsible full funding of the Federal share of IDEA when the Senate considers reauthorization of that important law next year.

This debate gave Congress the opportunity to strengthen public education in America. Unfortunately, many of the provisions contained in the conference may undermine public education by blurring the lines between public and private, between church and state, and between local control and Federal mandates. Because this' conference does not provide the resources necessary to implement its goals, it will leave many children behind. For those reasons, I will vote against it.

Mr. THURMOND. Mr. President, I rise in support of the conference report to accompany H.R. 1, the No Child Left Behind Act of 2001. President Bush has provided the leadership for this landmark education reform bill. I also commend the conference members and Senate leadership on forging an agreement that revises and improves the role of the Federal Government in the education of our children.

The education of the children and youth of our Nation is a cause I have served for many years. In fact, my first job, upon graduation from Clemson, was as a teacher and coach. Later, I served as the County Superintendent of Education in Edgefield County, SC. There have been many changes over the years within the educational system of our Nation in structure, policy, technology and methods. However, there are principles which remain constant. The fundamentals of successful teaching, caring teachers, prepared students, and involved parents, have not changed. This conference report builds on those fundamentals.

This legislation reflects the principles set down by President Bush in his education reform proposal. While it does not include all that we might have wished, I believe that it will serve the students of the Nation well. The President asked us to link funding to scholastic achievement and accountability, expand parental options, maintain local control, and improve the flexibility of Federal educational programs. This conference report delivers on all of these reforms.

First, I am very pleased with the accountability provisions of this legislation. I believe the testing and reporting provisions are the most promising reforms. School performance reports and statewide results will give parents and educators much-needed information about their students' progress. These provisions, along with the expanded school choice provisions, should provide our schools with sufficient incentives to make improvements.

The streamlining of Department of Education programs will allow local schools to focus on educating children rather than filing paperwork. As a former Governor, I am especially pleased that the legislation will also enhance local control by allowing local school boards more discretion in how they spend their education funds.

In addition, the legislation authorizes a number of specific programs which I supported as the Senate debated this bill and I am pleased to see these included in the conference report. The President's Early Reading First program will help boost reading readiness for children in high-poverty areas. The Troops-to-Teachers Program is an innovative approach to bring experienced individuals into the classroom and helps our former Servicemembers with their transition to civilian life. Finally, I strongly supported an amendment, the "Boy Scouts of America Equal Access Act." This provision will ensure that our patriotic youth groups will be allowed access to public schools.

In South Carolina, while we are improving in our educational performance, we have a long way to go. This legislation, will greatly assist us in our goal to leave no South Carolina child behind. Again, I thank the President for his leadership on this issue. I am pleased to join in my support of this legislation which will help improve the education of the youth and children of our great Nation.

Mr. VOINOVICH. Mr. President, if there is one thing that the Senate can agree on, it is the obligation we have to help prepare our children for the future. Even as we recognize the importance of education, we must ask ourselves, if this government function is so important, how do we best meet this obligation?

This bill does not meet our children's education needs in the best way possible. This bill throws money at problems that can ultimately only be resolved by more parental involvement, and it violates our Nation's long-held tradition of federalism in which duties not expressly assigned to the Federal Government are assigned to the State and local level. By seeking to abolish the role that State and local governments, specifically locally elected school boards, have in our children's education, I fear will put us on the slippery slope to the eventual federalization of all education in this country.

Despite its grave faults, the conference report to H.R. 1, the Better Education for Students and Teachers Act contains several provisions that I favor.

The bill contains a modest performance partnership provision that will help us build on the Education Flexibility Partnership Act that I worked to help pass in the 106th Congress that allows States to consolidate Federal education programs to meet local needs.

H.R. 1 also expands local flexibility and control by block-granting funds, consolidating many programs, and includes another amendment that I sponsored to allow local districts to spend title II funds, if they desire, on pupil services personnel.

On balance, however, these token allowances to local control are insufficient to outweigh the all out assault on local control represented by this bill.

As a former Governor and mayor, I've seen how well State and local governments can respond to the needs of the people they serve. The Federal Government cannot and does not have a better understanding of how to serve the millions of students in local school districts across this great country. That is the responsibility of sovereign local school boards working together with parents, educators and community leaders. Congress is not the national school board and any attempt by it to play that role will result in a Federal curriculum of one-size-fits-all programs that fail to prepare a nation of students for the challenges ahead.

Our forefathers specifically warned us against the urge to federalize in the 10th amendment:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people.

Education is one such responsibility. Since our country's creation, those at the local level have been responsible for educating our children. In fact, only in the past 35 years has the Federal Government even had much of a role in education policy, albeit a small one.

The reason for this is that the educational environments of our children greatly vary by region, just as the economies of our Nation's regions greatly vary. Therefore, universal education solutions will always elude us.

As my colleagues know, the Federal Government currently provides approximately 7 percent of all money spent on education in America, while 93 percent is spent by local and State educators. Indeed, in spite of this limited expenditure of Federal funds, Congress is saying with this bill that the Federal Government has the right to dictate that every school district in America will test their students from grades 3 through 8.

This testing will occur regardless of how well students are performing in their particular school districts, and despite the fact that most of our states have mechanisms already in place that test students' educational performances.

I can assure you that there are many teachers in Ohio who are going to be saying, "here we go again." We already have in place statewide standardized tests in Ohio, which were controversial enough when they were established, I speak from first-hand experience here. Yet these tests have been good measures of the progress students are making and were, in fact, recently revised to be even more effective. Even these statewide tests have been criticized by local voices, however, for being too centralized to be effective. That's because the tradition of local control of education is zealously guarded in our Nation and will not be easily surrendered.

This bill also steps on State and local control in its provisions addressing failing schools. What this bill fails to appreciate is that many states, such as my home State of Ohio, are already addressing the needs of failing schools by increasing accountability, measuring school performance, building the capacity of local schools and district leaders, and providing significant resource assistance to low-performing and at-risk schools.

Also under H.R. 1, the Federal Government would be able to tell States that its teachers in many schools must meet certain Federal qualification and certification requirements.

Further, the Federal Government would tell school districts how to spend funds in a number of areas including: reading; teacher development; technology; and programs for students with limited English language skills, instead of providing States and local school districts with full flexibility to spend funds on their own identified priorities.

Many groups, from the American Association of School Administrators to the National Conference of State Legislators are opposing passage of this conference report, in large part because of its increase in the scope and influence of the Federal Government into education matters best left to our States and localities.

None of these provisions are, on their face, bad for education. What is troubling is the direction in which these measures lead us. Make no mistake, with this bill we take a giant leap forward toward federalizing our education system. We should not let Federal bureaucrats become the national school board.

Besides violating a long-held principle regarding State and local control over schools, the bill's fatal flaw is that it increases authorized spending for education by more than 41 percent over last year's budget.

According to the Congressional Research Service, CRS, ESEA spending totaled $18.6 billion in fiscal year 2001. The total authorization level for this conference report for fiscal year 2002 is $26.3 billion. If this level of funding is appropriated, that is more than a 41-percent increase. However, according to CRS, 16 of the programs listed in this ESEA bill are listed at unspecified authorization levels, and, therefore, are not included in that $26.3 billion level. So the final cost to the taxpayer may well be higher.

When you consider that the House and Senate agreed to a budget resolution that included a modest increase in Federal spending over last year's budget of approximately 5 percent, it's obvious that if we are to fund ESEA with a 41-percent increase, many legitimate functions that are the true responsibility of the Federal Government may not be met. Our situation has been exacerbated by a war and a recession.

The response to these concerns are, of course, "But Senator VOINOVICH, are you saying that our children do not deserve all that we can provide them?" My response to that shallow criticism is, in fact, "Yes, our children deserve all that we can provide them, such as a strong military, and adequate funding for transportation and health research, prescription drugs and unemployment insurance and all the myriad other worthy efforts in which the Federal Government engages."

We pursue this bill and provide this unsustainable amount of funding authorization as if our Federal Government has no other obligations. In a perfect world, I would love to be able to provide this much money for education, but a perfect world isn't governed by a budget resolution and a perfect world doesn't come with other expensive priorities that must fit within a finite pool of dollars.

It is high-time for Congress to stand-up and show that it has the courage to be fiscally responsible, to prioritize our spending on the basis of those responsibilities that are truly Federal in nature, and to make the tough choices. It is completely irresponsible to issue new debt and further burden our children in the name of preparing them for their futures. The two are irreconcilable and highlight one of the major faults of this bill.

While I realize that the conference report to H.R. 1 will pass and will likely be signed into law, I cannot in good conscience vote in favor of this legislation. It is a well-intentioned bill but spends far too much money at a time when we can least afford it, and on priorities that are better left to our State and local governments.

Mr. COCHRAN. Mr. President, the No Child Left Behind Act provides the authorization for Federal assistance to States for the education of the children of our Nation.

I support this conference report, and I am pleased with the emphasis on flexibility it permits for State and local educators. I appreciate very much the courtesies shown to me during the consideration of this bill by the chairman, Mr. KENNEDY, and ranking member, Mr. GREGG, of the Health, Education, Labor and Pensions Committee. The conference report includes several programs which are of particular interest to me, and were the subject of an amendment I offered and was accepted by the Senate during our initial consideration of H.R. 1.

The National Writing Project is one such program. This provides teacher training in the effective teaching of writing at 164 sites located in 50 States, the District of Columbia and Puerto Rico. It has been a Federal program for 10 years, and is the only Federal assistance program aimed at writing.

Another area of interest is targeted to young children before they begin school, and helps ensure they are ready to learn when they arrive at school. The public television program, Ready to Learn, was launched in 1994, and was initially authorized by legislation authored by the chairman and myself.

The essence of Ready to Learn is a full day of non-violent, commercial-free, educational children's television programming broadcast free of charge to every American household. This daily broadcast includes some of the most popular, award-winning and engaging programming available today such as Arthur, Clifford, and Reading Between the Lions.

Other programs that have proved to be of great assistance to local school districts which are included provide grants for arts, civics, and foreign language education. These grants enable schools to provide enhanced, competitive education opportunities to students in all parts of the country.

I am especially pleased with the opportunities authorized in reading instruction and assessment. The bill provides incentives to schools to seek out programs with research based and proven methods as described by the National Reading Panel.

Also authorized is funding for the National Board of Teaching Standards, which is responsible for providing a voluntary assessment base for teachers in all disciplines. This is a very sought after resource for professional development as well as assessment. The teachers in my State, for example, are given financial incentive to seek the certification of the board. Teachers report that the process for the certification makes them better and happier teachers.

These are a few of the programs in which I've been personally involved throughout the consideration of the No Child Left Behind Act.

I am very hopeful that the new education authorizations and the reauthorization of effective education programs will bring better learning opportunities to all of America's students.

Mr. NELSON OF Nebraska. Mr. President, I rise to announce my opposition to this conference report.

During my campaign for the Senate last year I promised the people of Nebraska that if George W. Bush occupied the White House, I would support him when I believed he was right, and oppose him when I thought he was wrong. In my first year in the Senate, I have worked with the Bush administration to negotiate a tax cut, craft a compromise on a Patient's Bill of Rights, and, recently, negotiate an economic stimulus package. I have kept my promise to work with President Bush when he is right, and now I must keep my promise to oppose him when he is wrong.

As Governor of Nebraska, I repeatedly protested the Federal Government's practice of imposing unfunded Federal mandates on the States, requiring the States to do something without providing the adequate funding for them to do it.

The President's plan will impose a massive unfunded mandate on Nebraska in the form of annual testing, and it fails to provide relief from a previous mandate imposed by the Individuals with Disabilities Education Act. Because of these mandates, I do not believe that the President's plan will improve education in Nebraska and I am deeply concerned that it may likely cause greater financial harm.

The lack of IDEA funding is the bill's biggest failure, and my primary reason for opposing it. When Congress passed the Individuals with Disabilities Education Act in 1975, it promised to pay 40 percent of the cost of educating children with special needs. Since then, it has never contributed more than 15 percent of the funding for special education, with the States left to cover the shortfall, placing a greater strain on local property taxes.

When the Senate originally passed this bill in June, it included an amendment by Senators HARKIN and HAGEL to finally require the Federal Government to pay its 40 percent share of the costs of special education. Unfortunately, the final version does not include the Harkin-Hagel plan, depriving the State of Nebraska more than $300 million over the next 5 years. The failure to fully fund IDEA short changes not only the services provided to students with disabilities, but all students by forcing reductions in other State and local education programs.

The bill will also impose costly, burdensome, and, some would argue, duplicative annual testing requirements on Nebraska's schools. The President has said that these tests will provide accountability for schools that fail to properly educate their students, but Nebraska schools are already holding themselves accountable.

We have a rigorous program of standards and assessments in place and our students consistently rank among the best in the Nation. Local schools and community leaders have worked hard with the State Department of Education to put this system in place and we know it is working. The State of Nebraska has no reservations about being held accountable for educating its students. But I believe the people of Nebraska have every right to demand accountability from the Federal Government and I do not believe they are getting it with this bill.

This legislation will require Nebraska to develop and administer a dozen additional tests each year to be in compliance but it does not provide adequate funding to do so. Across the Nation, fewer than a third of the States have assessments in place that will satisfy the requirements of this bill. But States are already spending in excess of the $400 million provided by the bill on their assessment programs, before you factor in the new tests. We know from the outset that this is going to cost States a considerable amount of money at a time when taxpayer dollars are already scarce.

That is not my idea of accountability. Combined with the failure to fully fund IDEA this marks a retreat from accountability.

The National Governors Association recently announced that collectively the States will report a $35 billion deficit this year. In 2001, the State of Nebraska suffered a $220 million budget shortfall. To make up for the shortfall caused by these unfunded mandates, local governments will have to dramatically cut education spending, or significantly increase property taxes. As a former Governor who has had to deal with the challenges of balancing State budgets, neither of these options is acceptable in my estimation.

This will be a difficult vote for me. The President and most of my colleagues, both Democrat and Republican support this legislation. I know that my colleagues have worked very hard to reach this agreement and I appreciate their hard work. There are some victories to celebrate. The bill provides a significant increase in overall funding, better targeting of title I resources, greater flexibility, some additional funding for rural schools, and mentoring legislation that I worked on with Congressman OSBORNE.

But on balance, I do not believe that these ultimately outweigh the financial problems that the plan will create within local schools and the State budget, and accordingly, I must vote no on this bill.

Mr. LEVIN. Mr. President, I support, with some reservations, the the Elementary and Secondary Education Act Reauthorization conference report, which the Senate is about to overwhelmingly adopt. While I support this legislation as a whole, I continue to have some concerns about testing provisions which it contains, and I believe that the Congress must monitor the impact of these provisions on students. I also regret that the Senate provision requiring Congress to fully fund the 40 percent of special education costs, was not retained in the conference report. Keeping this commitment is critical and we must address this issue next year during reauthorization of the Individuals with Disabilities Education Act, IDEA.

Since 1965, the Elementary and Secondary Education Act has sought to help our K thru 12 students learn in an appropriate learning environment as well as assist school communities in meeting new and growing challenges. The work that we have concluded today seeks to help all students make progress toward reaching their full potential. It sets high standards for all children and provides flexible Federal support that focuses on initiatives that we know are effective, such as: smaller classes, high quality teachers, afterschool programs, technology and technology training for teachers, targeting resources to title I for educationally disadvantaged students, support for students with limited English proficiency, an expanded reading program, a strong Safe and Drug Free Schools Program, and guarantees of a quality education for homeless kids. Therefore, on balance, I believe this is a good bill, not just because of what it does, but because of what it does not do. We successfully defeated vouchers, block grants, the repeal of After-School programs and the repeal of funding for emergency school repair and construction.

I am especially pleased that this compromise reform legislation provides some needed support to low performing schools. Struggling schools will be identified for extra help so that school improvement funds can be targeted where they are most needed. Students would have the option of attending other schools, including public charter schools. The legislation authorizes $500 million in direct grants to local school districts to help improve low-performing schools most in need of assistance. It sets a 12-year goal for States and schools to close the achievement gaps between rich and poor, and minority and non-minority students. The bill also ensures that parents will have better information about their local schools through annual report cards and strong parent involvement.

The Reading First provisions of the legislation authorize an important new initiative that provides nearly $1 billion for States and local school districts to improve reading education, and help teachers get ready to ensure that all children become proficient readers. I am pleased that an amendment I offered, to permit funds under this program to be used for family literacy programs, was retained. The conference report also retained two additional amendments that I offered to ensure that teachers are trained to effectively use technology in the classroom to improve teaching and learning.

Though not all that I had hoped for, this bipartisan legislation contains reforms that seeks to provide all of our students with a much greater opportunity to learn and to succeed.

Mr. CAMPBELL. Madam President, today the Senate will vote to pass comprehensive education reform legislation in the form of the Elementary and Secondary Education Reauthorization Act of 2001.

This important legislation contains the Native American Education Improvement Act of 2001 which I was proud to have introduced in January 2000, along with Senator INOUYE, to improve the education of Native American youth across the country.

I would first like to thank the Bush administration and the conferees for working with the Indian Affairs Committee to work on the Indian portion of this legislation to benefit the schools in Indian country and the education of Native children.

In 1965, Congress passed The Elementary and Secondary Education Act, ESEA, which is broad-sweeping legislation that provides funding for various educational programs in an effort to assist underprivileged students and school districts. While the original focus of ESEA was to be a supplemental source for needy public schools, the ESEA now provides funds to and affects virtually every public school in the nation.

As a former teacher and one who knows all-too-well the problems faced by Indian youngsters, I strongly believe that education holds the key to individual accomplishment, the promotion of developed Native communities, and real self determination.

I believe that the Native American Education Improvement Act of 2001 is legislation that improves the conditions and operations of Bureau and tribally-operated schools.

This act represents more than 2 years' worth of committee hearings to develop a comprehensive set of reforms that address all areas of BIA and tribally-operated schools in issues that include accreditation, accountability, the recruitment of Indian teachers, and the construction of Indian schools.

I note that this legislation contains an innovative specification requiring accreditation. Twenty-four months after enactment of this act, Bureau funded schools must be accredited or in the process of obtaining accreditation by one of the following: an approved tribal accrediting body; or a regional accreditation agency; or in accordance with State accreditation standards.

The act also requires a report to be completed by the Secretary of Education and Secretary of Interior in consultation with tribes and Indian education organizations leading to the establishment of a "National Tribal Accrediting Agency."

Quality assurance mechanisms are included in this act regarding the failure of a school to achieve or maintain accreditation and any underlying staffing, curriculum, or other programmatic problems in the school that contributed to the lack of or loss of accreditation.

Indian kids around the country need a solid education that will give them the tools they need to excel in today's competitive world. With the passage of this act the Senate declares that it will no longer tolerate schools that fail, year after year, with no consequences to the schools but plenty of consequences for the children.

Mr. MCCAIN. Mr. President, one of the most important issues facing our Nation continues to be the education of our children. Providing a solid, quality education for each and every child is critical not only to the prosperity of our Nation in the years ahead, but also to ensuring that all our children reach their full potential.

Whether we work in the private sector or in government, we all have an obligation to develop and implement initiatives that strengthen the quality of education we offer our children. It is essential that we provide our children with the essential academic tools they need to succeed professionally, economically and personally.

Unfortunately, we can no longer take for granted that our children are learning to master even the most basic skill of reading. A recent survey reported that less than one-third of fourth-graders in America are "proficient readers." In fact, 40 million Americans cannot fill out a job application or read a menu in a restaurant much less a computer menu. In this high-tech information age, these Americans will be lost and that is unacceptable.

In addition, American children lack basic knowledge of their Nation's cultural and historical traditions. For example, a recent report indicated that half of American high school seniors did not know when Lincoln was President; did not know the significance of "Brown v. Board of Education"; and had no understanding of the aims of American foreign policy, either before or after World War II.

Since the tragic events of September 11, the American people, especially our young citizens, have demonstrated through their courage and generosity that they are prepared to meet the challenges that face our Nation. But we must help them in their quest for knowledge and instruction.

We must work to ensure that our students do not continue down the path of cultural illiteracy and educational under-performance. But how? Well, one major step in the right direction is to take away power from education bureaucrats and return it to those on the front lines of education—the local schools, the local teachers and the local parents.

Fortunately, the education authorization bill before the Senate today is a step in that direction. This bill provides support and guidance to our State and local communities to strengthen our schools, while also giving much needed flexibility for every State related to the use of Federal education dollars. This education bill contains many initiatives that will help ensure that more Federal education dollars reach our classrooms rather than being lost in bureaucratic black hole.

This bill also strives to improve the quality of our Nation's teaching force by allocating $3 billion for recruiting and training good teachers. We must ensure that our teachers are continually improving their skills and retain their desire to teach. We also need to ensure that we recruit the brightest and enthusiastic students into the teaching profession.

This measure helps make schools more accommodating and friendly for parents. In addition, it works to ensure that parents are better informed about the public education system by providing pertinent information regarding their child's school. Annual report cards pertaining to each school's specific performance, along with statewide performance results, will be available for public view.

One of the most important factors in our children's success in school is parental involvement. Parents are our first teachers. Our first classroom is the home, where we learn the value of hard work, respect, and the difference between right and wrong. As I have said before, the home is the most important Department of Education.

Parental involvement is the best guarantee that a child will succeed in school. I am genuinely excited when I think of the many reforms taking place across the country—namely school vouchers and charter schools—that are wisely built on this premise: Let parents decide where their children's educational needs will best be met.

In the broadest sense, this is what school choice is all about.

School choice stimulates improvement and creates expanded opportunities for our children to get a quality education. Our public school system has many good schools, but there are many schools that are broken. Instead of serving as a gateway to advancement, these schools have become dead-end places of despair and low achievement. In urban settings, the subject performance of 17-year-old African-American and Hispanic students is at the same level as 13-year-old-white students. This is an unacceptable and embarrassing failure on the part of our public schools.

Exciting things are happening in Milwaukee and Cleveland, where school voucher programs have been put in place. There, minority school children are being given a chance to succeed. The early signs are good: test scores and performance are up.

We need more such experiments, and I am gravely disappointed that this authorization bill failed to contain such a provision. Repeatedly, I have proposed legislation for a 3-year Nationwide test of the voucher program. It would be funded not by draining money away from the public schools but by eliminating Federal pork barrel spending and corporate tax loopholes.

This is an important component that sadly was left out of this measure. I will continue working with my colleagues on both sides of the aisle to provide parents and our students with choices to ensure that our children, no matter what their family's income, have access to the best possible education for their unique academic needs.

Finally, I am very disappointed that the conferees eliminated an important provision adopted during the Senate debate that would have ensured that the federal government finally fulfill its obligation to fund 40 percent of the cost for meeting the special educational needs of our nation's children through the Individuals with Disabilities Act.

My dear friend and colleague, Senator HAGEL, fought valiantly for this provision but unfortunately it was watered down. This is unacceptable. Congress needs to follow the laws it makes and provide full funding for the Federal portion of IDEA. We ask our schools to educate children with disabilities, but we don't give them enough money for the expensive evaluations, equipment and services needed to do that. There are 6 million children that receive special education funding, so let's fully support their academic needs.

James Madison once wrote that without an educated electorate, the American experiment would become "a farce or a tragedy, or perhaps both." Let us stop the slide in the performance of our students. Let us return the control of education to our local communities. Let us renew our trust in our parents and teachers and do what is best for our children.

This is why I am supporting this measure today. While it could be strengthened, the bill does make needed strides to improve our Nation's schools.

Mr. ENSIGN. Mr. President, I rise today to put my full support behind the conference report for H.R. 1, the No Child Left Behind Act.

It has been a true honor to serve on the conference committee for this important legislation, especially as a freshman Member of the Senate.

I would first thank the leaders of the conference for their hard work and determination to complete this legislation for the President's signature this year. Senators KENNEDY and GREGG worked every day with great determination on this legislation without partisan rancor, and Chairman BOEHNER and Representative MILLER showed the same determination and steadfastness.

I am pleased that Congress has finally completed action on one of President Bush's top domestic priorities this year. President Bush and Secretary Paige deserve commendation for their commitment not only to this legislation, but also to the education of our Nation's children. Never before has a President shown such commitment to the issue of education.

In March I addressed this body for the first time as a U.S. Senator on the topic of education. Little did I know the opportunity I would be given to be a member of the conference committee to reauthorize of the Elementary and Secondary Education Act.

At that time I stated the following:

> Our public schools are failing our children. And unless we address this problem now—today—we will bear the consequences for a generation or more. Let's not forget: today's students are tomorrow's leaders—in business, technology, engineering, government and every other field. If even the brightest of our young people can't compete in the classroom with their colleagues abroad in math and science, how will they be able to compete with them as adults in the world of business? How can we expect them to develop into the innovators America needs to maintain—and, yes, expand—her dominant role in the global marketplace? We need to make sure every single student in America graduates with the basic skills in communications, math, and information technology that are necessary to excel in the New Economy. As a nation, we simply cannot afford to accept the status quo.

With the passage of this legislation I believe that our schools will improve. And if they fail, there will be consequences. This legislation states loud and clear that the status quo is not acceptable. Students will have the opportunities to be tomorrow's leaders by having access to technology and other advanced programs that are needed for continued excellence. Our disadvantaged children will be given the assistance they need, and deserve, to succeed in the global marketplace of the future.

In that same speech I mentioned that my home State of Nevada faces many obstacles in obtaining title I funds for our eligible children. Title I dollars are the largest source of assistance that states receive from the Federal Government.

The No Child Left Behind Act will be particularly beneficial to title I eligible students in my home State of Nevada by recognizing that families move around and children are often unaccounted for when Federal funds are dispensed from the Federal Government to States. The State of Nevada has been particularly hard hit in the past when the most recent and accurate "kid counts" were not available.

It is our responsibility to ensure that title I dollars are properly and fairly sent to each State. My population update provision, that is an important part of this legislation, will ensure that this happens every year. As a member of the conference committee, I worked hard to ensure that this provision I offered as an amendment during the Senate's consideration of this legislation was included in the final bill. This amendment requires the Department of Commerce and the Department of Education to produce annually updated data on the number of title I eligible children in each state so that title I dollars can be accurately allocated to the States.

The annual population update provision in this legislation states:

> The Secretary shall use annually updated data, for purposes of carrying out section 1124, on the number of children, aged 5 to 17, inclusive, from families below the poverty level for counties or local educational agencies published by the Department of Commerce. . . .

To further clarify this language, the following statement is included in the conference report that accompanies this legislation:

> The Conferees strongly urge the Department of Education and the Department of Commerce to work collaboratively to produce annually updated data on the number of poor children as soon as possible, but not later than March 2003. The conferees believe it is imperative that the departments use annually updated data, as produced by the Department of Commerce, as provided for in the Conference agreement. The Conferees recognize that additional resources will likely be necessary to produce annually updated data and therefore expect the Departments of Commerce and Education to submit budget requests that reflect the efforts that will be necessary to carry out this new responsibility.

It is imperative that the Secretary recognizes the vital importance of this provision to children not only in Nevada, but also in every other State in the Nation. After all, these funds represent the largest source of Federal funds to states and local school districts, and it is only fair that the funds are properly and fairly distributed. I look forward to working with both the Secretary of Education and the Secretary of Commerce in implementing this provision.

This conference agreement that is before us today also provides States and local school districts with an unprecedented level of flexibility. States and local school districts will finally be able to spend Federal education dollars in a manner that will best suit their unique needs. The Federal Government has long been too prescriptive as to how Federal funds could be spent. School districts will now have the freedom to provide additional funds to the children that need the most help.

This flexibility will come with added responsibility, but it is a challenge that I believe all States and local school districts will be willing and, quite frankly, satisfied to accept. In giving these entities increased flexibility, we are requiring a higher level of accountability for student achievement. We do not want to create another layer of bureaucracy that tells schools precisely how to measure student achievement. We simply want to ensure that all students are performing at grade-level and that their school is doing what it is supposed to do: educate students. By annually testing students, parents, teachers, and the students themselves will finally know whether or not their school is doing its job.

If a school is failing to properly educate children, we do not want to immediately punish that school. We understand that change is difficult, and some years are going to be worse than others. However, we do expect to see results. If a school is failing, the Federal Government will provide technical support to assist in improving student's test scores. However, the burden ultimately lies with each school to show improvement year to year. The Federal Government cannot simply stand by and watch some of our Nation's public schools fail to educate our children. Their futures are simply too important to waste.

Parents, teachers, and administrators will also benefit from the passage of this landmark legislation. Parents will be provided with annual report cards on the performance of the school their child attends. If the school is failing, parents will be given a choice of where to send their child to school, including charter schools. If a school is chronically or persistently failing, a parent will be given federal funds for supplemental services for their child. This includes private tutoring services by any entity of the parent's choice.

Teachers and administrators will be given more opportunities for extensive professional development. States and local school districts will be able to use the funds provided by this section of the bill in any number of ways that they believe will most benefit their teachers. Professional development should be held in higher esteem than it has in the past. For the first time, teachers will be able to enjoy comprehensive professional development opportunities that will truly enrich their knowledge and further improve their teaching skills.

Teachers will also be given legal protections from frivolous lawsuits—a provision I have championed with several of my colleagues from the very beginning. A teacher can no longer be sued for something that he or she may do in the normal course of his or her daily duties. It is time that students and parents realize the real day-to-day responsibilities that teachers have and respect them to use their best judgment to properly remedy classroom mishaps.

Above all else, the real winners in this legislation are the students themselves. We are finally providing the most needy students with the support they need to get an appropriate education. We are providing their teachers with the tools they need to teach these students. We are providing their administrators with the training they need to be the most effective leaders they can be for these students. We are providing them with access to technology, arts and music, and many other important educational opportunities to ensure that they leave our public education system as well-rounded students prepared for the challenges of the global economy.

I am pleased with the final product that this conference committee has produced. I can truly say that the education system in this country is receiving a much-deserved and much-needed facelift because of this legislation. Nevadans should also applaud this legislation. Federal dollars will finally flow into the State at the rate they should and will finally be utilized in ways that will most benefit the greatest number of needy students.

The education of our children is one of the most important issues that will come before Congress. I believe that Congress has accepted this responsibility wholeheartedly with the passage of this legislation. This legislation ensures that current and future generations receive the education they deserve to succeed in this great country.

I urge my colleagues to support this conference report.

Mr. CORZINE. Mr. President, I am pleased to support the conference report on the reauthorization of the Elementary and Secondary Education Act, ESEA, which expands and improves the Federal Government's commitment to education.

In my view, there is no more important issue before the Congress than education. As our economy becomes increasingly global and based on high technology, its future is increasingly dependent on the quality of our workforce. The better our educational system is, the stronger our economy and our Nation will be. That's why, as a nation, we should make education our top priority.

Some have suggested that local school boards should be left alone to solve these problems on their own. But I disagree. In general, I do support local control of education. But local control doesn't mean much if you don't have adequate resources within your control. And it's not enough to leave the problem to States, which can pit urban areas against suburban communities, a fight with no winners.

No, if we are serious about education, we need to make it a national priority. And we need to ensure that our National Government plays an active and aggressive role.

I am pleased that the conference report on the reauthorization of the Elementary and Secondary Education Act, the Better Education for Students and Teachers Act, takes a significant step toward increasing our Federal commitment to education. I want to commend Chairman KENNEDY and Ranking Member GREGG for their tireless work in developing this legislation.

This legislation requires States to set high standards for every student and strengthens Federal incentives to boost low-performing schools and significantly improve education achievement. It has strong accountability measures that I hope will help narrow the educational achievement gaps that threaten every child's access to the American dream. And, it better targets funding to schools serving the neediest students, to make sure that they have the resources to hire and train well-qualified teachers, pay for additional instruction, and increase access to after-school and school safety programs.

In particular, I want to note that the final conference report contains a provision I authored to promote financial literacy. Unfortunately, when it comes to personal finances, young Americans unfortunately do not have the skills they need. Too few understand the details of managing a checking account, using a credit card; saving for retirement, or paying their taxes. It's a serious problem and it's time for our education system to address it more effectively.

We need to teach all our children the skills they need, including the fundamental principles involved with earning, spending, saving and investing, so they can manage their own money and succeed in our society.

I am not alone in advocating the importance of financial literacy. Federal Reserve Chairman Alan Greenspan recently said that: "Improving basic financial education at the elementary and secondary school levels is essential to providing a foundation for financial literacy that can help prevent younger people from making poor financial decisions."

The amendment I authored, along with Senators ENZI, AKAKA and HARKIN, will include financial education as an allowable use in the local innovative education grant program, which funds innovative educational improvement programs. Elementary and secondary schools will be able to apply for Federal funds for activities to promote financial education, such as disseminating and encouraging the best practices for teaching the basic principles of personal financial literacy, including the basic principles involved with earning, spending, saving and investing. As a result, schools will have access to resources to allow them to include financial education as part of the basic educational curriculum. I am grateful to the conferees for including this important provision in the final conference report.

I do have some reservations about this legislation, however. In particular, I am concerned that the testing provisions may impose significant burdens on schools without providing them with adequate resources to help them implement the requirements. In addition, I have serious questions about subjecting young children to a battery of tests every year. We do not have sufficient information to know whether constant testing is the best way to monitor our children's educational progress, and indeed, the pressure of such tests may detract from their educational experiences. I hope that Congress will closely monitor the implementation of these and other provisions to ensure that they do not undermine the worthwhile reform efforts in this legislation.

Of course, reauthorization of ESEA is not the only critical education issue we will face in this Congress. Next year, we will be reauthorizing the Individuals with Disabilities Education Act, or IDEA, which has meant so much to children with disabilities in New Jersey and across the country. Unfortunately, however, we have drastically underfunded this program, which has imposed a tremendous burden on local communities in New Jersey and across the Nation.

In my home State of New Jersey, school budgets are capped by law at 3 percent annual growth. Therefore, districts often have to cut other programs to accommodate mandated and rising special-education costs. Or, local property taxpayers, who already are overburdened, have to pay increased taxes to cover expenses that the Federal Government should be sharing.

I have received many letters, phone calls, and emails from concerned constituents urging Congress to fulfill the promise of full funding for the services mandated under IDEA.

One woman, for example, wrote: "My son is currently enrolled in our district's preschool disabled program. He is autistic and requires a full day program with intensive, 1:1 teaching. He is one of four children in the class, all with similar needs. Not only does this program require extra staffing, it also requires very specialized training. Thanks to the incredible teachers and support staff, Kevin is making wonderful progress. This, of course, would not be possible without the funding provided by the school district."

This woman then went on to note that in her town, special education costs have increased by 14 percent, 26 percent, and 11 percent over the last 3 years, while revenues have only increased by 3 percent annually. The result has been that the school district has had to use funds intended for regular education in order to cover the special education costs.

Another parent, whose son has Down syndrome said, "It makes me very concerned when administrators are phrasing things in a way that makes it sound like special ed is denying the other kids. It's not special education that's denying them. It's the funding mechanism that's doing it."

Like many of my colleagues, I had hoped that we would fulfill our commitment to the States, fully funding the Federal share of 40 percent of the average cost per pupil that we envisioned when IDEA first passed the Congress. Unfortunately, the conference committee rejected full funding of IDEA. I was very disappointed that we missed this opportunity to ease the burden on local communities, but remain committed to working to increase the Federal share of IDEA spending in next year's reauthorization.

With this education reform bill we are taking significant strides to enhance our educational system and provide every child with the opportunity they deserve to achieve their full potential. I am pleased to support the conference report.

Mr. BURNS. Mr. President, today I join my Senate colleagues in support of the conference agreement to the Elementary and Secondary Education Act, ESEA. I want to thank Senators GREGG and KENNEDY for all of the long hours I know they put into this legislation, and all of the conferees for that matter.

Now, do I agree with all of the provisions in this bill? No. Does this bill contain everything? No. But I do think it is heading in the right direction, and I do look forward to working with members on many provisions contained within this bill and those not within this bill. This legislation is certainly not perfect, and I bet that much of what it contains will be revisited.

There is nothing more important than making sure our kids have the educational tools they need to get ahead in today's competitive world. That means making sure our schools are top notch, making sure students have access to technology and up-to-date learning materials, and our teachers are equipped with the skills and tools they need to be their best.

I believe that for the most part, the conferees have done a good job coming up with a plan that will enable our children to compete in tomorrow's economy. Companies moving to a new State place a high priority on a quality education system and access to trained workers. Montana's schools are among the best in the Nation. However, there is more that needs to be done and areas where additional improvements need to be made, such as in science and math. In order to ensure a quality education and future for young Montanans, we must focus on critical areas.

I am pleased to see that conferees recognize that schools in rural areas and small America often require additional assistance in implementing high technology programs and other advanced curriculum. So many schools in small rural towns are isolated and technology can offer rural students opportunities that they otherwise would not have. Ensuring that students in rural areas are as technologically literate as students in more urban areas is vital. I believe the conferees have shown their commitment to improve achievement in rural areas and have made sure that rural kids will have the tools they need to participate in the complex economy of the 21st century.

Montana has done a lot in the area of distance learning. There is a capability, in many schools to give children a wider variety of classes, and this bill will only help to enhance that. We must also focus on making sure our children have a good learning environment. All the funding, technology and books in the world won't help our children if they do not have a good environment in which to learn.

We must ensure that Montana parents and teachers retain control over education decisions, that Federal funds are targeted toward Montana's needs, and that Federal rules don't interfere with our ability to teach our children. States must be able to free themselves from Federal red tape and have the opportunity to use this flexibility to boost student achievement. Whenever possible, decisions about the education of our children should be made at the local level. Montana parents and educators know best what works for Montana kids, and I am glad to see that this conference agreement allows for that.

At the same time, we cannot ignore the fact that the Federal Government makes important investments in our children, such as educating students who live on Federal land. I am pleased to see that this conference report also goes a long way to support Impact Aid and fulfill the Federal Government's continuing responsibility to the education of children living on military bases, Indian reservations, or other Federal property. The conference committee has ensured these programs retain high quality and provide for not only the basic elementary and secondary educational needs, but culturally related academic needs as well.

I think this agreement, while not perfect, does lay some groundwork and provides an important partnership between Federal, State, and local efforts to educate children and includes ridding some Federal mandates that burden local educators. Rules that make sense in New York are often restrictive and expensive in Havre, MT. I'm glad to see that our local schools will have the flexibility they need to better educate our children.

I must say that I have some concerns over the assessment requirements contained in this bill and the funding of these assessments. In a State like Montana, where money is often hard to come by, we have a difficult time funding the few tests currently required. The Federal Government must obligate funds toward these new testing requirements. States cannot be left with an unfunded mandate.

Congress has correctly asked schools to teach our disabled children. Unfortunately, only 10 percent of the funding for such activities has come from the Federal Government. That means local school districts, always forced to squeeze shrinking tax dollars, are often times asked to pay thousands of dollars to comply with inflexible Federal rules that many times disregard small rural school districts. It is imperative that we fulfill our promise to fully fund IDEA. While we still have a long way to go, I do believe we have made great strides, and we are heading in the right direction, toward full funding. Full funding of IDEA has always been extremely important to me, and I will continue my work with educators and school boards to make sure that we fund a larger percentage of the costs of this program. I have great confidence that the Senate will also continue working to this end.

States and locals must have the funds to develop high-quality professional development programs, address teacher shortages, and provide incentives to retain quality teachers. Some of the most important provisions in this legislation concern teachers. Teachers are our greatest educational resources and have such a great impact on a child's life. I am glad to see that this legislation goes a long way to ensure technology and training opportunities for our teachers.

As Congress continues to consider various education programs, I will be actively involved to make sure Montana's needs are addressed. I will fight against a "one-size-fits-all" approach that in my opinion, tends to do more harm to a quality education than good, and will fight to ensure that significant investment is provided to all children and their teachers.

Mrs. LINCOLN. Mr. President, I come to the floor today to express my support for the education reform package that is now before the Senate. After debating this issue for almost three years, I am pleased we have reached a bi-partisan agreement on a package that puts our children's future ahead of the partisan bickering that has diverted our energy and attention for too long. In my opinion, the proposal before the Senate represents an important step in the right direction by recognizing the right of every child to receive a high quality education.

Before I describe why I think this proposal is important for our nation's future and my home State of Arkansas, I want to look back for a moment on how we arrived at where we are today.

I doubt many of my colleagues remember what we did or debated in the Senate on May 9, 2000. I remember that date very well because that's the day I joined 9 of my Senate New Democratic colleagues in offering a bold ESEA education reform plan known as the Three R's bill.

Prior to introducing our amendment, we had spend months drafting our bill and were very proud of the finished product. That day we arranged to come to the floor as a group to talk about why we felt our innovative approach combined the best ideas of both parties in a way that would allow both Democrats and Republicans to move beyond the partisan stalemate that had stalled progress for so long.

Needless to say, we were disappointed when our amendment attracted only 13 votes. Normally, I might hesitate to remind my colleagues and constituents of a vote like that. But I felt as strongly then as I do today, that the proposal we crafted provided an opportunity to improve our system of public education by refocusing our attention on academic progress instead of on bureaucracy and process.

Fundamentally, we believe that by combining the concepts of increased funding, targeting, local autonomy and meaningful accountability, States and local school districts will have the tools they need to raise academic achievement and deliver on the promise of equal opportunity for every child.

So as I have listened to many of the comments delivered on the floor today, I can not help but reflect back on May 9 of last year when I joined Senator LIEBERMAN, Senator BAYH and other Senate New Democrats on the Senate floor to unveil these fundamental principles. I am gratified that many of the priorities we spoke of that day have been incorporated into the final agreement we will hopefully adopt later today.

That having been said, I know many of my colleagues played a critical role in fashioning this very important legislation. I especially want to express my appreciation to Senator KENNEDY and Senator GREGG for their tireless efforts on behalf of our nation's school children. As someone who has followed the progress of this bill very closely, I think each Member of this body owes the managers of this bill a debt of gratitude for bringing Senators with very different points of view together to find common ground on this critical issue. I applaud their leadership and I congratulate their success.

As I noted previously, I support this bipartisan compromise because it contains many of the elements that I think are essential to foster academic success. It provides school districts with the resources they need to meet higher standards. It expands access in Arkansas to funding for teacher quality, English language instruction, and after-school programs by distributing resources through a reliable formula based on need, not on the ability of school districts to fill out a federal grant application. And finally, and most importantly, in exchange for more flexibility and resources, it holds states and school districts accountable for the academic performance of all children.

I do want to highlight one component of this legislation that I had a direct role in shaping. During consideration of the Senate reform bill in May, I successfully offered an amendment with Senator KENNEDY and others calling on Congress to substantially increase funding to enable language minority students to master English and achieve high levels of learning in all subjects. More importantly for my State of Arkansas, under the approach I promoted, funding will now be distributed to States and local districts through a reliable formula based on the number of students who need help with their English proficiency.

Currently, even though Arkansas has experienced a dramatic increase in the number of limited English proficient (LEP) students during the last decade, my State does very poorly in accessing Federal funding to meet the needs of these students because the bulk of the funding is distributed through a maze of competitive grants.

I am pleased the conferees accepted the funding level and the reforms I advocated. This new approach represents a dramatic improvement over the current system and will greatly benefit schools and students in my state.

Ultimately, I believe all of the reforms that are contained in this bill will make an important difference in the future of our children and our nation. So I join my colleagues on both sides of the aisle to urge the adoption of this truly landmark legislation.

Unfortunately, I fell compelled to mention one aspect of this legislation that dampens my excitement for its passage. Even though I believe the bill on balance represents a major improvement over the current federal framework, I am very disappointed that we are once again denying the promise we made to our constituents in 1975 to pay 40 percent of the costs of serving students under IDEA.

In my opinion, our failure to live up to this promise undermines to some extent the very reforms we seek to advance. While Congress and the Administration continue to ignore the commitment we made 26 years ago, school districts are forced to direct more and more state and local revenues away from classroom instruction to pay the Federal share of the bill. I will continue to work in the Senate to reverse this record of inaction which is profoundly unfair to school districts, teachers, and the students they serve.

I want to close, by thanking all of my colleagues who spent many weeks and months negotiating this agreement. Even though progress has been slow at times, the way Democrats and Republicans have worked together on this bill is a model I hope we can repeat often in the future. I already mentioned Senators KENNEDY and GREGG without whom this bill would not be possible. I also want to say a special word of thanks to Senators LIEBERMAN and BAYH who demonstrated real leadership by talking about many of the reforms we are about to ratify before those ideas were very popular. They deserve a lot of credit for the final agreement they helped draft and I was honored to join them in crafting the original Three R's proposals that is clearly reflected in the bill before us.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I also thank Senator KENNEDY for getting a good target formula in this bill.

I yield 10 minutes to the Senator from Maine whose fingerprints are all over this bill—especially in the area of Rural-Flex and Ed-Flex, which she basically designed, and the reading programs. She has put a significant amount of time and effort into this bill, and it paid off royally.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, let me begin by saluting the outstanding leadership of Senator KENNEDY and Senator GREGG. It is due to their tireless efforts, their commitment to a quality education, and their persistence and hard work that we can celebrate today the passage of landmark education reform legislation. It has been a great pleasure to work with them, with Secretary of Education Paige, and with the President to reach this day.

During the past year, it has been a pleasure to work with my colleagues from both sides of the aisle as well as with the President and the Secretary of Education on this landmark education legislation.

In approaching the reauthorization of the ESEA, I had three goals. One was to provide greater flexibility and more funding to our small or rural school districts. The second was to strengthen and put greater emphasis on early reading programs so that we could in fact achieve the goal of leaving no child behind. The third was fulfilling the Federal commitment to funding its share of special education costs.

I am very pleased that we will realize the first two objectives through the Rural Education Achievement Program as well as the Reading First Program included in this bill. Although I am disappointed by the failure of the IDEA mandatory funding amendments, I know the Senate support for IDEA full funding will carry over into next year. And it will remain one of my highest priorities.

The No Child Left Behind Act includes many innovative and promising reforms. Among the improvements is the Rural Education Achievement Program which I authored. The program would benefit school districts with fewer than 600 students in rural communities. More than 35 percent of all school districts in the United States have 600 or fewer students. In Maine, the percentage is even higher: 56 percent of our 284 school districts have fewer than 600 students.

Rural school districts encounter two specific problems with the current system of Federal funding.

The first is that formula grants often do not reach small, rural schools in amounts sufficient to achieve the goals of the programs. These grants are based on school district enrollment, and, therefore, smaller districts often do not receive enough funding from any single grant to carry out a meaningful activity. One Maine district, for example, received a whopping $28 to fund a district-wide Safe and Drug-free School program. This amount is certainly not sufficient to achieve the goal of that Federal program, yet the school district could not use the funds for any other program.

Second, rural schools are often shut out of the competitive grant process because they lack the administrative staff and the grant writers that large school districts have to apply for competitive grants from the Federal Government. So they do not get to participate in those programs at all. To eliminate this inequity and give rural schools more flexibility to meet local needs, our legislation will allow rural districts to combine the funds from four categorical grant programs and use them to address that school district's highest priorities.

In one school district, that might mean hiring a reading specialist or math teacher. In another, the priority might be upgrading the science lab or increasing professional development or buying a new computer for the library. Whatever the need of that district, the money could be combined for that purpose.

Let me give you a specific example of what these two initiatives would mean for one Maine school district in northern Maine. The Frenchville and St. Agatha school system, which serves 346 students, receives four separate formula grants ranging from $1,705 for Safe and Drug Free Schools to $10,045 under the Class Size Reduction Act. How do you fight drug use with $1,700? And how do you reduce class sizes with $10,000? The grants are so small they are not really useful in accomplishing the goals of the program. The total for all four programs is just over $16,000. Yet each requires separate reporting and compliance standards, and each is used for different—federally mandated—purposes.

Superintendent Jerry White told me that he needs to submit eight separate reports, for four programs, to receive the $16,000. Under our bill, his school district would be freed from the multiple applications and reports; paperwork and bureaucracy would be reduced, and the school would be able to make better use of its Federal funding.

The other problem facing small rural districts is their lack of administrative capacity. In some cases, the superintendent acts as the sole administrator. With such minimal administrative resources, the school district has no opportunity to apply for competitive grants. Here in Washington, we are surrounded by large urban school districts, each with more than 100,000 students and often having a central administrative office with specialized staff and professional grant writers.

How can rural districts with a single administrator be expected to compete for the same grant opportunities?

To compensate for the inequity, our legislation provides supplemental funding. In the case of the Frenchville district, schools would receive an additional $34,000. Combined with the $16,000 already provided, the Rural Education Achievement Program would make sure the District had $50,000 and the flexibility to use these funds for its most pressing needs. That $50,000 can make a real difference in the education of school children in northern Maine. The district could hire a math teacher or a reading specialist, whatever it needed. The district could purchase technology, upgrade professional development efforts, or engage in any other local reforms.

With this tremendous flexibility and additional funding come responsibility and accountability. In return for the advantages our bill provides, participating districts would be held accountable for demonstrating improved student performance over a 3-year period.

The focus of the No Child Left Behind Act is accountability, and rural schools are no exception. Schools will be held responsible for what is really important—improved student achievement—rather than for time-consuming paperwork. As Superintendent White told me, "Give me the resources I need plus the flexibility to use them, and I am happy to be held accountable for improved student performance. It will happen." I know most superintendents feel exactly the same way.

I am equally delighted that today's education bill will include significant new resources for early reading intervention programs. Unfortunately, today, in many schools, there are few services available to help a child who has a reading difficulty. Oftentimes, no help is provided at all until that child reaches the third grade and is identified for special education.

For students who have reached the third grade without the ability to read, every paragraph, every assignment, every day in the classroom is a struggle. They constantly battle embarrassment and feelings of inadequacy, and they fall further and further behind. It is no wonder so many children without basic reading skills lose their natural curiosity and excitement for learning.

The two new reading programs—Reading First and Early Reading First—in this legislation are based on the principle that if we act swiftly and teach reading effectively in the early grades, we will provide our children with a solid foundation for future academic success. Indeed, the best way to ensure that no child is left behind is to teach every child to read.

If a child's reading difficulty is detected early, and he or she receives help in kindergarten or the first grade, that child has a 90 to 95 percent chance of becoming a good reader. These early intervention programs work. They are a wonderful investment.

By contrast, if intervention does not occur during the period between kindergarten and third grade, the "window of literacy" closes and the chances of that child ever becoming a good reader plummet. Moreover, if a child with reading disabilities becomes part of the special education system, the chances of his or her leaving special education are less than 5 percent. So this is a program that is going to improve the quality of life for these children, help them to become successful, and, in many cases, will avoid the need for special education and all the costs involved in providing that kind of education. These are truly investments that make sense.

Other than involved parents, a good teacher with proper literacy training is the single most important prerequisite to a student's reading success. We also know that reading is the gateway to learning other subjects and to future academic achievement. That is why it is so important that this bill make such a national commitment to reading programs.

Reading First is a comprehensive approach to promoting literacy in reading in all 50 States. It will support the efforts in States, such as Maine, that have already made great strides under the Reading Excellence Act in promoting literacy. Indeed, I am very proud of the work the State of Maine has done. Our fourth graders lead the Nation year after year in reading and other subjects.

President Bush deserves enormous credit for placing reading at the top of our education agenda. The First Lady, Laura Bush, has also repeatedly highlighted the importance of reading. President Bush also deserves credit for being willing to work with us, the Members on both sides of the aisle, to hammer out the best possible education reform legislation.

Again, I thank the President for all of his efforts, and Senator GREGG and Senator KENNEDY, because without their combined leadership we would not be here today. Thanks to their hard work, we have quality legislation before us today that will reform the public education system and bring our nation closer to the goal of providing every child with an opportunity to succeed.

With the improvements in rural education, and the emphasis in this bill on reading, flexibility, and accountability, as well as a host of other reforms, I am delighted to support this reauthorization of ESEA and to see our hard work and efforts over the past year come to fruition.

I am convinced this legislation is going to make a real difference for the children of our country.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, it is a pleasure to yield 3 minutes to our friend and colleague, the only Member of this body who has been both a teacher and a school board member and has led the country, really, understanding that smaller class sizes give the best opportunity for children to learn. She has been an invaluable member of our Education Committee and our Human Services Committee.

I yield 3 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I thank my colleague from Massachusetts. I thank Senator KENNEDY, and all of his staff, for the hundreds and hundreds and hundreds of hours they have put into making this bill a success.

I do rise today to express my support for the ESEA conference report and to highlight some of my concerns with the bill.

Since 1965, the Elementary and Secondary Education Act has helped students in our schools have more equal access and be more effective than ever before. It is important we renew our Federal education policies in order to keep up with the growing challenges that face our schools.

While I do not agree with everything in the bill, I do believe Congress must move forward with education reform to provide the support that our students need today.

Throughout this process, five principles have guided my consideration.

First, I believe we have to invest in what we know works.

Second, we have to protect disadvantaged students and make sure they get the extra help they need.

Third, we have to make sure taxpayer dollars stay in public schools.

Fourth, we have to help our students meet national education goals.

And finally, we have to set high standards and provide the resources so all students can meet them.

On balance, I believe this bill meets all of my principles.

This is a bipartisan win for our students. I am proud that as we moved forward we left behind some of the most troubling proposals: from vouchers to Straight A's. This bill requires high standards for all children and provides flexible Federal support that focuses on the things that we know work, including smaller classes, high-quality teachers, afterschool programs, technology and technology training for our teachers, support for students with limited-English proficiency, a strong Safe and Drug Free Schools Program, guarantees of a quality education for homeless students, and more resources for disadvantaged students.

While I support the bill overall, I do continue to have significant concerns about some of the mandates in the bill.

I believe Congress must now closely monitor how this bill impacts students.

My top concern, of course, is the funding in the bill. While we have made progress in securing an additional $4 billion, I fear the funding level will be short of what our communities will need to carry out the mandates in the bill.

In part to ease this burden, I believe we must fully fund special education next year. Almost every member of our conference committee expressed a commitment to fulfilling the promise of full funding when IDEA is reauthorized. Keeping that commitment is critical to the success of education reform.

I remain concerned, as well, about how the new tests will be used and about the Federal Government setting the formula to measure student progress. We now have a responsibility to make sure these mandates do not end up holding children back. If this bill leads to more crowded classrooms, fewer high-quality teachers, or a focus on testing instead of learning, then we will have to revisit these mandates.

But, on balance, this bill takes important steps forward to improve our public schools. While I am not pleased with every provision, I do not want the Federal Government to miss this opportunity to help students throughout the country make progress.

So, again, I thank Senator KENNEDY and his staff and my staff, including Bethany Little, for the tremendous amount of work they have done to get us to this point.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I now yield 5 minutes to the Senator from Arkansas, who has been a key player on this bill in a variety of different areas. He worked very hard on the flexibility issues, the bilingual issues, the merit pay issues, and teacher tenure. All sorts of different parts of this bill have been impacted by his influence. He has been great to work with.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I am so pleased today to be able to rise in support of this legislation. I think it is an exciting day and a memorable day for America that we adopt this legislation.

As a member of the Health and Education Committee and a member of the conference committee on this bill, I have worked long and hard with my colleagues to ensure that the reauthorization of the Elementary and Secondary Act comes to fruition.

I especially want to thank President Bush. When he came to Washington, he came with a vision to reform education. This is a big step toward the fulfillment of that vision.

President Bush shows a true compassion for helping disadvantaged students gain the tools to succeed, a compassion he gained in his work as Governor. It is that vision and compassion that have gotten us to this point of final passage. President Bush is to be commended for his efforts and his vision.

I thank Senator KENNEDY for his leadership on the committee, and for his chairmanship, his perseverance, and his willingness to reach compromise and agreement on a number of issues.

It has been a great pleasure for me to be able to work with Senator GREGG, as he has, through all the twists and turns in the long road of this past year, continued to fight for accountability and expanded options for parents. I admire his commitment to this legislation, and I am proud to have worked with him and to serve under his leadership on the HELP Committee.

Starting in the early months of 1999, the Senate Health and Education Committee began holding hearings on ESEA. The Senate attempted to pass an ESEA reauthorization bill during the 106th Congress, but was not successful. Almost three years later, final passage is before us.

The impetus that has gotten to this point after a long and arduous process is our President. President Bush has made education his number one domestic priority, and has injected new ideas and a deep sense of passion into this debate. Without his leadership, we would not be here today.

This bill reflects the themes that were laid out by the President last year: accountability, parental options, flexibility, and funding what works.

This legislation will finally inject new accountability into the title I program. For too long, we have provided billions of dollars in funding without seeing any results. In the past, we have let our poorest children down—no longer will we let this happen.

Our Nation has a right to expect all of our children to learn, and this legislation will help local school districts identify their weaknesses and address them.

Schools, for the first time, will be held to a high standard. It is time that we stop making excuses and expect results from our schools. There will be stumbling blocks along the way, and this bill is not perfect, but the education of our children is too vital to delay education reform.

There are a number of components that I am particularly pleased to see included in the bill. The provision regarding supplemental services, for which Senator GREGG has worked so diligently, is one of them.

Under this legislation, in approximately 3,000 schools across the country, parents will have an immediate option to get help for their children through tutoring at their local Sylvan Center or afterschool program.

Because of this legislation, over 200 schools in Arkansas will now provide public school choice immediately to parents to allow them to send their children to a higher performing public school. I am very pleased with the provision called transferability that will allow every school district in the country to shift up to 50 percent of Federal funds between formula grant programs, with the exception of title I. This will allow school districts to address priorities from year to year as they see fit.

I am also very pleased with the rural education initiative, proposed and championed by Senator COLLINS, that will allow over 100 school districts in Arkansas to receive additional funding and flexibility over their formula funds.

As Senator GREGG mentioned, I am particularly glad to have been involved in the bilingual reforms that will now ensure fairness in the distribution of dollars by turning the bilingual program into a formula grant program. It will benefit States such as Arkansas that never did well in the competitive grant competitions. For the first time, States must now set objectives for students to learn English, a component that was amazingly absent from the previous bilingual program.

I am glad to have been able to offer an amendment that allowed professional development funds for our teachers to now be used to reward the best teachers. That is a very commonsense and important reform in allowing those teacher development funds to be used in programs to reward those teachers who have the best record of performance.

This legislation is a giant step in education reform and represents a bipartisan agreement between Republicans, Democrats, the House, the Senate, and the administration. I am pleased to have worked on the bill and look forward to President Bush signing it into law. I thank him for his vision and leadership. Education reform was a fleeting thought a year ago. Thanks to George W. Bush, it is now a reality.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield 4 minutes to my friend and colleague from Massachusetts, Senator KERRY. Senator KERRY understands that leadership in local schools makes an extraordinary difference. We have seen constant examples of that. He has had a focus and attention particularly on having good principals in the schools. He has introduced a number of pieces of legislation. We have drawn on them heavily. He is one who is deeply concerned and involved in the education issue.

The PRESIDING OFFICER (Mr. NELSON of Florida.) The Senator from Massachusetts.

Mr. KERRY. Mr. President, I begin by thanking my colleague and congratulating him on his extraordinary leadership in this effort. I thank Senator GREGG also for his cooperation and leadership. Senator KENNEDY, as we all know, has been fighting for and pushing for education reform for a long time. He has been our leading voice in the Senate on the subject of education. His tenacity in pursuing this in moments that even appeared to be bleak—and I thank his staff also for that—have helped to bring us to this moment.

It gives me great pleasure to come to the Senate floor today to talk about, and to lend my support to, the conference report for H.R. 1, the No Child Left Behind Act. This is groundbreaking legislation that enhances the Federal Government's commitment to our Nation's public education system, dramatically reconfigures the federal role in public education, and embraces many of the principles and programs that I believe are critical to improving the public education system.

This bill represents a true coming together of Republicans and Democrats, and both sides made important compromises in order to arrive at this point. I have come to the floor many times over the past few years to express my belief that we were past due to break the partisan gridlock over education reform, and to come together around the programs, policies, and initiatives that members of both parties could agree are critical to improving public education. For years we spun our wheels as we tried to reform the public education system, Republicans calling for a diminished Federal role, Democrats calling for more programs and greater funding levels. I was of the opinion that there was significant room for consensus on public education reform, and last year I worked with 10 of my Democratic colleagues to introduce legislation that would help break the stalemate and move beyond the tired, partisan debates of the past. Our education proposal became the foundation of the bill before us today. I am extraordinarily pleased that Republicans and Democrats came together to adopt a fresh, new approach to improving public education, one that focuses on increasing student achievement and that provides increased resources and flexibility in exchange for increased accountability.

The No Child Left Behind Act provides public schools with more funding and flexibility in return for demanding accountability for results. I am convinced that a strong accountability system is the linchpin of this reform. For the first time, the Federal Government will put into place an accountability system that will hold States, schools, and districts accountable for steadily improving the learning of their children and closing the achievement gap between rich and poor and between minorities and non-minorities. The accountability provisions in this bill sharply redefine the definition of adequate yearly progress to ensure that schools and districts are making demonstrable gains in closing the achievement gap. This legislation requires States, districts, and schools to set annual goals for raising student achievement so that all students achieve proficiency in 12 years. The bill applies performance standards and consequences not only to the title I program but to all major programs. And in addition to requiring tough corrective actions for chronically failing schools, it gives students in failing schools the right to either transfer to a better public school or obtain supplemental services.

This bill puts in place a new accountability system, which is a vital first step to improving student achievement. But implementing and enforcing the accountability system are equally as important as creating one. The Federal Government must follow through on its commitment to hold schools accountable for student achievement or the legislation that we are passing today will do little to change the status quo. I urge the administration to vigorously implement and enforce the provisions of this new law.

Another key component of this bill is the expansion of public school choice and charter schools. I strongly support increasing the educational options available to parents within the public school framework, and in fact, expanding public school choice has been one of my education reform priorities. I believe that choice and competition within the public school system are vital ingredients to increasing accountability and improving our schools. I am pleased that the No Child Left Behind Act strengthens the Federal charter school program and authorizes the inter-and intra-district choice initiative. The legislation also requires states and local districts to issue detailed report cards with data on school performance so that parents can be better informed about the quality of their child's schools and can make educated decisions about which school their child should attend.

This bill does an excellent job of targeting federal education funds to public schools with large numbers of poor children. The title I program was originally designed to compensate for spending gaps left by state and local education funding in order to help level the playing field for children in low-income school districts. However, despite the goal of sending funds to those very low-income schools, over the years, money has been directed to communities with extremely low poverty rates and in some instances does not reach the country's poorest schools at all. This legislation funnels new title I funding through the targeted grant formula, which will ensure that the neediest communities receive additional funding.

I am extremely pleased that the conference report includes my amendments to improve school leadership and increase alternative education opportunities, which were part of the education reform bill that Senator GORDON SMITH and I introduced during the 106th Congress. Focusing on school leadership is critical to ensuring that the ambitions reforms contain din this legislation are successfully implemented in the schools. Many of today's principals are reaching the age at which they could choose to retire, and evidence has pointed to a decline in the number of candidates for each opening. If we don't stem the flow of retirees and buoy up the numbers of aspiring principals, we will face a crucial school leadership crisis—one that could debilitate meaningful education reform. A good principal can create a climate that fosters excellence in teaching and learning, while an ineffective one can quickly thwart the progress of the most dedicated reformers. I can tell you unequivocally that I have never been in a blue-ribbon school that doesn't have a blue-ribbon principal. And I'm sure that my colleagues have noticed this, too when they have visited schools in their respective States. Without a good leader as principal, it is difficult to instigate or sustain any meaningful chance and schools cannot be transformed, restructured, or reconstituted without leadership.

Our amendment addressed this critical problem in school leadership by giving States greater flexibility in the use of their title II dollars so that funding can be used to retain high-quality principles and to improve principal quality. By expanding the list of authorized uses of funds, this amendment will allow States and school districts to use Federal dollars to ensure that principals have the instructional skills to help teachers teach, implement alternative routes for principal certification, or mentor new principals, and to provide principals with high-quality professional development.

The conference agreement also includes our amendment on alternative education opportunities. The presence of chronically disruptive students in schools interferes with the learning opportunities for other students. One way to ensure safe schools and manageable classrooms has been to require the removal of disruptive and dangerous students. While expulsion and suspensions may make schools safer and more manageable, students' problems do not go away when they are removed from the classroom—the problems just go somewhere else. The consensus among educators and others concerned with at-risk youth is that it is vital for expelled students to receive educational counseling or other services to help modify their behavior while they are away from school. Without such services, students generally return to school no better disciplined and no better able to manage their anger or peaceably resolve disputes. Our amendment enable States and school districts to develop, establish, or improve alternative educational opportunities for violent or drug abusing students under the Safe and Drug Free Schools program.

This bill is a compromise, and thus, everyone can point to things that they wish were done differently. I echo the comments made by my colleagues, in particular Senator JEFFORDS, who have decried the lost opportunity to include in this bill guaranteed full funding for the Individuals with Disabilities Education Act. This bill fails to deliver on the Federal Governments commitment to fully fund special education, and it does this just as it places substantial new requirements on schools. Perhaps most disconcerting, all of this comes at a time when state budgets are in deficit. According to the National Governors' Association, states are facing a $35 billion shortfall due to the national recession, and states have already begun paring back their education budgets. The No Child Left Behind Act contains significant, meaningful reforms, but these reforms cannot succeed without sufficient resources. We expect about a 20 percent increase in education funding this year, which is a tremendous step forward. But we need to continue to make resources a priority—we need to fully fund IDEA—we must not thrust new requirements on schools without providing them with sufficient resources to implement reforms.

I also have concerns about the mandatory testing provisions contained in the bill. This legislation requires the testing of all students in math and reading in grades 3–8. I am not opposed to testing, in fact, I think that tests are important so that we know year to year how well students are achieving. It is critically important to be able to identify where gaps exists so that efforts can be focused on closing them. When used correctly, good tests provide information that helps teachers understand the academic strengths and weaknesses of students and tailor instruction to respond to the needs of students with targeted teaching and appropriate materials. My concern is that once we know where the gaps exist, once we know how a child needs to be helped, we will not provide the resources necessary to ensure that all students are able to reach proficiency. It is my sincere hope that Congress and the States will continue to recognize that reform and resources go hand-in-hand. Resources without accountability is a waste of money, and accountability without resources is a waste of time. The two together are key to successful reform.

I would like to congratulate the conferees for their tremendous work on this legislation. I am excited and encouraged by the reforms in this bill. I believe that they will have a tremendous impact on raising student achievement by increasing accountability, improving teacher and principal quality, expanding flexibility, and increasing public school choice. This groundbreaking legislation has enormous potential. I hope that the Congress will live up to its commitment to provide states and schools with the resources they need to make these reforms work.

We are now about to adopt a fresh new approach to improving public education in a way that focuses on improving student achievement and providing increased resources simultaneously. Though I will add to the voice of my colleagues in the Senate, the resources are not what they need to be to guarantee success.

Last year, I joined with 10 of my Democratic colleagues to introduce legislation that we hoped would break the stalemate, that would change the dialog. I would like to believe that thanks to the efforts of the Senator from Indiana and the Senator from Connecticut and others, we have contributed in a way that has helped to shift that dialog.

We are now providing a strong accountability system which is the linchpin of reform, together with a reconfiguration of the role that the Federal Government plays in providing some resources and flexibility over the use of funds to the States in exchange for that strong accountability system. For the first time, the Federal Government is putting into place accountability that will hold States, schools, and districts accountable for steadily improving the learning of their children and closing the achievement gap between the rich and the poor, between minorities and nonminorities.

I am also pleased that the law includes a mechanism to target additional funding to schools with high concentrations of low-income students. Historically, title I has always been our focus of directing Federal funds to schools with large proportions of poor students, but Congress has not always met that goal. It is our hope that this increased targeting, for which I again congratulate Senator KENNEDY, is going to be an important part of our achieving that.

Another key component is the expansion of school choice in public schools together with the charter schools. I strongly support increasing educational options available to parents within the public school system framework. In fact, expanding public school choice has been one of my top education priorities. I am pleased that the No Child Left Behind Act strengthens that Federal charter program and authorizes the inter- and intradistrict school choice initiative.

I am also pleased that it includes several amendments that I have proposed, one specifically to improve principals, to improve the strength of leadership. We can have all the rules we want and all the framework we want, but if you don't have adequate leadership in the schools, it is often hard to achieve. We have a method in here to help to increase that.

We also include an amendment that I have introduced to enable States and school districts to help to develop, establish, and improve alternative educational opportunities for violent or drug offending students under the Safe and Drug Free Schools Program. That is one way to guarantee that we will ensure safe classrooms, safe schools, manageable classrooms by removing disruptive students and dangerous students and making sure that those who are expelled receive educational counseling or other services to help modify their behavior.

This bill, as all legislation, is a compromise. Not everything meets everybody's eye. I do believe we have to push on to achieve the opportunity of guaranteeing full funding for individuals with disabilities education, and we have to guarantee the resources for this act.

I congratulate Senator KENNEDY and all those who have been part of this effort to bring this bill to the floor.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, at this time I yield 8 minutes to the Senator from Alabama who, as a member of the committee, played a significant role. This is such a complex bill. It required a lot of different people thinking about different parts of it. It has so many moving parts, it really is not the handiwork of one individual. It truly was the handiwork of a large number of Senators participating from both sides of the aisle. The Senator from Alabama played a major role in a variety of areas, especially in the discipline area and the safe and drug free schools. I very much appreciate the work he did.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, It is a pleasure to see this bill come up now for what I believe will be its approval. We have worked hard on it. I know it was a thrill to see the bill come out of committee with a unanimous vote under the leadership of Senator KENNEDY and ranking member, Senator GREGG. I thought that showed good bipartisan support. It languished a bit in conference with the House, and we struggled a bit. The President had to raise the level of heat a bit, but things have moved forward. It is exciting to see this bill move toward law.

The President campaigned on education as one of his top themes. He talked about it constantly. He visited schools regularly. His wife was a teacher. He has honored that commitment by continuing to press a major education bill this year which will represent one of the largest increases in funding for education in recent years. It also represents a significant policy change that will allow more freedom for the school systems, that will put more money in local schools, that will help children who are being left behind and move them forward.

I believe we should recognize and salute the leadership of the Secretary of Education, Rod Paige. He came here from Houston. He was chosen to be the superintendent of the Houston school system, comprised around 200,000 students. He believed that a 37-percent passing rate of the Texas test in Houston was unacceptable. In 5 years, with determination, sound policies and great leadership, he doubled the percentage of schoolchildren passing that test.

I say that because there are some people who do not believe that progress is possible. I have seen school systems in every State in America. There are systems where teachers, parents, and leaders have come together to achieve significant increases in productivity and change. Certainly money is not the complete answer; it is also policy change, determination, and leadership. We have too many schools where children are locked into a failing system, and they have been falling behind. Nobody even knows or cares that they are falling behind. They can't go to any other school. They are required by law to attend this dysfunctional school. And that is just not good.

The President understands this deeply. As Governor of Texas, he made education one of his highest priorities, and he has made it his number one domestic priority as President. He has helped us move forward to what I think is really historic legislation. It is an honor to be a part of it.

Testing and accountability have been a matter of some debate. I do not believe tests are accurate reflections of a child's complete ability to learn and what they absolutely know. But it is true that you can determine through a test whether a child can do fundamental mathematics, whether a child knows fundamental science, and whether a child can read or not. It is a tragedy in America that we have been moving children through the school system, even to graduation, who can't read and write and they are making the lowest possible scores on tests. We have just accepted that. That is not a good way to do it.

The President has said he is not going to leave any child behind, and we will make sure we achieve that goal. We are going to find out if children are falling behind. We will have a testing program in grades 3 through 8 in math and reading that will not be Federal Government-mandated tests, but state tests, and we will begin to learn. The newspaper editors, the business community, the teachers, the principals, the parents, and the students will know how the kids are doing in that school system. Some schools do better than others. We need to find out which ones are doing best and identify those that are not doing well. I think that is important. As Secretary Paige says, if you love the children and you care about them and you want them to learn so they can be successful throughout their lives, you will not allow them to fall behind.

What we need to do is intervene early in the lives of children when they are falling behind—as soon as possible. Then we can make some progress. This bill says there can be supplemental services in a system that is not working and where kids are falling behind. They can get maybe $500 or $1,000 for outside tutoring for a child who is not keeping up because as you get further behind, a lot of bad things happen. Dr. Paige says that a child in the seventh, eighth, and ninth grades, if they are really behind, that is when they drop out. Normally, it is around the ninth grade. They can't keep up, they are behind and discouraged, and they drop out.

We need to find out in the third grade, the fourth grade, and fifth grade how they are doing and make sure we then intervene, when the cost is not so great. We can increase their ability to be a functional and good student and help them go on to success. It is a lot like business management, frankly. It is just good supervision and having a system that does not allow the status quo to drift, but one where we care enough to make the tough decisions, apply tough love, to insist that children behave in the classroom, they do their homework, and teachers do their work. If teachers are not performing, they need to be held to account, and we need to create accountability in the system. If we do so, I believe we can make real progress.

As a part of the compromise that went on in the legislation, some good language was put in to ensure that all this testing we require is paid for by the Federal Government, so it is not an unfunded mandate. We also have in the bill testing rules that guarantee States will not have their curriculum set by Washington. It will guarantee that the tests don't mandate a single type of learning in America. I think that process worked well as we went forward.

The flexibility goal has been achieved in a number of ways. It is not as great as I would like to see it. I have visited, in the last 15 to 18 months, 20 schools in Alabama and spent a lot of time talking with teachers, principals, superintendents, school board members. They felt very strongly. These are people who have given their lives to children. They have chosen to teach and to be involved in education. They have told me consistently that the Federal Government has too many rules and regulations that make their lives more difficult and actually complicate their ability to teach in a classroom. There is money, but it is only available for what the Federal Government says, not for what they know they need at a given time in their communities.

I think we need to continue to improve in the area of flexibility. We have made some real progress in that, and I am happy we have made progress in this bill. But it could have been greater. I think our teachers and principals will like what they see. It is a step in the right direction.

Alabama has established an exceedingly fine reading program that is being replicated by many States. Senator KENNEDY's excellent school system in Massachusetts is always on the cutting edge of things. They have appropriated $10 million to just study this program and implement some of it in their system.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SESSIONS. Mr. President, I salute the leadership on this legislation. I note that the IDEA program amendments that were passed in the House and the Senate were not included in this, which was a disappointment to me. But we will have an opportunity next year to reform that, during the reauthorization of IDEA.

I believe education is one of the most important issues that faces our Naiton today. We need to do all we can to free States and localities from Federal regulation, assure accountability by setting high standards, and empower parents with choices and information.

As Governor of Texas, President Bush recognized the importance of education and made it the centerpiece of his campaign for President. When he took office, he delivered on his promise by releasing a comprehensive plan for reform during the first days he was in office.

I believe that President Bush's leadership has been essential to the Congress producing the historic reform legislation that was passed by the conference committee on December 11. Since the tragedy on September 11 the Congress and the President have understandably been focused on the war on terrorism.

I believe it is a credit to the leadership of President Bush that he was able to continue to make education reform a priority. He never lost sight of protecting our greatest resource, and children. His leadership never wavered and I believe we could not have reached the bipartisan compromise in the education conference without his influence.

Secretary of Education Rod Paige was also essential to our efforts at reform. Secretary Paige's real-life experiences as Superintendent of the Houston school system were invaluable in helping us to formulate legislation that will truly foster reform for all our children.

I would also like to recognize the leadership of Senators GREGG and KENNEDY here in the Senate and Congressmen BOEHNER and MILLER in the House. Even when our country was threatened and they could have abandoned this effort, they stayed focused and were able to hammer out their differences and come up with a good piece of legislation.

While the legislation does not contain all the provisions that I would have liked to have seen in the bill, it does take some important steps toward improving the educational opportunities for all our children.

The conference report includes testing in grades 3 through 8 in math and reading, which is the cornerstone of the President's plan. I am glad that we have recognized the need to measure the progress of our students. We must determine if our schools are actually teaching our children the skills they need to succeed. The only way to measure our students knowledge is through testing.

While some have raised concerns about reliance on testing, I believe this legislation strikes an important balance to ensure that we bring accountability to the system without overburdening our State and local school systems.

The bill significantly changes accountability standards with the goal of assuring that low income students are learning at a level that is equal to their peers. The States are charged with developing the tests based on their own curriculum. This is not a one-size-fits-all approach.

The bill specifically prohibits federally sponsored national testing or Federal control over curriculum and sets up a series of controls to ensure that any national evaluating test such as NAEP must be fair and objective and does not test or evaluate a child's views, opinions, or beliefs.

In addition, the bill includes a trigger mechanism so that State-based testing requirements are paid for by the Federal Government thus avoiding an unfunded mandate.

In Alabama, we have already recognized the importance of testing, we already test our students in virtually every year of school. I believe this legislation will assist Alabama in these efforts and the new funds will help to improve the current system.

The legislation also includes a number of major new initiatives which give parents options when their children are trapped in failing schools.

For the first time, parents whose child is trapped in a failing school will be able to take a portion of the monies available under title I for their child—approximately $500 to $1,000—and use it to get the child outside tutorial support. These services can come from public institutions, private providers, or faith-based educators.

For children who have fallen behind because of lack of good services at their school, groups such as Boys and Girls Clubs, Catholic schools, Sylvan Learning Centers, and a variety of other agencies would be able to give these children the support they need to catch up in the areas of math and English.

Another new opportunity provided for parents under this legislation involves public school choice. A parent whose child is trapped in a failing school will have the opportunity to send their child to another public school which is not failing and have the transportation costs paid for.

This bill does not allow parents to access private schools, but it does provide parents the option to move their child to a better public school where they can get an adequate education.

We believe this option will put pressure on those public schools within a major school system that are failing and will give these children a viable chance to succeed.

I believe one of our most important goals is to give States and local communities more flexibility. After all, they are best suited to make decisions regarding their own children. While the legislation does not provide the flexibility that many of us would have liked to have seen, it does make major improvements in freeing State and local education agencies from burdensome Federal regulations.

Currently, Federal rules mandate that funds only be used for a designated purpose. Under this legislation, all 50 States will be permitted to make significant spending decisions of up to 50 percent of their non-title I funds by being allowed to move those funds from account to account without Federal approval.

This means that States and local communities can spend these funds where they feel they will get the most benefit for the dollars.

Seven States will also be permitted to consolidate 100 percent of their State activity, administrative funds, and innovative block grant funds and use them for any activity authorized under H.R. 1. This frees up hundreds of millions of dollars for these States to use at their discretion. This will dramatically expand a State's flexibility of they decided to participate in the program.

Up to 150 school districts—at least three per State—could also apply to participate in even broader flexibility. They will be able to apply for waivers from virtually all Federal education rules and requirements associated with a variety of ESEA programs in exchange for agreeing to further improve academic achievement for their low-income students.

The concept is simple, the Federal Government will give them even greater flexibility in exchange for significant results.

The State of Alabama has instituted a major reading initiative that has begun to make a difference in the lives of students in our state. In fact, the Alabama Reading Initiative is becoming a model for reading programs in other States.

Massachusetts has appropriated $10 million to begin a program based on Alabama's efforts and Florida is beginning a pilot program in 12 school districts patterned after the Alabama Initiative.

President Bush also recognizes the importance of reading, he has described reading as "the new civil right." Early on, he stated his goal that every child should be able to read by the third grade. One of the cornerstones of President Bush's education plan was his Reading First and Early Reading First initiatives.

These initiatives are meant to encourage States and local schools to implement scientifically based reading programs and to augment programs such as the Alabama Reading Initiative.

The Reading First Initiative would help to establish reading programs for children in kindergarten through grade 3. Under this legislation, Federal funding for reading programs will be tripled from $300 million in 2001 to $900 million for 2002. President Bush has demonstrated his commitment to this program by budgeting $5 billion over 5 years for the effort.

The companion program, Early Reading First, is intended to enhance reading readiness for children in high poverty areas and where there are high numbers of students who are not reading at the appropriate level. The $75 million initiative is designed to provide the critical early identification and early reading interventions necessary to prevent reading failure among our children.

This legislation also takes important steps to improve teacher quality in our schools. In order to provide increased flexibility, the agreement eliminates the class-size reduction program and now gives school districts the option to choose whether they want to use federal teacher dollars to recruit or retain teachers, reduce class-size or to provide additional training to teachers already in the classroom.

States would also be able to spend Federal teacher dollars on merit pay, tenure reform, teacher testing and alternative certification.

The point is to allow flexibility for school districts to address the needs most important to the local community, instead of simply dictating what should be done from Washington.

The legislation also includes the teacher liability language that passed the Senate.

These provisions help to ensure that teachers, principals, and other school professionals can undertake reasonable actions to maintain order and discipline in the classroom, without the fear of being dragged into court or subject to frivolous lawsuits simply for doing their jobs.

One issue that I am disappointed that we did not address in this legislation are the problems with the discipline provisions in Individuals with Disabilities Education Act, IDEA.

While both the House and the Senate passed provisions to address this problem, unfortunately, many of my colleagues on the conference committee opposed both versions and neither was included in the final conference report.

Having traveled all over Alabama and visiting a number of schools over the past few years, I am firmly convinced that the Federal IDEA discipline regulations cause more distress for dedicated teachers than any other single Federal rule or mandate.

Some of my colleagues on the conference committee feel very strongly about this issue and strongly opposed my amendment. But I want to make my proposal clear.

My amendment was carefully tailored to allow schools to discipline IDEA students in the same manner as non-IDEA students, when the behavior that led to the disciplinary action is not related to the child's disability. No child could be denied educational services for behavior that is related to their disability.

My amendment also retains many of the procedural safeguards in current law to ensure that IDEA children are treated fairly, but it allows state and local educators more flexibility in their discipline policies.

My amendment also would provide a better option for parents of children with disabilities to move their child to a better educational environment. While this option is available under current law, my language would streamline this process. The parents of the child and the school would still have to agree on this decision.

I believe this is a reasonable proposal that would allow more students with disabilities, with the agreement of the school, to seek special education programs that better meet their needs.

During my meetings at schools, I encouraged teachers to write to me to share their experiences with IDEA. I received a large stack of mail.

The frustration and compassion in the letters is powerful. Real stories from educators and students are the best evidence of the need for change.

Two things are clear to me. First, current Federal IDEA discipline rules cause disruption in the classroom and even threaten the safety of students and teachers.

Second, the Federal Government needs to increase IDEA funding and meet its commitment to providing 40 percent of the national average per pupil expenditure.

President Bush's budget included a $1 billion increase for IDEA for next year, the largest increase ever proposed by a President in his budget. He is committed to increasing this funding in future years.

This new funding will be an important step in assisting schools to meet the goals established under IDEA.

The IDEA law is filled with complex issues and problems besides discipline. One area that Secretary Paige seeks to address is the possible over-identification and disproportionate placement of minority students in special education.

Secretary Paige has spoken to me about this problem and I stand ready to work with him to address it. For example, we need to look at how to distribute Federal special education funds without creating inappropriate incentives regarding referral, placement or services to children.

We shouldn't be creating an incentive for schools to place children in special education programs that can be helped under our existing system.

The IDEA law provides many wonderful and special benefits for children with disabilities, but we can make it better. It is important that we return common sense and compassion to this problem.

I am committed to working to improve the law when it comes up for reauthorization next year. If we work together by providing more money for IDEA and give more authority to our local school officials, we can take a big step toward improving learning.

While I continue to believe that education is and must remain the primary function of State and local government, I believe this legislation will help to improve our public education system.

This legislation is far from perfect and I am sure we will have to make adjustments in future years.

But I believe that with President Bush's leadership this legislation presents the best opportunity in 35 years to return power and dollars to the state and local school districts and to make academic achievement a priority.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Arkansas. First, I remind the Senate that during the debate on this issue her amendment to increase the funding for bilingual education passed 62 to 34, and we kept her first year mark in this bill. That will mean that 400,000 more limited-English-speaking children will be able to learn. It is a major achievement and accomplishment. She has educated the Senate about the change in demographics and what is happening in her part of the world. We welcome the opportunity to yield her 2 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Mr. President, I come to the floor today to express my support for the education reform package that is now before the Senate. After debating this issue for almost 3 years, I am pleased we have reached a bi-partisan agreement on a package that puts our children's future ahead of the partisan bickering that has diverted our energy and attention for too long. This proposal before the Senate represents an important step in the right direction by recognizing the right of every child to receive a high quality education.

I know many of my colleagues played a critical role in fashioning this very important legislation. I especially want to express my appreciation to Senator KENNEDY and Senator GREGG for their tireless efforts on behalf of our nation's school children. As someone who has followed the progress of this bill very closely, I think each Member of this body owes the managers of this bill a debt of gratitude for bringing Senators with very different points of view together to find common ground on this critical issue. I applaud their leadership and I congratulate your success.

I also want to say a special word of thanks to Senators LIEBERMAN and BAYH who demonstrated real leadership by talking about many of the reforms we are about to ratify before those ideas were very popular. They deserve a lot of credit for the final agreement they helped draft and I was honored to join them in crafting the original Three R's proposals that is clearly reflected in the bill before us.

As I noted previously, I support this bipartisan compromise because it contains many of the elements that I think are essential to foster academic success. It provides school districts with the resources they need to meet higher standards. It expands access in Arkansas to funding for teacher quality, English language instruction, and after-school programs by distributing resources through a reliable formula based on need, not on the ability of school districts to fill out a federal grant application. And finally, and most importantly, in exchange for more flexibility and resources, it holds States and school districts accountable for the academic performance of all children.

I do want to highlight one component of this legislation that I had a direct role in shaping. During consideration of the Senate reform bill in May, I successfully offered an amendment with Senator KENNEDY and others calling on Congress to substantially increase funding to enable language minority students to master English and achieve high levels of learning in all subjects.

More importantly for my State of Arkansas, under the approach I promoted, funding will now be distributed to States and local districts through a reliable formula based on the number of students who need help with their English proficiency.

Currently, even though Arkansas has experienced a dramatic increase in the number of limited English proficient (LEP) students during the last decade, my state does very poorly in accessing federal funding to meet the needs of these students because the bulk of the funding is distributed through a maze of competitive grants.

I am pleased the conferees accepted the funding level and the reforms I advocated. This new approach represents a dramatic improvement over the current system and will greatly benefit schools and students in my State.

Ultimately, I believe all of the reforms that are contained in this bill will make an important difference in the future of our children and our nation. So I join my colleagues on both sides of the aisle to urge the adoption of this truly landmark legislation.

Unfortunately, I feel compelled to mention one aspect of this legislation that dampens my excitement for its passage. Even though I believe the bill on balance represents a major improvement over the current federal framework, I am very disappointed that we are once again denying the promise we made to our constituents in 1975 to pay 40 percent of the costs of serving students under IDEA.

In my opinion, our failure to live up to this promise undermines to some extent the very reforms we seek to advance. I will continue to work in the Senate to reverse this record of inaction which is profoundly unfair to school districts, teachers, and the students they serve.

I want to close, by thanking all of my colleagues who spent many weeks and months negotiating this agreement. Even though progress has been slow at times, the way Democrats and Republicans have worked together on this bill is a model I hope we can repeat often in the future.

Mr. President, again, I thank the Senator from Massachusetts for his leadership and assistance to me in being able to achieve something on behalf of the people of Arkansas. Once again, I express my support for the education reform package now before the Senate. We have debated this issue for almost 3 years, and we are so pleased we have reached a bipartisan agreement on the package that puts our children's future ahead of the partisan bickering that has diverted our energy and attention for way too long.

The proposal before the Senate represents an important step in the right direction by recognizing the right of every child in this great Nation to receive a high-quality education.

I know many of my colleagues played a critical role in fashioning this very important legislation, but there are two individuals who have been absolutely incredible in this debate and in this negotiation. I especially express my appreciation to Senator KENNEDY and to Senator GREGG for their tireless efforts on behalf of our Nation's schoolchildren.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield 7 minutes to the Senator from Tennessee who has played a very considerable role in this legislation, especially in the flexibility accounts, but he had input throughout the legislation and has done an exceptional job in making this a better bill.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I rise to congratulate Senator GREGG and Senator KENNEDY for their leadership in pulling together a complex bill. This bill accomplishes the goals that many of us have been talking about over the last 2 years, the total length of time we have been working on this bill. Those goals included striving for more flexibility, accountability, and local control.

The events of September 11, 2001 dramatically changed our nation. As a result, the President is focused on combating forces unlike any other we have faced in our history. Nonetheless, the President has remained steadfastly committed to education reform and thanks to his efforts, today we send to him a bill that will transform the Federal Government's role in education.

Since 1965, Federal aid has been provided to school districts for the education of disadvantaged children through title I. Despite spending $125 billion on Title I over the past 25 years, the most recent results of the National Assessment of Educational Progress, NAEP, tests for fourth-grade reading confirm that our current education system has not closed this achievement gap.

The NAEP results revealed that 37 percent of the nation's fourth graders scored below basic. That means 37 percent of our fourth graders cannot read.

I was disturbed to read in our Nashville newspaper, the Tennessean, last week that only 45.5 percent of third-graders in Nashville are reading at the national average, down almost three percentage points from 1998. Perhaps more disturbing is the fact that the Nashville metro area failed to reduce the performance gap between poor students and their better-off peers: it was reduced only .2 percent in the elementary and middle-school grades, and it increased by 1 percent for high-school students.

As President Bush has said, too many children in America are segregated by low expectations, illiteracy, and self-doubt. In a constantly changing world that is demanding increasingly complex skills from its workforce, children are literally being left behind.

The following programs and reforms contained in the "No Child Left Behind Act" will help our schools better prepare our children for the future:

For reading first, $975 million in funds will be authorized for States to establish a comprehensive reading program anchored in scientific research. States will have the option to receive Early Reading First funds to implement research based pre-reading methods in pre-school. Tennessee's recently awarded $27 million grant will continue, and Tennessee will no longer have to apply for such funding. Funding to the State will be guaranteed through this new formula grant program.

On rural education, $300 million in authorized funding will be available to some of Tennessee's rural school districts to help them deal with the unique problems that confront them.

On unprecedented flexibility, all states and local school districts will be able to shift Federal dollars earmarked for one specific purpose to other uses that more effectively address their needs and priorities. And 150 school districts choosing to participate would receive a virtual waiver from Federal education requirements in exchange for agreeing to improve student achievement. I am particularly pleased that this latter initiative, known as Straight A's, was included in the final form of the bill.

On empowering parents, parents will be enabled to make informed choices about schools for their children by being given access to school-by-school report cards on student achievement for all groups of students. Students in persistently low-performing schools will be provided the option of attending alternative public schooling or receiving Federal funds for tutorial services. That means that starting in September, students in more than 6,700 failing schools will have the authority to transfer to better public schools. Students in nearly 3,000 of those schools also would be eligible for extra academic help, such as tutoring and summer classes paid with Federal tax money. In Tennessee alone, 303 schools will be provided these services.

As to accountability for student performance, parents will know how well their child is learning, and schools will be held accountable for their effectiveness with annual state reading and math assessments in grades 3–8. States will be provided $490 million in funding for the assessments. Tennessee will receive approximately $53 million of these funds over the next 5 years.

With regard to improvements to the Technology and Bilingual Education programs, the Technology and Bilingual Education programs have been streamlined and made more flexible. Parents must be notified that their child is in need of English language instruction and about how such instruction will help their child. The bill also focuses on ensuring that schools use technology to improve student academic achievement by targeting resources to those schools that are in the greatest need of assistance.

On better targeting, Senator LANDRIEU offered an amendment to S. 1 earlier this year that required better targeting of funds to our poorest schools. I supported that effort and am proud to say that this bill targets funds better than ever before. Through consolidation of programs and improved targeting of resources, we enable schools to do so much more with the 7 percent of funds they receive from the Federal Government.

As to resources for teachers, over $3 billion will be authorized for teachers to be used for professional development, salary increases, class size reduction and other teacher initiatives. Additionally, teachers acting in their official capacity will be shielded from Federal liability arising out of their efforts to maintain discipline in the classroom, so long as they do not engage in reckless or criminal misconduct. And another $450 million will be authorized for Math and Science training for teachers, an initiative that is particularly important to me.

I want to take a few minutes to discuss the Math and Science Partnership program, because I am particularly concerned about the state of Science education in our country. The most recent NAEP science section results showed that the performance of fourth- and eighth-grade students remained about the same since 1996, but scores for high school seniors changed significantly: up six points for private school students and down four for public school students, for a net national decline of three points. A whopping 82 percent of twelfth-grade students are not proficient in Science and the achievement gaps among eighth-graders are appalling: Only 41 percent of white, 7 percent of African-American and 12 percent of Hispanic students are proficient.

The disappointing overall results for seniors on the science section of the NAEP prompted Education Secretary Rod Paige to call the decline "morally significant." He warned, "If our graduates know less about science than their predecessors four years ago, then our hopes for a strong 21st century workforce are dimming just when we need them most." I couldn't agree with the Secretary more.

I urge the appropriators to take note of these statistics and fund the Math and Science Program at the level it needs to make a difference.

In this brief statement, I can only begin to list the number of reforms within this bill. The bill:

Enhances accountability and demands results;

It has unprecedented state and local flexibility;

It streamlines bureaucracy and reduces red tape;

It expands choices for parents;

It contains the President's Reading First initiative;

It promotes teacher quality and smaller classrooms;

It strives toward making schools safer;

It promotes English fluency;

And that is just a brief summary.

I want to again congratulate our President, who provided great leadership by making education reform his top domestic priority. The result is that our elementary and secondary schools will be strengthened and local teachers, administrators and parents will be better able to make sure that no child is left behind.

For the first time, Federal dollars will be linked to specific performance goals to ensure improved results. That means schools will be held accountable. And, by measuring student performance with annual academic assessments, teachers and parents will have the ability to monitor each student's progress.

I want to thank Senators GREGG and KENNEDY for all they have done on this bill. Senator GREGG was forced into a new leadership role when he suddenly became Ranking Member of the HELP Committee in the middle of the 6 week debate of S. 1. Suddenly, he was charged with managing a 1,200 page education bill, which was the top domestic priority of the President. I know, he and his staff, particularly Denzel McGuire, have dedicated innumerable hours to this piece of legislation and I commend them for their efforts.

I congratulate, on my staff, Andrea Becker, whose diligence, dedication, and hard work are reflected in this legislation. Senator GREGG and Senator KENNEDY were able to bridge some strong policy differences throughout and work together to make sure politics did not prevent passage of this landmark legislation. I thank them for their leadership and congratulate them on passage of this bill.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from Tennessee for his kind comments, and especially for his assistance in making this bill a reality.

Could the Chair advise us as to the time remaining?

The PRESIDING OFFICER. The Senator from New Hampshire has 6 minutes remaining. The Senator from Massachusetts has 23½ minutes remaining.

Mr. GREGG. How much time is remaining for the Senator from Minnesota?

The PRESIDING OFFICER. Ten minutes for the Senator from Minnesota.

Mr. GREGG. I reserve our time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield 4 minutes to the Senator from Connecticut. The Senator from Connecticut has been a strong advocate in terms of accountability in schools and also investing in those children. So I welcome his comments.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair and I thank my friend from Massachusetts, who has played a pivotal role in bringing us to this extraordinary moment of accomplishment. I rise today to join my colleagues in voicing my enthusiastic support for this conference report to reauthorize the Elementary and Secondary Education Act and help reinvigorate America's public education system.

This democracy of ours is a magnificent process, beautiful in its freedom, although often untidy and cumbersome in its execution. We come to one of those wonderful moments when it has worked to provide a revolutionary change in the Federal Government's relationship to public education in our country. This agreement marks a truly unique coming together of parties, ideologies and people behind legislation that will help us deliver a high-quality public education to the children of this Nation and, in doing so, help us deliver on the promise of equal opportunity for every American.

With this bill, we are fundamentally changing the educational equation in our country. We are saying public education is no longer a local responsibility, but it is now truly a national priority. We are saying we are no longer going to tolerate failure for our children and from the adults who are supposed to be educating them. We are saying we believe, as a matter of faith, that every child in this country can learn at a high level. And we are doing what has been long overdue—refocusing our Federal policies and redoubling our national efforts to help realize those expectations of excellence and raise academic achievement for all of our children.refocusing our Federal policies and redoubling our national efforts to help realize those expectations of excellence and raise academic achievement for all of our children.

This new educational equation could be summed up in six words: Invest in reform; insist on results.

We are proposing to substantially increase Federal funding to better target those dollars to the community and students with the greatest needs, to give States and schools far more freedom in choosing how to spend those dollars and then, in exchange, to demand more accountability for producing results. No longer are we in Washington going to ask: How much are we spending and where is it going?

Now we will ask: How much are our children learning and where are they going?

This new approach, and the reforms we have developed to implement it, reflect the best thinking of both parties in both branches of our Government and the hard work of a lot of Members, including particularly Senators KENNEDY and GREGG in this Chamber, and Representatives BOEHNER and MILLER from the House. I want to express my appreciation to them for their leadership, their vision, and their commitment to rethinking the way we aid and support public education and re-engineering our partnership with the States and local districts.

I am very proud to have had the opportunity to participate in this enormously constructive process as one of the negotiators of the Senate version of the bill and as a member of the conference committee. For that, I am grateful to Majority Leader DASCHLE and to Chairman KENNEDY, who solicited ideas and input from Senator BAYH and me and other New Democrats, even though we were not members of the HELP Committee, and broke with tradition to appoint us to the conference committee.

I am particularly proud of the role we New Democrats played in shaping the framework and ideas behind this reform plan, which incorporates many of the principles and programs of the comprehensive Three R's plan that Senator BAYH and I, and several of our colleagues in this Chamber sponsored last year. When we started out three years ago along this road, our goal was to bring some fresh thinking to Federal education policy and to help break the partisan impasse on this critical matter, to offer a proposal that could bridge the gaps between left and right and forge a new consensus for real school reform for America's children, and to truly reinvent the Federal role in education. With this bill, I think all of us, new and old Democrats—I take the liberty to say new and old Republicans—can fairly say "mission accomplished."

We pushed not only for more funding, but to target more of those resources to the poorest districts and to restore the traditional Federal focus on disadvantaged children. This bill does just that. We pushed to streamline the Federal education bureaucracy, reduce the strings attached to funding, empower local educators and encourage innovation. This bill does just that.

We pushed to create strong standards of accountability, to impose real consequences for chronic failure, and to demand measurable progress in closing the achievement gap between the haves and have-nots. Again, this bill does just that. Last but not least, we pushed to inject market forces deeper into our public school system, to promote greater choice and better information for parents, and to harness the positive pressure of competition to drive real change. This bill does just that.

However, our work is not done. This new vision will take time and money to succeed, and we must be vigilant in following through on the implementation of this legislation. Simply put, these reforms will not work if they are not matched with resources. The significant funding levels provided in the Senate and House appropriations bills of about $22 billion, an increase of over $4 billion, provide a substantial down payment in realizing the necessary investment. But we must do more. We cannot close the achievement gap on the cheap. We must make increased investment a priority for the life of this bill, not just this year. I think the critical factor is for all of us to continue to work together in a bipartisan way to make sure we adequately and aggressively fund the reforms that are part of this proposal.

In the meantime, I want to applaud President Bush for working with us in a cooperative, constructive manner to transform a promising blueprint for reform into what will soon be a landmark law. This was a model of bipartisanship and a reminder of what we can accomplish when we leave our partisan agendas at the door. I hope we will soon duplicate it.

Mr. President, I wish to expand on my earlier comments to provide more historical background on the development of this conference report and explain its legislative intent.

I am extremely pleased that the bill embodies many of the legislative intentions and key concepts that a number of my fellow New Democrats, particularly Senator EVAN BAYH, and I, proposed when we first introduced the Public Education Reinvestment, Reinvention, and Responsibility Act—otherwise known as the "Three R's" bill—in March 2000. I believe that we have achieved the same core goals in this conference report. The following analysis outlines the long, complex and ultimately fruitful evolution of the bill, and the concepts and themes underpinning its key provisions.

The need for improving the federal role in K–12 public is well established. Too many of our schools have for years been failing to give low-income and minority students the education and skills they need to thrive in our increasingly knowledge-based economy. In addition, our nation faces a large achievement gap between higher- and lower-income students, and between white students and most minority students.

Data from the National Assessment of Educational Progress for 2000 makes this clear. According to the report, 60 percent of the nation's fourth graders in poverty were reading below the basic proficiency level, compared to 26 percent of more affluent fourth graders. And the gap between children of different races and ethnicities is just as significant as the income gap; 63 percent of African-American fourth grade children and 58 percent of Latino children were reading below the basic proficiency level, compared with 27 percent of white children.

The same problems persist at the top of the educational ladder. On average, of every 100 white kindergarten students, 93 will finish high school and 29 will earn at least a bachelor's degree. However, of every 100 African-American kindergarten students, only 86 will finish high school and only 15 will obtain at least a bachelor's degree. And of every 100 Latino kindergartners, just 61 will graduate from high school and 10 will obtain at least a bachelor's degree. The result is that almost half of all college graduates by age 24 come from higher income families and only 7 percent from low-income families.

These achievement gaps are unacceptable and unnecessary. Every day, more and more schools offering low-income students high standards and real support demonstrate that an underprivileged background does not consign a child to academic failure. In fact, students from low-income families can achieve at similar or higher levels than their more affluent peers. We were convinced that with the right approach, the federal government could help school districts and states spread these successes across the nation.

Any reform of the federal role in education must start with the understanding that Washington is most helpful when it empowers states and localities to do their job more effectively, not when it micro-manages the running of schools and districts. Though Congress helped fuel state and local improvements through its last reauthorization of ESEA in 1994 and through its support of charter schools and public school choice, those proved ultimately insufficient to the size of the challenge before the country. To support states and localities as they worked hard to adopt better standards, improve the quality of their teachers, and increase choice and competition in public education, the federal role had to change more profoundly.

It was this desire to spur a more accountable, competitive and innovative public education system, and ultimately raise academic achievement among children of all incomes and backgrounds, that led my colleagues and me to propose the Three R's bill.

In the winter of 1998, I began early discussions on the issue with my former colleague, Republican Senator Slade Gorton, sharing the belief that a broad, bipartisan education reform agenda could and should be developed. We convened a series of meetings with key think tanks and policymakers—including the Progressive Policy Institute, the Education Trust, the Heritage

Foundation, the Fordham Foundation and Empower America—and it soon became clear that we shared goals and approaches to reform that could serve as the basis for a legislative blueprint.

Many of the concepts discussed in these meetings were distilled in a white paper in April 1999 on performance-based funding prepared by Andrew Rotherham of the Progressive Policy Institute in 1999, Toward Performance-Based Federal Education Funding: Reauthorization of the Elementary and Secondary Education Act. Based on this framework, my staff and that of Senator BAYH began working regularly with like-minded moderate Democrats to draft a legislative proposal. Soon thereafter, the moderate Democrats formed the Senate New Democrat Coalition, with Senator BOB GRAHAM as the leader, and selected education reform as the coalition's first legislative priority, with Senator BAYH and myself spearheading the effort.

On March 21, 2000, I joined Senator BAYH and other Senate New Democrats, including Senators MARY LANDRIEU, BOB GRAHAM, JOHN BREAUX, BLANCHE LINCOLN, HERB KOHL, Richard Bryan, and Charles Robb, to introduce the Three R's Act, S. 2254, a sweeping piece of legislation designed to fundamentally reform federal education policy to a performance-based system focused on providing states and local school districts with greater resources and flexibility in return for greater accountability for increased student academic achievement. In May of 2000, Representative CAL DOOLEY, a leader of the New Democrats in the House of Representatives, introduced the Three R's companion bill, H.R. 4518, which was cosponsored by Representative ADAM SMITH.

To correct a system that had grown too rigid, bureaucratic, and unresponsive to the needs of parents, the Three R's Act called for providing states and localities with more federal funding and greater flexibility regarding how to spend those dollars. In return, educators would be held more accountable for academic results. We argued that as a nation, we should ultimately base success on students' real educational outcomes—including test results and other measures—rather than on the number of programs or the size of the federal allocation.

The Three R's Act called for streamlining the number of federal education programs and focusing federal dollars and attention on a few critical educational priorities, including serving disadvantaged students, raising teacher quality, increasing English proficiency, expanding public school choice, and stimulating innovation. Overall, it would have increased federal investment in public education by $35 billion over the next five years, targeting most of those new dollars to the poorest school districts in the nation.

In April 2000, in conjunction with the introduction of our Three R's bill, the New Democrats held a forum on Capitol Hill to foster dialogue on the need for education reform. Participants included Bob Schwartz of ACHIEVE, former Secretary of Education William J. Bennett, Amy Wilkins of The Education Trust, University of Maryland Professor Dr. Bill Galston, and Joseph Olshefske, Superintendent of Seattle Public Schools. Although some participants offered constructive criticism on certain provisions in the Three R's bill, they largely cited the bill as the building block for a broad and bipartisan consensus.

In the Spring of 2000, Republican Senators GORTON and GREGG approached Senator BAYH and myself to discuss the possibility of producing just such a reform package, and together we reached agreement on a number of provisions later to appear in the Conference Report before us today, such as the concept known as "supplemental services." Despite our inability to reach a final compromise at that stage, these negotiations significantly furthered the framework for a comprehensive bipartisan bill.

During the May 2000 debate over S. 2, the Health, Education, Labor and Pensions Committee's Elementary and Secondary Education Act reauthorization bill, my fellow Senate New Democrats and I successfully pushed for the inclusion of provisions enhancing accountability for educational performance in the Democratic Caucus' alternative amendment, Amdt. 3111, to S. 2. In addition, our coalition successfully pushed for a separate debate on our Three R's proposal, which we offered as a substitute amendment, Amdt. 3127 to S. 2. That amendment was one of the few to be considered on the Senate floor before the ESEA bill was withdrawn. Though our amendment only garnered 13 votes, all Democratic, its defeat could not obscure the fact that the basis for bipartisan agreement was building.

Also in June of that year, I joined with Senator LANDRIEU in cosponsoring her amendment, S. 3645, to the Labor-HHS-Education FY 2001 Appropriations Bill, H.R. 4577, which proposed focusing $750 million in federal funds on serving the poorest school districts. Unfortunately, that amendment was tabled, and thus defeated, despite bipartisan support for improving the distribution of federal funds to better serve all students. However, on behalf of the New Democrats, I successfully garnered inclusion of language requesting a GAO study of the formulas used to distribute federal education funds under Title I of the ESEA, including an assessment of their effectiveness in meeting the needs of the highest poverty districts. The GAO full report is expected in January 2002.

As 2000 advanced, progress on the Three R's reform model was slowed by special interests, partisan politics, and the Presidential campaign of which I was a part. Congress failed to reauthorize ESEA on time for the first time since its enactment in 1965. Nonetheless, New Democrats and members supporting reform on the Republican side managed to take significant steps in the 106th Congress toward furthering the framework for the bipartisan compromise reached in the 107th Congress. Key among our victories were building on the consensus for greater accountability for academic results and agreeing to examine better targeting of federal resources on our nation's most disadvantaged communities.

In August 2000, the Presidential elections went into full swing, taking up much of my time. It was encouraging for me to see both Presidential candidates adopting into their campaign platforms many of the concepts in the Three R's bill. Sandy Kress, current education advisor to President Bush and then advisor to Governor Bush, was widely reported to be a key architect of his education blueprint. I was not surprised to later learn that as a member of the Democratic Leadership Council in Texas, Sandy was intrigued by many of the concepts contained in the Progressive Policy Institute's education reform plan and our Three R's legislation in the Senate. I am pleased that President Bush embraced so many of these reforms in his blueprint for education reform.

After the election, President-elect Bush invited several key education reformers, including Senator BAYH and Representative TIM ROEMER, to Austin to discuss the reauthorization of ESEA. By including key New Democrats at this meeting, the President-elect sent a clear signal that to his administration, a bipartisan bill centered around a moderate message of reform would be a top priority.

That message proved valuable in guiding us toward a compromise this year. On February 13, 2001, early in the 107th Congress, I joined other New Democrat cosponsors in reintroducing the Three R's bill as S. 303. The same day, the White House released a white paper outlining the Administration's education plan, "No Child Left Behind," which shared significant common ground with the Three R's Act. Also that winter, Representative TIM ROEMER reintroduced the Three R's companion bill, H.R. 345, in the House of Representatives, together with 18 other New Democrat cosponsors including CAL DOOLEY and ADAM SMITH, who had introduced the first House bill.

Over the same period, Senate New Democrats were approached by Senator GREGG with the backing of the White House about the introduction of a bipartisan bill using the Three R's as a base. In late February and March 2001, Senators BAYH, LANDRIEU, LINCOLN, and myself began bipartisan negotiations with Sandy Kress of the White

House and Republican Senators GREGG, HUTCHINSON, COLLINS, and FRIST.

The Senate Education Committee was simultaneously beginning work on ESEA legislation, and on March 28, 2001, Senator JEFFORDS, Chairman of the HELP Committee, reported out of committee an education bill, S. 1, entitled "Better Education for Students and Teachers Act," or "BEST."

Understanding that lasting reform requires broad bipartisan support, Senator BAYH and I encouraged the White House and our Republican colleagues to bring all interested parties—many of whom had the same reform goals—together. I am appreciative of the leadership shown by Senators LOTT and DASCHLE in uniting these efforts and to have been included in those negotiations.

However, the bill that emerged from the Senate was not as strong on accountability as the Three R's Act. I was disappointed, for example, that concerns raised by some members of Congress and many outside groups prompted the White House and others to abandon strong accountability tools to measure the performance of all students of all racial groups. Nonetheless, I believe that the language ultimately reached, while not as strong as I would have preferred, marked a dramatic step forward in holding schools, districts and states accountable for making annual progress in student academic achievement.

In the first week of May 2001, this bipartisan substitute bill, S. 1, was brought to the floor. The Senate had a very lively debate on the bill for several weeks, with hundreds of amendments introduced and passed. The debate was interrupted periodically for other debates, most notably the consideration of the final conference report on the budget and tax relief bill, which itself included several education amendments. Several New Democrats, myself included, were concerned that insufficient funds were being provided for investments in important priorities such as education. An amendment to support full funding of IDEA was introduced and passed overwhelmingly by the Senate. Immediately thereafter, Senator JEFFORDS changed his membership in the Republican Party to independent status and the Senate was reorganized. Senator KENNEDY became Chairman of the Senate HELP Committee and Senator GREGG became the Ranking Member of the Committee. Fortunately, the bipartisan working spirit was not harmed by this change, and work on the education bill continued.

During the debate on S. 1, I cosponsored with Senator LANDRIEU an amendment to restore the original purpose of Title I funding by prohibiting the allocation of Title I funds to school districts unless new funds were appropriated to the Targeted Grant formula, focusing these funds on the communities and schools with the greatest need. The amendment, S. Amdt. 475, passed by a vote of 57 to 36. We were able to secure $1 billion in funding for these targeted grants in a subsequent amendment, S. Admt. 2058, to the Senate Labor-HHS-Education Appropriations bill, S. 1536, for fiscal year 2002 which passed the Senate on November 6, 2001. The amendment, cosponsored by Senator LANDRIEU, Senator COCHRAN, and myself, passed the Senate by a vote of 81 to 19.

I also cosponsored, with Senators TOM CARPER and GREGG, an amendment to S. 1, S. Amdt. 518, to make public school choice a reality for children trapped in failing schools by encouraging states and local districts with low-performing schools to implement programs of universal public school choice and eliminating many of the existing barriers to charter school start-up and facility costs. Parental choice is a crucial element of accountability, and both provisions promise to give more and more parents a real stake in their children's education. I am proud that both concepts are incorporated in the legislation that we are considering today.

After several weeks of debate, the Senate passed S. 1, "BEST" in June 2001. Since the House of Representatives had introduced H.R. 1, entitled "No Child Left Behind Act of 2001," in March, a conference was necessary to resolve the still significant differences between the bills. In July 2001, I was very gratified to be appointed a conferee to the conference committee of the House and the Senate, with my Three R's cosponsor Senator BAYH. Since Senator BAYH and I are not members of the HELP Committee, our inclusion was unprecedented; and I thank Senator KENNEDY for his keen understanding of the contribution that the New Democrats made to this process of forging a bipartisan compromise.

We have been negotiating and working diligently on the conference report since July, and although this Conference process was long and difficult, I believe the hard work has been worthwhile, as we have produced a landmark bill with the potential to vastly improve our nation's public schools. Senator KENNEDY, Senator GREGG, Representative BOEHNER, and Representative MILLER all deserve praise for creatively resolving differences between the bills.

Previously, accountability for federal education dollars had been focused on how a state, school district, or school spent funds rather than the results that those funds produced. The Three R's bill, and now the new conference report bill, shifts the focus from inputs to outcomes. This conference report embodies the performance-based accountability model put forth in the Three R's bill for holding states, school districts, and schools accountable for increases in student achievement based on state assessments and state standards.

Of course, we have not solved all of the problems that confront education in the United States, in particular, I would like to take a moment to commend Senator JEFFORDS for his leadership on the issue of educating students with disabilities under the Individuals With Disabilities Education Act, IDEA, and his dedication to ensuring that Congress lives up to its commitment made in 1975 to provide 40 percent of the costs associated with educating these students. His courage to take such a strong stand on this important priority is admirable. I am hopeful that Congress can address this issue when it takes up the reauthorization of IDEA in 2002.

Nevertheless, this conference report represents a major step forward in improving and reforming our education policies and programs. The following highlights provide an overview of concepts and policy themes that were proposed in the New Democrats' Three R's bill and had an impact on the new legislation.

On accountability, the heart of the Three R's plan called on each state to adopt performance standards in all federal programs, most importantly requiring states to ensure that all students, including those in Title I schools, would reach proficiency in math and reading within 10 years. It required states, districts and schools to disaggregate test results to better focus attention and resources on the lowest performing subgroups in order to close the achievement gap that exists in our nation between disadvantage and non-disadvantaged students, and minority and non-minority students. It further required states to develop annual measurable performance goals for teacher quality and English proficiency, and held states and districts accountable for meeting those goals. The final agreement adopts much of this accountability structure—creating a more performance-based approach to public education.

As to flexibility, the Three R's plan called for consolidating dozens of federal education programs into a limited number of funding streams that would greatly expand the ability of states and districts to allocate federal aid to meet their specific needs. Although the final agreement does not contain the level of consolidation envisioned in the Three R's bill, it does significantly increase the flexibility of states and local districts to transfer funding from many other programs; it also creates new "State Flex" and "Local Flex" experiments to provide even more freedom to consolidate funding.

Concerning disadvantaged students, the Three R's plan would have reformed the Title I program to hold states and districts accountable for closing the achievement gap; strengthened the definition of what constitutes adequate yearly progress; and required districts to first intervene and turn around chronically failing schools, and ultimately restructure them, convert them to charter schools, or close them down. The final agreement builds on these reforms and adds to them, sharply redefining adequate yearly progress so that all students must be academically proficient within 12 years, offering students in failing schools the right to transfer to higher-performing public schools, and giving families with children in poorly performing schools the right to use federal funds for outside tutoring assistance.

Related to targeting, the Three R's plan not only called for increasing federal funding for Title I and other major programs, but for targeting those resources to the districts with the highest concentrations of poverty. The final agreement includes a New Democrat amendment sponsored by Senators LANDRIEU and myself that channels most of the new Title I dollars to the poorest districts through a more targeted formula. It also changes other program formulas to better target teacher quality, English proficiency, reading, technology and after school funding to the districts and schools with the greatest need.

On teacher quality, the Three R's plan called for consolidating several teacher quality grant programs into a single formula stream, better targeting those dollars to the districts with the most teachers teaching out of their area of specialty, and holding states and districts accountable for ensuring that all teachers are deemed highly qualified by a specified deadline. The final agreement meets all three goals, requiring all teachers in a state to be qualified—not only meeting state certification requirements but also meeting rigorous content standards—by 2006.

As to bilingual reform, the Three R's plan called for a total overhaul of federal bilingual education programs that would streamline the bureaucracy, increase federal investment to meet growing enrollment, and refocus the program's mission on helping non-native speaking students achieve proficiency in English and other academic subjects. The final agreement adopts almost all of these reforms, including a requirement to annually assess students' language proficiency and hold districts accountable for improving English proficiency for the first time.

Regarding public school choice, the Three R's plan called for increasing educational options for parents within the public school framework, strengthening funding for charter schools and creating a new initiative to promote intra- and inter-district choice programs at the local level. The final agreement includes a New Democrat amendment sponsored by Senator CARPER that is based largely on these provisions, as well as Three R's-related measures requiring states and districts to expand the use of report cards to inform parents about school performance.

I would like to turn now to a detailed discussion of some of the major titles and parts of the conference report which have been influenced by the provisions and intent of the Three R's bill. The heart of the Three R's plan, especially for Part A of Title I, was a comprehensive accountability system for closing the academic achievement gap that held each, district, and school responsible for improving academic performance. It called for a major investment of federal resources under Title I and better targeting of those funds to the highest poverty communities. Under that restructured system, states would be required to define adequate yearly progress, or AYP, for student academic achievement so that all students would be proficient in reading and math within 10 years and each district and school would be required to show measurable progress each year—not just on average, but specifically for minority and disadvantaged subgroups. If schools failed to meet these standards, districts would be required to intervene and make improvements. If schools continually failed, districts would eventually be required to take dramatic steps to overhaul them or close them down, while providing students in those schools with the right to transfer to another higher performing public school.

Title I, Part A of the conference report incorporates much of the ideas and architecture of this system as envisioned under the Three R's bill and substantially builds on them. It authorizes $13.5 billion in funding for fiscal year 2002 while significantly reforming the funding formulas under Title I, Part A, subpart 2. It demands that states develop new annual assessments in grades 3–8 to better monitor student learning, and sharply redefines the definition of adequate yearly progress to ensure that schools and districts are making demonstrable gains in closing the achievement gap, and that all students are academically proficient within 12 years. And, it demands annual accountability for that progress by intervening in failing schools and districts to turn them around, and imposes tough actions on those that fail to improve over time.

Regarding standards and assessments, the Three R's bill maintained the requirements for state content and student performance standards and annual assessments that existed under current law, as directed under the enactment of the 1994 reauthorization of the Elementary and Secondary Education Act. Under section 1111(b)(4) of Title I, it required that states have in place their annual assessments in English language arts and mathematics by the 2002–2003 school year. It further recognized the growing importance of a high quality science education for all students, so that our nation may continue to compete in a global and increasingly high-tech, high-skilled economy. As a result, it expanded current law by requiring states to develop and implement science standards and assessments by the 2006–2007 school year. States that failed to have their 1994 required assessments, and the new science assessments, in place by the required deadlines would not receive any new administrative funds and would lose 20 percent of their administrative funds in subsequent years if the failure continued. States would be required to administer assessments annual to at least one grade in each the elementary, middle and high school levels.

It further required in section 1111(b)(4) that states assess limited English proficient—LEP—students in the student's native language if such language would be more likely to yield accurate and reliable information on what that student knows and is able to do. However, it demanded that states require assessments in English for English language arts for LEP students. School districts could delay this requirement for one additional year on a case-by-case basis.

As with the Three R's, the conference report upholds the requirements that exist under current law, as enacted under the 1994 reauthorization of the ESEA, for standards and assessments and penalizes states that fail to meet the requirement to have standards and assessments in place by the 2001–2002 school year. Under the requirement, the Secretary shall withhold 25 percent of a non-compliant State's administrative funds. It further expands on the testing requirements called for under current law and under the Three R's plan. It requires, in section 1111(b)(3), that States develop and implement new annual assessments for all grades, between and including, third-eighth for mathematics, and reading or language arts. Such assessments must be administered beginning in the 2005–2006 school year. The Secretary may withhold administrative funds if states fail to meet deadline for the new annual assessments.

In addition the Act upholds the importance of a science education, as highlighted under the Three R's bill, by requiring states under Title I Part A section 1111(b)(1)) to establish science standards and for those standards to be in place by the 2006–2007 school year, and as required under section 1111(b)(3) for states to develop and begin implementation of science assessments in at least one grade in each elementary, middle and high school level by the 2007–2008 school year.

Title I, Part A of the Act, section 1111(3), also requires the assessment of limited English proficient students in English in reading or language arts in English if such student have been in the United States for three years, but allows districts to seek a waiver from this requirement for up to two additional years, on a case-by-case basis. The intent of the new legislation is that these waivers be used only in very limited circumstances, and by no means broadly applied, to protect the integrity of the new program.

In order to assist states with the costs associated with the development of assessments and standards, Title VI of the Three R's bill allowed states to use funds set aside under that title for the continue improvement and development of standards and assessments. This new Act too will ensure that states have substantial resources to use for the development and administration of new annual assessments. Under section 1111(b)(3), the Act authorizes $370 million in funding for fiscal year 2002 and raises that level by an additional $10 million in subsequent fiscal years, up to $400 million for each fiscal year 2005–2007. If appropriated federal funds fall below the specified amount in any fiscal year, states are allowed to cease the administration, but not the development, of new annual assessments.

To prevent gaming of test results, section 1111(b)(2) of the Three R's stated that in order for a school to be found meeting adequate yearly progress, it must meet its annual measurable objectives set for each subgroup and it must annually assess at least 90 percent of the students in each subgroup. The conference report improves this goal by requiring schools to assess 95 percent of the students in each subgroup. This provision will help protect against any abuses by schools or districts in excluding certain students from annual assessments.

I believe that it is the intention of the language in section 1111(3) regarding new annual assessments in mathematics and reading or language arts, and science, that such assessments shall be interpreted by the U.S. Department of Education to mean state developed tests that produce valid and reliable data on student achievement that is comparable from school to school and district to district. This conference report's expanded and improved focus in section 1111(3) of Title I on high-quality annual assessments will help ensure that schools and parents have a better understanding of students' levels of knowledge and the subject areas requiring improvement. Such regular monitoring of achievement also will help schools and district better achieve continuous academic progress.

Regarding English proficiency assessments, Title III of the Three R's required states to develop annual assessments to measure English proficiency gains. This new Act recognizes the importance of measuring English proficiency attainment by limited English proficient students. Under section 1111, it requires that states hold districts accountable for annually assessing English proficiency (including in the four recognized domains of reading, writing, speaking and listening). States must demonstrate that, beginning no later than the 2002–2003 school year, school districts will annual assess English proficiency of all students with limited English proficiency. In addition, it is the intention of the Conference that the Secretary provide assistance, if requested, to states and districts for the development of assessments for English language proficiency as described under section 1111(3) so that those assessments may be of high quality and appropriately designed to measure language proficiency, including oral, writing, reading and comprehension proficiency. Regular and high quality comprehensive assessment of English language proficiency will help create a stronger mechanism for measuring proficiency gains and ensuring progress.

In calling for reformed accountability systems in states, Section 1111(b)(2) of the Three R's required states to end the practice of having dual accountability systems for Title I and non-Title I schools, requiring states to establish a single, rigorous accountability plan for all public schools. It allowed states to determine what constitutes adequate yearly progress, or AYP, for all schools, local educational agencies, and the state in enabling all children in schools to meet the state's challenging student performance standards.

It also established some basic parameters on AYP, requiring it to be defined so as to compare separately the progress of students by subgroup—ethnicity/race, gender, limited English proficiency, and disadvantage/non-disadvantaged; compare the proportions of students at each standard level as compared to students in the same grade in the previous school year; be based primarily on student assessment data but may include other academic measures such as promotion, drop-out rates, and completion of college preparatory courses, except that the inclusion of such shall not reduce the number of schools or districts that would otherwise be identified for improvement; include annual numerical objectives for improving the performance of all groups of students; and include a timeline for ensuring that each group of students meets or exceeds the state's proficient level of performance within 10 years.

Section 1111(b)(2) of the conference report defines AYP in a manner that is consistent with the goals of the Three's. It defines AYP as a uniform state bar or measure of progress for all students, set separately for mathematics and reading or language arts, and is based primarily on assessment data. The amount of progress must be sufficient to ensure that 100 percent of all students reach the state's standard of academic proficiency within 12 years. States are required to set a minimum bar, or measure, based on either the level of proficiency of the lowest performing subgroup in the state or the lowest quintile performing schools, whichever is higher, plus some growth. States may keep the bar at the same level for up to three years before raising it to the next level. However, the first incremental increase shall be two years after the starting point, and the bar shall be raised in equal increments. Each of the four disaggregated subgroups—disadvantage/non-disadvantaged, limited English proficient, disabled, and race/ethnicity—must meet the state uniform bar, or measure of progress, for both mathematics and reading or language arts in order for a school or district to be determined meeting AYP.

However, the Conferees understand that some subgroups may make extraordinary gains but still fall below a state's uniform bar for progress. Therefore, section 1111(b)(2) of this conference report contains a “safe harbor” provision for such cases. Schools with subgroups that do not meet AYP, but whose subgroups make at least 10 percent of their distance to 100 percent proficiency (or reduce by 10 percent the number of students in the relevant subgroup that are not yet proficient), and make progress on one other academic indicator, will not be identified under section 1116 as in need of improvement.

The Conferees intend that this system of setting progress bar and raising it in equal increments over a 12–year period will allow states the flexibility of focusing on their lowest performing subgroups and schools, while gradually raising academic achievement in a meaningful manner. It will further ensure that state plans outline realistic timelines for getting all students to proficiency, and prohibits states from “backloading” their expected proficiency gains in the out years. I believe that the Secretary in approving state plans shall give close scrutiny to the timelines established by states so that they may be meaningful and meet the requirements of this language—to have 100 percent of student in all subgroups reach the state's proficient standard level within 12 years.

In order to address concerns raised over the volatility of test scores, section 1111(b)(2) of the conference report allows states to establish a uniform procedure for averaging of assessment data. Under this system, states may average data from the school year for which the determination is made under section 1116 regarding the attainment of AYP with data from one or two school years immediately preceding that school year. In addition, States may average data across grades in a school, but not across subjects.

As did Three R's, the new Act recognizes that in order to maintain high quality pubic education alternatives, charter schools must be held accountable for meeting the accountability requirements under Title I for academic achievement, assessments, AYP, and reporting of academic achievement data. However, the legislation also understands the unique relationships established under individual state charter school laws. As a result, this conference report clarifies that charters schools are subject to the same accountability requirements that apply to other public schools, including sections 1111 and 1116, as established by each state, but that the accountability provisions shall be overseen in accordance with state charter school law. It further expresses that authorized chartering agencies should be held accountable for carrying out their oversight responsibilities as determined by each state through its charter school law and other applicable state laws.

To aid low-performing schools so that they may make the necessary improvements to turn themselves around, such as providing more professional development for teachers, designing a new curriculum and hiring more highly qualified teachers, the section 1003 of the Three R's bill required states to set aside 2.5 percent of their Title I, Part A funds in fiscal years 2001 and 2002, and 3.5 percent of funds for fiscal years 2003–2005. States would be required to send 80 percent of these funds directly to school districts for the purpose of turning around failing schools and districts.

This conference report contains similar requirements, demanding that states set aside two percent of their Title I funds received under subpart 2 for fiscal years 2002 and 2003, and four percent of their funds in fiscal years 2004–2007 to assist schools and districts identified for improvement and corrective action under section 1116, and to provide technical assistance under section 1117. States shall send 95 percent of the funds reserved in each fiscal year directly to local school districts. It further authorizes $500 million for grants to local school districts to provide supplemental efforts by districts to address schools identified under section 1116. I believe it is the intention of these provisions that funds be directed first, at schools and districts in corrective action, and second, to schools and districts identified for improvement.

Under the Three R's, section 1116, school districts shall identify as being in need of improvement any school that for two consecutive years failed to make adequate yearly progress, or was in, or eligible for, school improvement before enactment of the legislation. Schools identified would have the opportunity to review the school data, and if the principal believed that identification was made in error, the identification could be contested. In addition, districts would be required to notify parents of the school's identification and what it means, what the school is doing to address the problems, and how parents can become more involved in improvement efforts.

Parents of students in schools identified prior to the enactment of the proposed legislation would be given the choice to transfer their child to a higher performing public schools that was not identified under section 1116. For parents of students in schools identified after enactment, the districts would be required to provide the parents with the option to transfer their child to a higher performing school within 12 months after the date of identification.

Schools identified for school improvement under section 1116 of the Three R's would be required to develop and implement school improvement plans to address the school's failure, and to devote 10 percent of Title I, Part A funds for high quality professional development for teachers. Although districts would be allowed to take action earlier, the bill required districts to identify for corrective action, any school that, after two years of being identified for school improvement, failed to make AYP. As under improvement, schools would have the opportunity to contest the identification for corrective action. Districts would be required to impose corrective actions that included implementing new curricula, reconstituting school personnel, or making alternative governance arrangements for the school, such as shutting it down and reopening it as a charter school. In addition, parents with students in such schools would continue to receive the right to transfer to another school and have transportation costs or services provided by the district. The bill capped the amount of Title I funds that could be spent by a district in meeting this requirement at 10 percent.

The bill also required states to identify local educational agencies that had failed to make AYP under a similar timeframe, requiring them to develop and implement improvement plans, giving parents the right to transfer their student to another school, and imposing corrective actions for repeated failure.

The conference report embodies much of the concepts proposed in the Three R's bill for turning around low performing schools and imposing corrective actions on those who continually fail. It expands the options available to parents of students in schools identified for improvement or corrective action. And, it ensures that schools that continually fail will face tough consequences.

Under section 1116 of Title I of the conference report, schools and districts that have been identified for improvement or corrective action prior to enactment would start in the same category after enactment. It is the intention of these provisions that schools that have been failing for years do not get to restart their clocks, and that actions be taken immediately to address the failure in those schools and districts.

To address concerns raised that one year's worth of data is not enough to judge success or failure, the Act requires that schools must fail to make AYP for two consecutive years before being identified for improvement under section 1116. Schools identified shall develop and implement improvement plans and receive additional technical and financial assistance to make improvement, and must devote 10 percent of their Title I funds to professional development activities for teachers and principals. Parents of children in these schools will be given the option to transfer their child to a higher performing public school with transportation costs or services provided. The Act clarifies that, although districts are required to provide transportation, they may only use up to 15 percent of their Title I funds to pay for such costs or services. The option to transfer shall only be consistent with state law—local law or policy shall not apply—and schools receiving transferring students must treat them in the same manner as any other student enrolling in the school. It is the intent of these provisions that capacity constraints not be a barrier to public school choice and that choice be meaningful by ensuring that transportation costs or services will be provided.

Schools that fail for three consecutive years to meet AYP shall continue the improvement plan and other requirements from the previous year, and shall give parents the option of receiving, and selecting, outside tutoring assistance for their child from a state-approved list of providers. Such providers may include private organizations, non-profit organizations, and community-based organizations. School districts shall only be required to reserve 20 percent of their Title I funds under Part A, and spend up to 5 percent of their Title I funds on providing parents with the option to transfer to another school and 5 percent to provide supplemental services, with the remaining 10 percent of funds split between the two requirements as determined by the district. District shall not be required to spend more than the reserved maximum of 15 percent on providing supplemental services and shall select students by lottery if not all eligible students may be served.

It is the intention of these provisions that student in failing schools have meaningful options to choose from while enabling districts to devote the bulk of their Title I resources on making improvements in the underlying school.

Just as the Three R's demanded that tough actions be taken with schools that fail to improve, the conference report requires that schools that fail to meet AYP for four years undergo at least one corrective action. Such actions include instituting a new curriculum, replacing the principal and some relevant staff, or reopening the school as a charter school. Schools that fail for five consecutive years shall continue the action from the previous year and must begin planning for restructure. These measures are intended to ensure that districts take actions that will result in a substantive and positive change in the school, and that directly address the factors that led to failure.

This conference report embodies the intent of the Three R's and conferees that schools that continually fail to improve must, at some point, face dramatic consequences. Section 1116 requires that Schools that fail to meet AYP for six consecutive years shall be completely restructured, including instituting a new governance structure, such as a charter school or private management organization, and replace all relevant staff. These steps shall, in effect, result in the creation of an entirely new school.

I believe that the timelines established under this conference report are rigorous but fair and will allow for true identification of low performing schools so that they may get the assistance and time they need to turn around performance, but ensure that they face comprehensive and tough penalties if they fail to make improvement.

Clarifying that identification should be based on two years worth of data, the Act requires that schools must make AYP for two consecutive years in order to be removed from improvement status, corrective action, or restructure under section 1116. Districts may delay corrective action or restructure for one year for a school that makes AYP for one year. It is the intention of this provision that schools that may be on the right track to better performance should not be forced to curtail current improvement actions in order to implement a new one. Rather, such schools should be expected to continue current improvement activities and monitored for progress for one additional year. If schools fail to make a second year of AYP, then they would be forced to undergo corrective action, or restructure.

As under the Three R's, the conference report requires states to establish a similar process for identifying and taking corrective action on school districts that fail to meet AYP, and for providing parents in failing districts with the option to transfer to a higher performing school or receive supplemental services from a tutoring provider. Just as districts shall be required to enforce improvement, corrective action and restructure requirements, it is my belief that this conference reports intends for states to aggressively monitor district performance and follow the requirements established under section 1116 regarding district improvement and corrective action. I further believe that the Secretary shall consider non-compliant any state that fails to take action on districts identified under section 1116, or fails to take actions on schools identified under section of 1116—in cases where districts within the state fail to uphold these requirements.

Regarding teacher quality, the Three R's Title II required states to have all teachers fully qualified by 2005, meaning that they must be state certified and have demonstrated competency in the subject area in which they are teaching by passing a rigorous content knowledge test, or by having a bachelor's degree, or equivalent number of hours in a subject area. The provisions were intended to ensure that all students, particularly those in high poverty schools, were taught by educators with expertise in their subject area. It sought to address the inequity that exists in our public education system where disadvantaged students are more often taught by a teacher that is out of field than their more advantaged peers. It also defined, in section 1119 of Title I, professional development, so that teachers and principals would receive high quality professional development that provides educators and school leaders with the knowledge and skills to enable students to meet state academic performance standards; is of ongoing duration; is scientifically research based; and, in the case of teachers, is focused on core content knowledge in the subject area taught.

To place greater emphasis on the crucial need for highly trained teachers in our nation's poorest schools and recognizing that a significant portion of Title I funds are used to hire teachers, the Three R's required states under Title I section 1119, as well as under Title II to ensure that all teachers meet the requirement to be fully qualified by the end of 2005; to annually increase the percentage of core classes taught by fully qualified teachers; and to annually increase the percentage of teachers and principals receiving high quality professional development.

Section 1119 of the Three R's also established requirements for paraprofessionals to ensure that such individuals would be appropriately equipped to assist teachers in the classroom and assist in tutoring students. Paraprofessionals that provided only translation services for non-native speaking students and families, or parent involvement activities, would be exempted from the new requirements. The bill also placed restrictions on the types of duties that paraprofessional may provide in schools. The intent of these provisions was to reduce the reliance in schools on paraprofessionals in providing core academic instruction to students, and place a priority on ensuring that students be taught by a highly trained teacher.

This conference report embodies much of the Three R's goals and provisions on teacher quality, professional development and paraprofessional quality. Section 1119 of the report requires states to ensue that all teachers hired under Title I will be highly qualified by the end of the 2005–2006 school year. Highly qualified is defined as being state certified and, in the case of a newly hired teacher, having demonstrated competency by passing a rigorous content knowledge test or having a bachelor's degree in the subject area taught. And, in the case of an existing teacher, highly qualified teachers shall have demonstrated competency by passing a rigorous content knowledge test or meeting a high, objective and uniform standard of evaluation developed by the state.

I believe it is the intention of this language to ensure that content knowledge assessments or state standards of evaluations as described in section 1119 will provide for a rigorous, uniform, objective system that is grade appropriate and subject appropriate, and that will produce objective, coherent information of a teacher's knowledge of the subject taught. Such a system is not intended to stigmatize teachers but to ensure that all teachers have the crucial knowledge necessary to ensure that students may meet the state's challenging academic achievement standards in all core subjects.

In addition, I believe that it is crucial that existing teachers be given the high quality professional development necessary to ensure that they meet the definition of highly qualified. That is why under Part A of Title II of the Three R's bill, and under section 1119 of this conference report, states would be required establish annual measurable objectives for districts and schools to annually increase the percentage of teachers receiving high quality professional development, and to hold districts accountable for meeting those objectives. It also is why both pieces of legislation require under Part A of Title I that districts spend five percent of their Title I funds received under subpart 2 on professional development activities, and require under section 1116 that schools identified devote 10 percent of their Title I funds to professional development activities as defined under section 1119.

On report cards, The Three R's, in Title IV, section 4401, required states, districts and schools to annually publish and widely disseminate to parents and communities report cards on school level performance. It required that report cards be in a manner and format that is understandable and concise. State report cards would be required to include information on each district and school within the state receiving Title I, Part A and Title II, Part A funds, including information disaggregated by subgroup regarding: student performance on annual assessments in each subject area; a comparison of students at the three state standard levels of basic, proficient and advanced in each subject area; three-year trend data; student retention rates; the number of students completing advanced placement courses; four-year graduation rates; the qualifications of teaches in the aggregate, including the percentage of teachers teaching with emergency or provisional credentials, the percentage of classes not taught by a fully qualified teacher, and the percentage of teachers who are fully qualified; and information about the qualifications of paraprofessionals.

District level report cards would be required to report on the same type of information as well as information on the number and percentage of schools identified for improvement, and information on how students in schools in the district perform on assessments as compared to students in the state as a whole. School level report cards would be required to include similar information as that required under the state and district report cards as well as information on whether the school has been identified under section 1116. Parents would also have the right to know, upon request to the school district, information regarding the professional qualifications of their student's classroom, and information on the level of performance of the individual student.

Section 1111 of Title I of the conference report contains a similar structure for report cards and essentially the same required information. States would be required to annually report to the public on student performance information in the aggregate for each of the four subgroups, in addition to migrant students and gender, including: student performance on state assessments; a comparison of students performing at each of the states standard levels of basic, proficient and advanced; graduation rates; the number and names of schools identified under section 1116; the qualification of teachers; and the percentages of students not tested.

Districts would be required to provide similar information in their report cards, in addition to information on the numbers and percentages of schools identified for school improvement under section 1116, and how long the schools have been identified. In the case of school level information, districts shall also include whether the individual school has been identified for improvement.

Expanding on the intent behind the Three R's to make the public, including parents, schools, and communities more aware of how our nation's schools are performing, the conference report further requires that states submit annual reports to the Secretary with information, including the disaggregated assessment results by subgroup; the numbers and names of each school identified for improvement under section 1116 and the reasons for the identification as well as the measures taken to address the achievement problems; the number of students and schools that participated in the public school choice and supplemental service programs and activities in section 1116; and information on the quality of teachers and the percentages of classes not taught by a highly qualified teacher. The Secretary, in turn, shall transmit a report to Congress with data from these state reports.

This conference report carries out the intent of the Three R's to provide the public, particularly parents, with a greater awareness of state, districts and school performance on raising academic achievement; the academic achievement levels of all students disaggregated by subgroup; and the qualifications of our nation's educators. Such information expands public understanding of the academic achievement gap that exists between minorities and non-minorities, and between disadvantage and non-disadvantaged students so that the federal government, states, districts, and schools may better target attention and resources in order to close those gaps.

As to targeting funds, the Three R's plan made a commitment not only to boost the Federal investment in public education, but to improve the targeting of those resources to the schools with the greatest needs. It found in Title I, section 1001, that:

> The Federal Government must better target Federal resources on those children who are most at risk for falling behind academically. Funds made available under this title [Title I, Part A] have been targeted on high-poverty areas, but not to the degree the funds should be targeted on those areas, as demonstrated by the following: (A) although 95 percent of schools with poverty levels of 75 percent to 100 percent receive title I funds, 20 percent of schools with poverty levels of 50 to 74 percent do not receive any title I funds; [and] (B) only 64 percent of schools with poverty levels of 35 percent to 49 percent receive title I funds. Title I funding should be significantly increased and more effectively targeted to ensure that all economically disadvantaged students have an opportunity to excel academically.

The Three R's plan upheld the commitment made in the 1994 law that all new funds under Title I, Part A would be distributed to states and districts under the Targeted Grant formula described in section 1125. This commitment was further codified this past June when the Senate passed an amendment, S. Amdt. 475, to S. 1, the Senate ESEA reauthorization bill, that would prohibit the Secretary from making awards under Title I, Part A, Subpart 2 unless the goals of the Targeted Grant formula were met.

This campaign to better target federal funds met with much political resistance. But the Conference Committee decided to make this goal a priority, and as a result, the conference report upholds and in some cases goes beyond the call for targeting in the Three R's plan. In particular, it includes the amendment sponsored by myself and Senator MARY LANDRIEU regarding the Targeted Grant.

The conference report maintains current law formulas under subpart 2 for Basic, Concentration and the Targeted Grant formula, but applies a hold harmless rate of 85–95 percent of the previous fiscal year allocation to each district for each of these three formulas. However, it also ensures that localities that fail to meet the minimum threshold for the Concentration grant for four years shall no longer be eligible for funds under this formula.

Crucial to the priority of targeting our federal funds, are the provisions made under section 1125 to Targeted Grant and the Education Finance Incentive Grant. In particular, the language prohibits the allocation of funds under Part A, unless all new funds are distributed through the Targeted Grant formula. It is the intent of this provision to address the history of Federal appropriations, which have failed to provide funding to the Targeted Grant, by requiring appropriators to uphold the commitment that has existed in authorized law since 1994 to better target Federal resources to our nation's highest poverty districts via the Targeted Grant formula.

In addition, these provisions significantly modify the Education Finance Incentive Grant Program. This program has never been funded and previously would have been the least targeted formula for Title I, Part A funds. The conference report changes the formula so that funding to states would be based on the total number of poor children within the State multiplied by the per pupil expenditure, the state's effort factor, and the state's equity factor. Most significantly, within state allocations would be highly targeted to the highest poverty districts within each state. Allocations to districts would be based on the Targeted Grant formula, with greater weighting given to higher poverty areas depending on the state's equity factor.

I believe that these changes clarify the intent that new Title I funds should be distributed through the Targeted Grant formula while ensuring that Education Incentive Grant is modified to better target resources to high poverty states and districts. These provisions will make for some of the most important reforms in this conference report, and will help ensure that Federal resources are targeted to our districts and schools with the greatest need, rather than diluted across districts with relatively low levels of poverty.

Regarding Title I, Part B—Student Reading Skills Improvement Grants, I believe that reading is an essential building block to learning. Title I, Part A, sections 1111 and 1116 of the New Democrats Three R's bill put special emphasis on ensuring that all children reach the state proficiency level in reading and mathematics within 10 years, and held states and school districts receiving federal funds accountable for ensuring that their students achieve at the proficient level in both core subjects. It further called for a significant increase in funding for Title I and under subpart 2, called for greater targeting of those resources on our highest poverty communities so that they have the funds necessary to ensure all students achieve higher levels of learning in core subjects, such as reading.

The Three R's bill throughout its entirety, but especially in Titles I, called for targeting of resources to the poorest students and schools. With the same policy goal, the conference report in Title I, Part B, also targets resources to the poorest students. It does so by sending "Reading First" awards, authorized at \$900 million level in FY02 in subpart 1 to states under a poverty-based formula that requires states to give priority in awarding competitive grants within the state to high poverty areas; and requires school districts to target funds to schools with high percentages of students from families below the poverty level, or that have a high percentage of children in grades K–3 reading below grade level and that are identified for school improvement under Sec. 1116. Additionally, subpart 2 of Part B of conference report provides a new competitive grant initiative authorized at \$75 million in FY02 called "Early Reading First" which funds early reading intervention targeted at children in high-poverty areas and where there are high numbers of students who are not reading at grade level.

The intention of the Reading First programs is to place a high federal priority on reading so that students may better succeed academically in other subjects as well. These programs seek to provide students with the basic skills to reach proficiency in reading or language arts in their grade level, and to better train teachers to teach children to read. They provide the fundamental building blocks to help ensure that states, districts and schools reach their academic achievement goals set forth in this Title.

Teacher quality is also essential to student success, which is why our Three R's legislation dramatically increased the national investment in teacher professional development in its Title II, Part A, to help ensure that all teachers are competent in their subject area, and provided them with more opportunities for high quality professional development. The "Reading First Program" in Title II, Part B of the conference report follows this lead and calls for preparing teachers, including special education teachers, through professional development and other support, so the teachers can identify specific reading barriers facing their students and so the teachers have the tools to effectively help their students learn to read. It is the intent of the legislation to ensure that teachers are highly qualified and trained in the latest research and techniques to help all children learn to read and that the Department provides technical assistance and disseminates best practices and the latest research on reading.

Because it is important to better understand each child's level of understanding and learning as he or she enters schools and to identify children at risk for reading difficulties, Title I, Part A, of the Three R's bill required states to assist and encourage districts to conduct first grade literacy diagnostics and assessments that are both developmentally appropriate and aligned with state content and student performance standards and to provide districts with technical assistance. With this same goal, the conference report in Title I, Part B calls for states to assist school districts in selecting and developing rigorous diagnostic reading and screening, diagnostic and classroom-based instructional reading assessments. The intent of the legislation is to ensure that every child receives a rigorous diagnosis and assessment of their reading capabilities and that schools and teachers are helped to administer and use these assessments so that they can better determine each student's level of reading and design strategies to ensure that child will read at grade level.

Throughout its entirety, the Three R's bill emphasized greater accountability for results. This conference report encompasses this results-based approach. Additionally, Title IV, Part D, of the Three R's bill called for much more public reporting of progress so that parents can make more informed decisions regarding their child's education. The "Reading First Program" in Title I, Part B, Subpart 1, of this new bill requires states receiving grants to provide the Secretary with an annual report including information on the progress the state, and school districts, are making in reducing the number of students served under this subpart in the first and second grades who are reading below grade level, as demonstrated by such information as teacher reports and school evaluations of mastery of the essential components of reading instruction. The report shall also include evidence that they have significantly increased the number of students reading at grade level or above, significantly increased the percentages of students in ethnic, racial, and low-income populations who are reading at grade level or above, and successfully implemented the "Reading First Program" in Title I, Part B, Subpart 1 of the conference report. It is the intent of this legislation that the Secretary hold accountable states, school districts, and schools for making progress in increasing the numbers of students—in all major economic racial and ethnic groups—who are reading at or above grade level by calling upon the Secretary to review the data contained in these reports to make a determination on continued funding for states. I would encourage the Department, in its review, to rigorously enforce the intended accountability for lack of performance by taking stringent actions to ensure that recipients of federal funds demonstrate results in reading gains for all students.

In regards to Title II—Preparing, Training and Recruiting High Quality Teachers and Principals, the conference report will make revolutionary changes in federal programs aimed at raising the quality of our nation's teachers and principals. Many of these reforms were promoted in the Three R's legislation introduced in the 106th and 107th Congresses. Most significantly, this conference report builds on the structural reform advocated by the New Democrats in Title II of the Three R's bill to streamline several programs into one formula program to states and localities to better focus Federal attention on the critical aspects of teacher and principal quality to ensure that all students, especially those most disadvantaged, are taught by a highly qualified teacher. It also further enhances the call for better targeting of our federal resources on the highest poverty states and school districts.

Title II, Part A of the Three R's bill emphasized the importance of every child being taught by a highly qualified teacher because research consistently shows that teacher quality is a key component of student achievement. It transformed the current Eisenhower Professional Development Programs into one performance-based program that in return for greater investments, held states and districts accountable for having all teachers "fully qualified" within four years and for providing teachers and principals with high quality professional development. The Three R's required states to set annual measurable objectives so that all teachers would be "fully-qualified" by the school year 2005–2006, with "fully-qualified" defined for secondary as being state certified, having a bachelor's degree in the area that they teach, and passing rigorous, state-developed content tests. Title VII of the Three R's bill further required states to meet the annual measurable performance objectives established in each title and imposed fiscal consequences if they did not meet their goals.

Title II, Part A—Teacher and Principal Training and Recruiting Fund of the new bill has accountability measures similar to that of the Three R's bill in Titles II and VII and stipulates that all teachers must be "highly-qualified" by the school year 2005–2006. It further requires states to set annual measurable objectives to meet that goal and to ensure that teachers and principals get high quality professional development. States must hold districts accountable for meeting these annual objectives; districts that fail to make progress toward meeting the objectives for two consecutive years must develop an improvement plan that will enable the agency to meet such measurable objectives. States must provide technical assistance to such districts and schools within the districts. If a district fails to make progress toward meeting the objectives for three consecutive years, the district shall enter into an agreement with the state on the use of the district's funds. Under this agreement, the state shall institute professional development strategies and activities that the district must use to meet the measurable objectives and prohibit the district from using Title I funds received to fund paraprofessionals hired after the date of enactment, except that the district may use Title I funds if the district can demonstrate a significant increase in student enrollment, or an increased need for translators or assistance with parent involvement activities. During this stage of professional development strategies and activities by the state, the state shall provide funding to schools affected to enable teachers within such schools to select high-quality professional development activities.

It is the intent of this legislation that states rigorously enforce these accountability measures in regards to districts that fail to meet the goals established by the state. I would encourage that the Secretary consider as noncompliant any state that fails to take action on districts failing these goals, and urge the Secretary to take action to ensure that such states uphold the requirements of this language to hold districts accountable.

The conference report establishes a different definition of what constitutes a "highly-qualified" teacher, found in Title I, Sec. 1119, than was proposed in the Three R's definition of "fully qualified" teacher, found in Title II, Part A. However this definition still retains a strong and reasonable focus on ensuring all teachers meet a high state standard of demonstrated content knowledge. Specifically, the "No Child Left Behind Act" defines "highly-qualified" teachers as teachers that are state certified and:

1. In the case of a newly hired elementary school teacher, has a bachelor's degree and has demonstrated, by passing a rigorous state test, subject knowledge and teaching skills in reading, writing, mathematics, and other areas of the basic elementary school curriculum.

2. In the case of a newly-hired secondary school teacher, has a bachelor's degree and demonstrates a high level of competency in each subject area taught by passing a rigorous state academic subject area test, or completion, in the subject area(s) taught, of an academic major, graduate degree, or equivalent course work for an undergraduate major, or advanced certification.

3. In the case of a veteran elementary or secondary school teacher, holds a bachelor's degree and has passed a rigorous state test, or demonstrates competency based on a high, objective and uniform standard of evaluation developed by the state.

As stated earlier, I believe it is the intention of this language to ensure that content knowledge assessments or state standards of evaluations as described in section 1119 will provide for a rigorous, uniform, objective system that is grade appropriate and subject appropriate, and that will produce objective, coherent information of a teacher's knowledge of the subject taught. Such a system is not intended to stigmatize teachers but to ensure that all teachers have the crucial knowledge necessary to ensure that students may meet the state's challenging academic achievement standards in all core subjects.

In addition, I believe that it is crucial that existing teachers be given the high quality professional development necessary to ensure that they meet the definition of highly qualified. That is why under Part A of Title II of the Three R's bill, section 1119 of this conference report, and this title, states would be required to establish annual measurable objectives for districts and schools to annually increase the percentage of teachers receiving high quality professional development, and to hold districts accountable for meeting those objectives. It also is Three R's and this legislation required districts to spend a portion of their Title I funds on professional development, and required under section 1116 that schools identified devote 10 percent of their Title I funds to professional development activities as defined under section 1119. In addition, I am pleased that this title authorizes over $3 billion for the purpose of ensuring that all students be taught by a highly-qualified teacher by providing a major investment of federal resources to help states and districts with the recruitment and retention of high quality teachers.

Following the intent of the Three R's bill, to target federal education funding to meet the needs of the poorest children, schools, and school districts, and to provide assistance to maintain and upgrade skills of teachers, the conference report distributes funding to states through a formula based 65 percent on poverty and 35 percent on student population, and to school districts through a formula based 80 percent on poverty and 20 percent on student population. This targeting formula is the same as that proposed in S. AMDT 474 by Senator LANDRIEU and adopted this summer into S.1, the Senate education bill. The conference report further requires local school districts to provide assurances that they will target funds to schools that have the lowest percentage of highly qualified teachers, have the largest class sizes, or are identified for school improvement under Title I.

Research shows that poor and minority children are more likely to be taught by a teacher who is teaching out of field—without a major or minor in the field they are teaching. Obviously, this is a disadvantage to students as well as teachers. The emphasis on targeting under the Three R's and expanded upon in this bill, will significantly help our nation's poorest districts, who often face the greatest obstacles to recruiting and retaining high-quality teachers.

As called for in Title II of the Three R's bill, Title II, Part A of the conference report also consolidates teacher quality and professional development programs into one program for the purposes of assisting state and local educational agencies with their efforts to increase student academic achievement through such strategies as improving teacher and principal quality, providing high quality professional development for teachers and principals, and recruiting and retaining highly qualified teachers and high quality principals. Similar to Title II of the Three R's bill, the conference report requires districts to provide high quality professional development for teachers, principals and administrators so that they are better prepared to raise students' academic achievement and meet state performance standards.

Title II, Part A, subpart 3 of the conference report also encourages innovative training and mentioning partnerships between local school districts and universities, non-profit groups, and corporations and business organizations, by requiring states to reserve 2.5 percent of the funds they receive under this subpart for competitive grants to local partnerships involving higher education institutions and school districts to provide high quality professional development activities for teachers and principals and high quality leadership programs for principals. This mirrors the educator partnerships suggested in Title II, Part A of the Three R's bill. The intent of such partnerships is to provide a better linkage between institutions that prepare teachers and the need for high-quality and on-going professional development to teachers and principals in order to reach the goal of having fully qualified teachers in all classrooms and all core subjects.

As did Title II in the Three R's bill, the conference report gives states and school districts significant flexibility in how they can use federal education funds to meet the goal of having all teachers highly qualified within four years. Such flexibility allows states to reform teacher/principal certification; develop alternative routes to certification for mid-career professionals; provide support to new teachers and principals (such as mentioning); provide professional development; promote reciprocity of teacher and principal certification and licensing between states; encourage and support training for teachers to integrate technology into curricula; develop merit-based performance systems; and develop differential and bonus pay for teachers in high-need academic subjects and teachers in high-poverty schools/districts. This flexibility also extends to the local level, and helps realize the goal proposed in the Three R's bill to provide states and local with maximum flexibility to address the problem of recruiting and retaining highly-qualified teachers and meeting the goal of ensuring all children are taught by a qualified teacher.

Title II Part B—Mathematics and Science Partnerships responds to the recognition of a national deficit in the number of teachers with demonstrated content knowledge in math and science. The Three R's bill sought to address this problem by requiring states to set aside 10 percent of the funds they received under Title II, Part A to establish partnership grants—between states, institutions of higher education, local educational agencies, and schools—that supported professional development activities for mathematics and science teachers in order to ensure that such teachers have the subject matter knowledge to effectively teach mathematics and science. Following this same intent, Title II Part B of the conference report provides for a separate Mathematics and Science Partnerships program to states for the creation of partnerships focused on improving the academic achievement of students in math and science by: improving math and science teacher training at institutions of higher education; providing sustained professional development for math and science teachers; increasing the subject matter knowledge of mathematics and science teachers by bringing them together with scientists, mathematicians and engineers; encouraging institutions of higher education to share equipment and laboratories with local schools; and developing more rigorous math and science curricula, and training teachers in the effective integration of technology into the curricula.

Matching the focus on accountability for results in the Three R's bill, Part B of Title II of the new bill emphasizes accountability and calls for recipients to develop measurable objectives, and to report to the Secretary on the progress of meeting the objectives of increasing the number of math and science teachers receiving professional development; on improved student academic achievement based on state math and science assessments or the International Math and Science Studies; and on other measures such as student participation in advanced courses.. The new bill calls on the Secretary to consult and coordinate with the Director of the National Science Foundation with respect to these programs.

The intent of this Part of the conference report is to improve the preservice training, recruitment, and retention of mathematics and science teachers and to encourage partnerships with institutes of higher education, scientists and engineers who are employed in other sectors to ensure that teachers receive high quality professional development in science and mathematics and with the goal to improve academic achievement by all students in these important subjects. It also creates a stronger focus on core subject knowledge by teachers in mathematics and science where the problems of out-of-field teaching are greatest.

In relation to Title II, part D—Enhancing Education Through Technology, the Three R's bill recognized that it is necessary but not sufficient to increase schools' access to computer hardware; to be an effective educational tool, technology must be integrated into the core curricula and teachers must have adequate training on how to do so. The Three R's bill—Title VI, section 6006, New Economy Technology Schools—provided funding for states and school districts for high-quality professional development for teachers in the use of technology and its integration with state content and student performance standards; effective educational technology infrastructure; training in the use of equipment for teachers, school library and media personnel and administrators; and technology-enhanced curricula and instructional materials that are aligned with state content and student performance standards. It also required states and districts to provide high-quality training to teachers, school library and media personnel and administrators in the use of technology and its integration with state content and student academic standards. These core principles were adopted in Title II part D of the conference report, which consolidated several technology programs into a state-based technology grant program entitled "Enhancing Education Through Technology."

The purposes of part D of Title II of the new law are to provide assistance to states and localities for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement; to encourage private-public partnerships to increase access to technology; to assist states and localities in the acquisition, maintenance and improvement of technology infrastructure to increase access for all students, especially disadvantaged students; to support initiatives to integrate technology into curriculum aligned with state student academic standards; to provide professional development of teachers, principals and administrators in teaching and learning via electronic means; to support electronic networks and distance learning; to use technology to promote parent and family involvement, and most importantly to support rigorous evaluation of programs and their impact on academic performance. These points are comparable to Title VI Sections 6001 and 6006 of the Three R's bill.

The primary goal of the conference report's Title II, part D, as stated in its purpose section, is to improve student academic achievement through the use of technology in elementary and secondary schools, to ensure that every child is technologically literate by the time they finish the eighth grade regardless of their background and to encourage the effective integration of technology and teacher training and curriculum. The conference report requires states to develop state technology plans which must include an outline of the long-term strategies for improving student academic achievement and local applications for grants must include a description of how they will use Federal funds to improve academic achievement aligned to challenging state academic standards. These parallel the goals under the Three R's Title VI which emphasized that technology should be an integrated means to higher achievement, not an end unto itself. It is our intent that achieving this emphasis remains a key goal for state technology plans, and that states rigorously review local applications and performance in making any future awards.

The Findings Policy and Purpose section of Title VI of the Three R's bill, section 6001, found that technology can produce far greater opportunities to enable all students to meet high learning standards, promote efficiency and effectiveness in education, and help to immediately and dramatically reform our nation's educational system. It also found that because most federal and state educational technology programs have focused on acquiring educational technology hardware, rather than emphasizing the utilization of the technologies in the classroom and the training and infrastructure required to support the technologies, the full potential of educational technology has rarely been realized. It also noted that the effective use of technology in education has been inhibited by the inability of many State educational agencies and local educational agencies to invest in and support needed technologies, and to obtain sufficient resources to seek expert technical assistance in developing high-quality professional development activities for teachers and keeping pace with rapid technological advances. Three R's also emphasized that to remain competitive in the global economy, our nation needs a workforce that is comfortable with technology and able to integrate rapid technological changes into production processes. These purposes remain fully applicable to the implementation and goals of the new Act.

The emphasis in the new law on using technology to improve student academic achievement in core subjects is directly related to the goals of the Three R's bill which called for improved academic achievement for all children. Title II part D of the conference report is closely aligned with Title VI—High Performance and Quality Education Initiatives of the Three R's bill. The intent of this legislation is to make sure that technology programs are not just providing access to hardware, but are effectively integrating technology into activities that are part of the core curricula and to assist students in improving academic achievement aligned with state content and performance standards and this intent is carried over into the new law. The Department in overseeing these provisions should be expected to place strong emphasis in ensuring that these goals are achieved.

The Three R's emphasized targeting of resources to the poorest children and schools. This goal was expanded upon in the new law's Title II, Part D, as funds are allocated to the states based 100 percent on what the state received under Title I, Part A. Additionally, of the total state funds distributed to locals, 50 percent shall be distributed through a state formula based on Title I, Part A, and the remaining 50 percent shall be distributed via competitive grants. Additionally, competitive grants shall give priory to high need areas. The intent is that states shall determine which school districts, because of their size, receive an insufficient amount of formula funds, to implement efficient and effective activities, and provide them with supplemental competitive grants.

Title II, part D of the new law requires states to submit applications for technology funds and that such applications shall include long-range strategic technology plans. The intent of this is to ensure that states design long-term strategies for improving student academic achievement, including technology literacy, that incorporate the effective integration of technology in the classroom, curricula, and professional training of teachers. Such plans shall also contain a description of: the state goals for using advanced technology to improve student achievement aligned to challenging state academic standards; the steps they will take to ensure that all students and teachers in high-need school districts have increased access to technology; the process and accountability measures the state will use to evaluate the effectiveness of the integration of technology; how incentives will be provided to teachers who are technologically literate to encourage such teachers to remain in rural and urban areas; and how public and private entities would participate in the implementation and support of the plan. We intend that in administering this effort, that the Department of Education require that states effectively integrate technology in their classrooms and curricula, and provide adequate professional development for their teachers, with the goal of improving student academic achievement in core subjects.

The specific intent in the new Title II, part D is that each local application for technology grants shall include a description of: how the school district will use federal funds to improve the academic achievement, including technology literacy, of all students and to improve the capacity of all teachers to provide instruction through the use of technology; what steps they will take to ensure that all students and teachers in high-need School districts have increased access to technology; how they will promote teaching strategies and curriculum which effectively integrate technology into instruction leading to improvements in student academic achievement as measured by challenging state standards; how it will provide ongoing professional development for teachers principals administrators and school library personnel to further the effective use of technology in classrooms and library media centers; and the accountability measures and how they will evaluate the extent to which the technology has been integrated into the curriculum, increasing the ability of teachers to teach and increasing the academic achievement of students. All of these elements are consistent with the Three R's goals that technology shall not be introduced for technology's sake, but deeply integrated into the curricula and teaching strategies to foster an enhanced learning environment. We intend that the Department of Education shall aggressively enforce the requirements that states ensure that school districts have a comprehensive technology plan in place; that the use of technology in the classroom foster a learning environment which will improve academic achievement in the core subjects, and not only increase access to technology hardware.

The Three R's emphasis on improving accountability by setting measurable annual goals and standards for student achievement, and evaluating and measuring progress achieved can be seen in the new Title II part D's requirements for state and local applications. These require states to develop: state goals for using advanced technology to improve student achievement aligned to challenging state academic standards; steps to ensure that all students and teachers in high-need school districts have increased access to technology; and accountability measures the state will use to evaluate the effectiveness of the integration of technology. We intend that, just as in other areas of this Act, the Secretary of Education provide oversight and assist states in the development of rigorous and measurable goals and standards regarding the use of technology to raise student academic achievement, and to develop evaluations of the impact of technology on student academic achievement.

Additionally, one of the allowable uses under state activities in the new Title II, Part D is the development of enhanced performance measurement systems to determine the effectiveness of education technology programs funded under this subpart, especially their impact on increasing the ability of teachers to teach and enable students to meet state academic content standards. We intend that states and school districts develop measurable annual goals and standards to integrate and use advanced technology to improve student achievement, and expect that this option be exercised wherever possible by applicants and strongly encouraged by the Department of Education.

Title II, Part D—Enhancing Education Through Technology requires that state plans and local applications allocate 25 percent of the funds to be reserved for high quality professional training for teachers, principals, librarians and administrators to assist them in integrating the technology and core curriculum. This mirrors the intent of the Three R's Title II, Part A—Teacher and Principal Quality and Professional Development, which calls for teachers to receive high quality professional development and to be trained in the areas that they teach, and specifically the Three R's Title VI, section 6006 which calls for high quality professional development for teachers in the use of technology and its integration with student performance standards.

Regarding Title II, Part A—Teacher and Principal Training and Recruiting Fund, the Three R's proposal called for a radical restructuring of Federal programs serving limited English proficient, or LEP, students. This restructuring streamlined the existing competitive Bilingual Education Act programs and significantly increased and concentrated federal investment for LEP students into one formula program for districts while, in return, demanding results from states, school districts and schools for annual gains in English proficiency and academic achievement among non-native speaking children. Title III of this new Act embodies much of the restructuring and policy goals proposed in the Three R's, and creates a new, major federal initiative aimed at ensuring LEP and immigrant children have the English language skills and academic knowledge to successfully participate in American society. This conference report will, for the first time, hold recipients of federal funds accountable for annually increasing the percentage of LEP children achieving English proficiency as well as high levels of learning in all core subjects, and nearly doubles the amount of federal funding provided to states and localities for the education of LEP and immigrant students.

The Three R's bill, in Title III, section 3001, recognized that educating limited English proficient students is an urgent and increasing need for many local educational agencies. It found that over the past two decades, the number of LEP children in schools in the United States has doubled to more than 3,000,000, and will continue to increase. One of the key goals of the Three R's bill in Title III, section 3003, was to ensure that students with limited English proficiency learn English and achieve high levels of learning on core academic subjects, including reading and math. Title III of this conference report also has the goal of assisting all LEP students to attain English proficiency, so that those students can meet the same challenging state content standards and challenging state student performance standards as all students are expected to meet.

Title III, section 3001, of the Three R's noted that each year 640,000 limited English proficient students are not served by any sort of program targeted to their unique needs. The title increased the amount of Federal assistance to school districts serving such students and streamlined the existing competitive Bilingual Education Act programs into a single performance-based formula grant for state and local educational agencies to help LEP students become proficient in English. Title III of this new Act also consolidates the Bilingual Education Act, as well as the Emergency Immigrant Education Program, and authorizes $750 million for one formula program to states and school districts once federal appropriations levels reach $650 million. The intention behind this language to recognize that a substantial level of federal resources are essential in order to provide funding to districts that is meaningful. It further ensures that resources are not diluted.

The Three R's focused resources to those most in need and allocated funds to states based on the number of LEP students, and required states to send 95 percent of the funds received to school districts so that they may better assist such students. Similarly, the conference report provides funding in Title III (Part A, subpart 1) to states via a formula based 80 percent on the number of LEP children in the state and 20 percent on the number of immigrant children. Additionally the conference report calls for 95 percent of the funds to be used for grants to eligible entities at the local level. Districts shall receive funds based on their number of LEP students. However, to ensure that funds are not diluted, the Act requires that states shall not make an award to districts if the amount of grant would be less than $10,000.

Under the Three R's Title III, section 3109, states were required to establish standards and annual measurable benchmarks for English language development that are aligned with state content and student academic achievement standards; develop high quality annual assessments to measure English language proficiency, including proficiency in the four recognized domains: speaking, reading, writing and comprehension; develop annual performance objectives based on the English language development standards set to increase the English proficiency of LEP students; describe how the state will hold districts or schools accountable for meeting English proficiency performance objectives, and for meeting adequate yearly progress with respect to LEP students as required in Title I, section 1111; describe how districts will be given the flexibility to teach English in the scientifically research based manner that each district determines to be the most effective; and describe how the state will provide assistance to districts and schools. Section 3108 further required states to certify that all teachers in any language instruction program for LEP student were fluent in English to help ensure that students in language instruction programs are taught by the most qualified educators.

We intend that these requirements will ensure that states emphasize language proficiency that ensures a comprehensive understanding of the English language so that students have the oral, writing, listening and comprehension skills necessary to successfully achieve high-levels of learning in our schools and later in the American workforce.

In turn, under sections 3106 and 3107, school districts were required to describe how they would use funds to meet the annual English proficiency performance objectives and how the district would hold schools accountable for meeting the performance objectives. Under Title VII, section 7101, states that failed to meet their performance objectives after three consecutive years would have 50 percent of their state administrative funding withheld. And, states that failed to meet such performance objectives after four consecutive years would have 30 percent of their Title VI programmatic funds withheld.

Title III, section 3105 of the Three R's further required the Secretary of the U.S. Department of Education to provide assistance to states and districts in the development of English language standards and English language proficiency assessments. The intent is that the Department provide support to ensure high quality plans, performance objectives, and English language assessments.

The conference report, contains nearly the same accountability provisions and requirements. Title III, section 3113, requires states to establish standards and objectives for raising the level of English proficiency that are derived from the four recognized domains of speaking, listening, reading and writing, and that are aligned with achievement of the challenging state academic content and student academic achievement standards in section 1111; to hold districts accountable for annually assessing English proficiency as required under Title I, section 1111; and hold districts accountable for meeting annual measurable objectives, in section 3122, for annual increases in the percentage of LEP students attaining proficiency in English, and for making adequate yearly progress as required under Title I, section 1111 while they are learning English.

Section 3122(b) requires states to identify school districts that have failed to meet their annual measurable objectives for two consecutive years and ensure that such districts develop an improvement plan to ensure that the district shall meet the objectives and addresses the factors that prevented the district from achieving such objectives. For districts that fail to meet the annual objectives for four years, states shall ensure that districts modify their language instruction program; determine whether to terminate program funds to the district; and replace educational personnel relevant to the district's failure to make progress on the annual measurable objectives.

States shall be held accountable for meeting the annual performance objective for Title III under Title VI, section

6161 of this Act. The Secretary is required to, starting two years after implementation, annually review whether states have met annual measurable objectives established under Title III. If states have failed to meet such objectives for two years, the Secretary may provide technical assistance to states that is rigorous and provides constructive feedback to each failing state. In addition, the Secretary shall submit an annual report to the Congress listing the states that have failed to meet the objectives under Title III.

Title III of the Three R's bill gave districts the flexibility to determine what method of instruction to implement. This conference report also gives districts the flexibility to design English language instruction programs that best meet the needs of their limited English proficient students. It further, as did the Three R's bill, eliminates the requirement that 75 percent of funding be used to support programs using a child's native language for instruction to give districts the flexibility they need to meet new proficiency goals.

One of the fundamental goals of the Three R's bill was to provide better information to parents about quality and progress of their child's education. Title III (section 3110) of the Three R's bill required parental notification of each student's level of English proficiency, how it was assessed, the status of the student's academic achievement, and the programs that are available to meet the student's educational needs. Title III further required that states give parents the option to remove their student from any language instruction program. States were required to provide parents with timely information, in manner and form understandable to the parents, about programs under Title III and notice of opportunities to participate in regular meetings regarding programs developed.

Similarly, the conference report, under Title I (section 1112), requires districts to provide parents notification of their child's placement in a language instruction program, and give parents the right to choose among various programs if more than one type is offered, and have the right to immediately remove their child from a language instruction program. The Title further allows districts to develop parent and community outreach initiatives and training so that parents may be more active in their child's education. As with the Three R's bill, the intent of the provision is to provide the maximum information about performance and programs to parents, and the Department must take steps to ensure this.

Title IV, Part A—Safe and Drug Free Schools of the Conference Report was influenced by concepts in the Three R's bill. The Three R's bill sought to more directly focus resources and activities on the improvement of academic achievement. This conference report progresses that goal in the Title IV, Part A—Safe and Drug Free Schools Program, stressing activities that will foster a learning environment that supports academic achievement. The conference report requires states to describe how they will fulfill this goal in their comprehensive plan and their application to the Secretary. Local applications must also assure that the activities will foster a safe and drug free learning environment that supports academic achievement. Additionally, following another major intent of the Three R's bill (in both Titles VI and VII), increased accountability and evaluation is called for in Title IV Part A in the conference report. The activities shall be based on an assessment of objective data and assessment of need. Established performance measures will be used and the programs will be periodically evaluated to assess their progress based on the attainment of these performance measures. National reports are required every two years by the Secretary and reports by states and school districts are required on an annual basis. The Three R's bill in Title II, Part A and Title VI, Sec. 6006, highlighted increased professional training for teachers, principals, and other staff related to academic content as well as dealing with disruptive students and those exhibiting distress. Similarly, the conference report contains greater awareness and support for training activities.

On academic achievement, the purposes of Title IV Part A—Safe and Drug Free Schools in the conference report are to support programs that: prevent violence in and around schools; prevent the illegal use of alcohol, tobacco and drugs; involve parents and communities; and that are coordinated with related federal, state, school and community efforts and resources. Under the conference report, a school district can use funds to develop, implement and evaluate comprehensive programs and activities which are coordinated with other school and community-based services and programs that foster a safe and drug-free learning environment that supports academic achievement. The overall goal of the programs in the conference report's Title IV Part A is to foster a safe and drug-free learning environment which supports academic achievement. This embodies similar principles in the Three R's bill in Title VI, sections 6001 and 6006 and the general intent of the Three R's bill in focusing all activities on the improvement of academic achievement for all children.

Related to accountability and evaluations. Title VI of the Three R's bill emphasizes that programs should be evaluated to determine if they are effective in achieving the goals of improving safe learning environments. The conference report allows up to $2 million for the Secretary to conduct a national impact evaluation for the "Safe and Drug Free" programs under Title V Part A. National reports are required every two years by the Secretary and state and school district reports are required on an annual basis. The conference report also requires states to implement a Uniform Management Information and Reporting System that would include information and statistics on truancy rates; the frequency, seriousness, and incidence of violence and drug related offenses resulting in suspensions and expulsion in elementary and secondary schools in states; the types of curricula, programs and services provided, the incidence and prevalence, age of onset, perception of health risk and perception of social disapproval of drug use and violence by youth in schools and communities. Title V part A of the conference report also requires that state and school district applications must contain a needs assessment for drug and violence prevention programs which is based on objective data and the results of on-going state and local evaluation activities. They shall also provide a statement of the performance measures for drug and violence prevention programs that will be used in evaluations. Under the conference report, programs in this Title will be periodically evaluated to assess their progress based on performance measures. The results shall be used to refine, improve and strengthen the program and to refine the performance measures. Such evaluations shall be made available to the public on request. These provisions follow the intent of the Three R's bill to increase accountability and evaluation in all major activities with the understanding that education reforms cannot be achieved without continual, thorough evaluations of their effectiveness and making such evaluations available to parents and the public. The Department shall act to ensure that quality evaluations are implemented.

The Principles of Effectiveness Activities part of the new act requires that activities shall be based upon an assessment of objective data regarding the incidence of violence and illegal drug use in the elementary and secondary schools, and communities to be served, including an objective analysis of the current conditions and consequences regarding violence and illegal drug use, delinquency and serious discipline problems. In addition, activities shall be based on established performance measures aimed at ensuring that the elementary and secondary schools and communities to be served by the program have a drug-free, safe and orderly learning environment; be based upon scientifically based research that provides evidence that the program to be used will reduce violence and illegal drug use; be based on an analysis of data reasonably available at the time of the prevalence of risk factors and include meaningful and ongoing consultation with parents. It is our intent that the Department act to ensure a high quality assessment effort fully consistent with the requirements.

Regarding streamlining and targeting, the Three R's bill consolidated a number of national competitive grant programs—such as in Title VI—into state and school district formula programs to drive more resources to school districts and to concentrate resources in the poorest areas. The Safe and Drug Free Schools Program in Title V Part A of the conference report, utilizes a formula that is nearly the same as that established under the Three R's bill, with positive improvements. Title V, Part A distributes funds to states through a formula that is based 50 percent on school age population and 50 percent on Title I Concentration Grants, which requires districts to have at least a 15 percent poverty level, or 6,500 low income students. Eighty percent of the funds received by the state shall be distributed to school districts via a formula distribution that is the same as that contained in the Three R's bill, with 60 percent based on poverty in Title I, Part A, subpart 2, and 40 percent on school enrollment.

The Act further allows states to reserve, not more than 20 percent of the total amount received for competitive grants to school districts and community-based organizations, and other entities for activities that complement and support district safety activities. Such activities shall especially provide assistance to areas that serve large numbers of low-income children, or rural communities. This provision further targets funds to areas of need and the Department is expected to adopt guidelines for the flexible program effort that assure quality and creativity.

On professional training, Title II, Part A of the Three R's bill also called for increased professional training for teachers, principals and other personnel, with the goal of providing them with more expertise to create safer environments and to deal with disruptive students, as well as obtain greater ability to help students reach academic achievement goals. Specifically, Title VI, section 6006 of the Three R's allowed localities to use funds to provide professional development programs that provide instruction on how best to discipline children in the classroom, how to teach character education; and provide training for teachers, principals, mental health professionals, and guidance counselors in order to better assist and identify students exhibiting distress, such as exhibiting distress through substance abuse, disruptive behavior, and suicidal behavior. With the similar goal of having trained personnel work with children, Title VI, Part A of the conference report allows for drug and violence prevention professional development and community training. It further, under National Programs under Title V Part A, provides for the development and demonstration of innovative strategies for the training of school personnel, parents and members of the community for drug and violence prevention activities.

Title IV, Part B—21st Century Community Learning Centers of the conference report contains a similar focus to that of the Three R's bill. A major intent of the Three R's bill was to ensure that all ESEA programs, more directly focus on the academic performance of students and that accountability for these programs be strongly linked to increased performance toward that goal. Specifically, Title VI. Sec. 6006. of the Three R's bill required localities to spend 25 percent of the funds they received, under a new major federal program that was focused on spurring academic achievement through innovation, on providing high quality, academically-focused after school opportunities to students.

This conference report furthers that principle by making improved academic achievement a primary element of the modified 21st Century Community Learning Centers program. Title IV, Part B also enhances the aim of greater accountability as set forth in the Three R's—Title VI Sec. 6005 and Title VII, Part A. The legislation provides significantly. increased funding for entities providing students with opportunities for continued academic enrichment before and after school, and during the summer. Such opportunities are intended to help students, particularly students who attend low-performing schools, meet state student performance standards in core academic subjects. And, building on the focus of the Three R's bill to demand greater results in return for greater investment, the conference report calls for the 21st Century activities to be evaluated and monitored for their effectiveness, and requires states to consider those results and apply a series of fiscal sanctions if performance does not meet performance goals. Additionally, the Act carries forth the intent of the Three R's bill to target the funds to those most in need. Title IV, Part B of the conference report distributes funds to the states based on their share of Title I, Part A and requires states to give priority for competitive grants to recipients serving low-income communities and schools.

The purpose of 21st Century programs in Title IV, Part B of the conference report is to provide opportunities to communities to establish or expand activities before and after school that: provide academic enrichment, including providing tutorial services to help students, particularly students who attend low-performing schools, to meet state and local student performance standards in core academic subjects; offer students a wide array of additional services and activities such as art, music, and recreation, technology education, character education, and counseling programs that reinforce and complement the regular academic program; offer families of students opportunities for literacy and related educational development. These programs should be designed and approved consistent with the intent of the Three R's bill in Title VI Section 6006 that provided funds to School districts and schools for innovative programs and activities that transform schools into "21st Century Opportunities" for students by creating a challenging learning environment and facilitating academic enrichment through innovative academic programs or provide for extra learning time opportunities for students. The intent of the Three R's bill to focus before and after school programs on learning opportunities, especially for those most in need, is mirrored in the intent and purpose of the conference report's 21st Century program.

Regarding streamlining and targeting, the Three R's bill, in several titles including Title I, had the intent of targeting the education funds to the poorest communities and schools who are most in need. Following this direction, 21st Century funds under the conference report in Title IV Part B are allocated to the states based 100 percent on Title I, part A subpart 2, thereby targeting these funds on a poverty basis. Additionally, the conference report in Title IV Part B requires states to focus competitively awarded grants on applicants that seek to serve students who primarily attend schools eligible for schoolwide programs in Title I, those schools with at least 40 percent low income students, and other schools with a high percentage of low income students;

Regarding accountability and evaluation, the Three R's bill in Title VI Section 6007 and 6008 called for evaluating the impact of 21st Century Opportunity programs on academic achievement. Title IV Part B of the conference report follows this intent, by requiring states to conduct a comprehensive evaluation of the effects of their 21st Century program and activities and requires that state applications describe how the state will evaluate the effectiveness of their 21st Century programs and activities.

Title V, Part B of the conference report contains major influences from the Three R's bill. A primary policy goal of the Three R's bill was to provide additional innovation and effective voluntary public school choice options for children and parents with the belief that market forces and choice integrated into the public framework will result in a stronger system for students with greater incentives for schools to raise academic performance. Title V, Part B of the conference report follows this same intent and develops many of the same programs.

Building directly on many of the proposals contained in the Three R's bill, the conference report would strengthen the Federal commitment to expanding the range of educational options available to all students within the public school framework. Although the conference report makes only minor changes to the current charter schools start up program, designated as subpart 1, does contain a new initiative to help charter schools deal with the cost of operations and facility financing, section 5205(b), as well as a new initiative to encourage broader choice programs at the local level, subpart 3. These provisions are based on language from the Three R's bill—Title IV, Part C—as well as an amendment—S. AMDT. 518—to the Senate bill, S.1, which Senators CARPER, GREGG and I cosponsored that would encourage and expand intra-district wide or inter-district wide public school choice programs as well as help to provide additional options for financing charter schools. In addition, the conference report includes a program that has been funded under appropriations, but never authorized that provides critical funding for charter school construction under subpart 2.

Titles I and VI of the Three R's bill called for increased funding to help finance charter schools, provide them with technical assistance, evaluate the programs, and disseminate information on innovative approaches, all with the purpose of helping expand the educational choices available in the public system to parents and students. I have been a long time advocate for charter schools and was the chief Democratic sponsor of the Public School Redefinition Act of 1991, S. 1606, and in 1993, S. 429, which provided states with funding to establish charter school.

I am pleased that this conference report will continue this strong federal support for the expansion of the charter school movement, while ensuring that those schools meet the same high accountability standards expected of all schools under Title I, Part A. It was the intent of conferees that charter schools shall meet the accountability requirements in this Act, including those provisions in section 1111 and 1116, but that the mechanism for holding them accountable should be consistent with state law. In most cases, this means that the recognized chartering authority would be responsible for holding charter schools accountable. It is my belief that chartering authorities that fail to carry out their responsibilities in holding charter schools accountable should themselves be held accountable based on State law.

The conference report also ensures that charter schools receive their full allotment of Title I funds by stipulating that a local educational agency, in passing through subgrant awards to charter schools, may not deduct funds for administrative fees unless the applicant enters voluntarily into a mutually agreed upon arrangement for administrative services with the relevant school district. I advocated for this agreement in conference because of the importance of giving charter schools fuller decision-making authority over the funds to which they are entitled.

In addition, the conference report will help further the range of public education options available by creating a new "Voluntary Public School Choice" demonstration program under Title IV, Part B, subpart 3. This program authorizes the Secretary to award grants on a competitive basis for the development of universal public school choice programs. The program evolved out of the Three R's bill and an amendment sponsored by Senator CARPER to S. 1. It is the intent of this program that the Secretary give priority to applicant providing the widest choice and that have the potential of allowing students from low-performing schools to attend high performing schools. I believe that demonstrations that provide inter-district, or state wide choice should be of highest priority. In addition, I am pleased that the program calls for an evaluation of the success of these demonstrations in promoting educational equity and excellence, and the effect of the programs on academic achievement of students participating and on the overall quality of participating schools and districts.

I believe that the language under section 1116 of Title I, granting parents the option to transfer their student out of a school identified for improvement or corrective action to a higher performing public school, will be meaningless unless the federal government actively supports and encourages programs such as the Charter School Programs and the Voluntary Public School Choice programs under Title V to expand the creation of new alternative public education opportunities.

That is why I also am pleased that the agreement contains the Per Pupil Facility Financing and Credit Enhancement Initiatives, which will help charter schools facing financial burdens due to their lack of bonding or tax raising capabilities. As a result of their inability to raise resources, charter schools must spend more of their resources on operating costs, and fewer dollars on educational needs, such as hiring qualified teachers. To ensure that charter schools better spend their own resources on academic activities, and to address the special financial problems faced by charters, Title V, Part B, section 5205(b) directs the Secretary to make competitive awards to states as seed money for the development of innovative programs providing annual financing to charters schools on a per pupil basis for operating expenses, facility acquisition, leasing payments, and renovation. The language authorizes $300 million for Part B, but designates $200 million for subpart 1, Charter School Programs, other than 5205(b), and the next $100 million in funding for the purpose of meeting the Per Pupil Facility Financing provisions in section 5205(b). Once funding levels for Part B, subpart 1 reaches $300 million, any new funding above that level will be equally split between 5205(b) and subpart 1, the charter start up program.

To provide clearer understanding of this funding arrangement, I proposed, along with Senator GREGG, the following report language:

> Charter schools are public schools, yet lack the bonding and taxing authority traditionally available to school districts to finance their facilities. As a result, charter schools are forced to use operating revenues that are intended to be spent in the classroom to pay rent or to make debt payments for facilities. States have the primary obligation to address this inequity. But, to stimulate state incentives, this conference report authorizes a limited-term federal role in encouraging states to establish or expand per pupil facilities aid programs.
>
> Conferees support significant funding increases for the charter school program in order to free up resources, as quickly as possible, for the per-pupil financing program, a program that assists charter school in meeting their operating needs, so that charter school resources may be better spent on academic activities.

Title V, Part B, Subpart 2 of this conference report includes language from an amendment, S. Amdt. 518, to the Senate bill, S. 1, which Senators CARPER, GREGG, and I cosponsored to provide funding for a competitive program awarded by the Secretary to entities that develop innovative credit enhancement initiatives that assist charter schools with the costs of acquiring, constructing and renovating facilities. This language was included in the Appropriations agreement for FY 01, but was never authorized under the ESEA. The program is authorized at $150 million, and will provide critical funding for charter schools for renovations and repairs of facilities.

It is my belief that these provisions, combined with the strong public reporting requirements under section 1111 of Title I, will ensure that parents have tools and the options available to make real educational choices.

Title VI.—Flexibility and Accountability of the conference report contained a number of similar concepts as the Three R's bill. The Three R's plan established a clear accountability contract for Federal assistance: the federal government would provide far more resources and more flexibility than ever before to states and localities, and in exchange, states would be held accountable for measurable results. The bill significantly streamlined a wide range of Federal programs into a limited number of priority areas, especially under Titles II, III and VI, reduced the strings attached to those funds, and gave states and local districts broad latitude to focus those funds on their most pressing needs.

The conference report embraces the goal of greater flexibility and puts it into practice, so that local educators can best utilize federal resources to meet their specific challenges and do what is necessary to improve academic achievement. The conference report is not as streamlined as the Three R's plan. But it does consolidate a number of large and small programs, especially under Titles II and III, and provides States and local districts with additional flexibility to transfer funds from different accounts to target local priorities. It also creates two pilot programs to give States and local districts broad discretion to merge and consolidate federal funding.

Regarding Three R's consolidation and transferability, Title VI—High Performance and Quality Education Initiatives of the Three R's consolidated several Federal programs (21st Century Community Learning Centers, Technology programs, Innovative Programs block grant, and the Safe and Drug Free Schools program) into one formula program to States and local districts for the purpose of: (1) providing supplementary assistance for "School Improvement" to schools and districts that have been, or are at risk of being, identified as being in need of improvement under section 1116 of Title I; (2) providing assistance to local districts and schools for innovative programs and activities that transform schools into "21st Century Opportunities for students" by creating challenging learning environments and providing extra learning time; (3) providing assistance to districts, schools and communities to strengthen existing activities or develop and implement new programs that create "Safe Learning Environments"; and (4) creating "New Economy Technology Schools" by providing assistance for high quality professional development, educational technology infrastructure, technology training for teachers, and technology-enhanced curricula and instructional materials aligned with State content and student performance standards. Districts were required to spend 30, 25, 15 and 30 percent of funds, respectively, on the four areas.

Section 6005 required districts to ensure that programs and activities conducted were aligned with State content and student performance standards under section 1111; to establish annual measurable performance goals and objectives for each program; and to establish measures to assess progress by schools in meeting established objectives as well as holding schools accountable for meeting the objectives. Districts were required to annually publish and widely disseminate to the public a report describing the use of funds in the four purpose areas; the outcomes of local programs as well as an assessment of their effectiveness; the districts progress toward attaining its goals and objectives; and the extent to which such funding uses increased student achievement.

Based on the premise that districts that are achieving academic goals should have greater flexibility in deciding how to spend Federal resources, the Three R's allowed districts that were meeting adequate yearly progress—AYP—established by the State under section 1111, to transfer up to 30 percent of their program funds among the four purpose categories. Districts that were exceeding AYP would be allowed to transfer up to 50 percent of their funds across the four purpose categories.

If districts, however, failed to make AYP for two consecutive years, they would only be allowed to transfer 25 percent of program funds from three categories, and only into the School Improvement category. In addition, the State would have the authority to direct how remaining Title VI funds would be spent in the district. Districts that were under corrective action (as described in section 1116 of Title I) would lose all decision-making capacity over the use of Title VI funds and States would determine how funds would be spent. The bill called for a similar accountability structure between local districts and schools.

Regarding the conference report transferability and flexibility, although the conference report does not call for the same level of streamlining as called for under the Three R's, the Act does provide States and districts with flexibility similar to that established under the Three R's. Title VI, Section 6123, allows States to transfer up to 50 percent of their State administrative and activity funds among the following Federal programs: Part A of Title II—Teacher and Principal Quality, Part D of Title II—Technology, Part A of Title IV—Safe and Drug Free Schools, Part B of Title IV—21st Century Community Learning Centers and Part A of Title V—Innovative Programs, Block Grants.

In addition, just as the Three R's linked the degree of flexibility allowed to the attainment of adequate yearly progress under section 1111 of Title I, school districts that are making AYP may transfer up to 50 percent of the following Federal program funds: Part A of Title II—Teacher and Principal Quality, Part D of Title II—Technology, Part A of Title IV—Safe and Drug Free Schools, and Part A of Title V—Innovative Programs, Block Grants. School districts that have been identified under section 1116 as being in need of improvement may only transfer 30 percent of the program funds, but shall only transfer funds into their set aside under section 1003 for turning around low-performing schools and into section 1116 activities. States and districts may transfer funds into Title I, but no funds may be transferred out of Title I. School districts in corrective action may not transfer any funds.

In addition, the conference report creates two pilot programs for states and districts to further expand opportunities for greater flexibility. Subpart 3 of Title VI gives the Secretary authority to award "State Flexibility Demonstrations" to up to seven states, and allows them to consolidate their state activity and administration funds under the following Federal programs: Part A of Title II, Part D of Title II, Part A of Title IV, Part A of Title V, and section 1004 of Title I. To be eligible, states must also have four to 10 local districts within the state that agree to participate and that will also consolidate similar funds and align them to the State Flexibility Demonstration. At least half of these local districts must be high poverty. Selected states would receive maximum flexibility in spending consolidated funds on any educational purpose authorized under the Act. States that failed to make AYP for two years would have their demonstration terminated.

States participating a demonstration must still meet all the accountability requirements from any of the programs from which funds are consolidated, including meeting the requirement in section 1119 in Title I and Title II that all teachers be highly qualified by the end of the 2005–2006 school year. The Act creates a similar demonstration program for localities. 150 districts (70 of which much come from the seven State Flexibility Demonstration States) may apply for a local flexibility demonstration from the Secretary; however, there shall only be three districts participating in any State (except for the State Flexibility Demonstration States). These local districts would be allowed to consolidate funds from Part A of Title II, Part D of Title II, Part A of Title IV, and Part A of Title V. Participating districts would be given maximum flexibility over the use of funds for any educational purpose under this Act. School districts that failed to make AYP for two years would have their demonstration terminated.

Regarding state accountability, in return for substantial federal investment and flexibility over the use of funds, the Three R's demanded that States be held accountable for greater academic achievement for all students. Title VII of the bill required that States that failed to make adequate yearly progress under section 1111, or its established annual measurable performance objectives under titles II and III be sanctioned. Specifically, it required that, in the case of a state that failed to meet such goals for three years, the Secretary withhold 50 percent of that state's administrative funds from the relevant title. In the case of a state that failed to meet such goals for four years, the Secretary was required to withhold 30 percent of the state's funds under Title VI.

Three R's was based on the premise that states, in addition to school districts and schools, should be held accountable for the attainment AYP, and other state-wide goals and objectives established in Titles II and III. It recognized that in the history of the ESEA, no Secretary has imposed fiscal sanctions on States for failure, and so required that the Federal government impose tough sanctions on states that repeatedly fail to meet their own goals.

This Act does not contain the same degree of state-level accountability as envisioned under the Three R's bill, but does call for meaningful initial steps to hold States accountable for progress, and lays a solid foundation for stronger measures in the future. Specifically, under section 6161 of Title VI, it requires the Secretary of the U.S. Department of Education to, starting two years after implementation, annually review whether states have met their adequate yearly progress—AYP—established under section 1111 and the annual measurable objectives established under Title III. The Secretary must provide technical assistance to states that fail to meet AYP for two years, and may provide technical assistance to states, where any district receiving funds under Title III fails to meet the annual objectives established in such title. In addition, technical assistance must be valid, reliable, rigorous, and provide constructive feedback to each failing state. In order to ensure full public knowledge of a state's failure to meet its goals, the Secretary shall submit an annual report to the Congress containing a list of states that have failed to meet AYP; the teacher quality reporting requirements under section 1119; and a list of states that have failed to meet the annual English proficiency and academic achievement objectives for limited English proficient students under Title III.

In order to clarify the intent behind this language, Conferees agreed to conference report language that makes it clear that Congress expects states identified by the Secretary to develop and implement improvement strategies that address the factors that led to failure and that will ensure the state meets AYP under Title I and its English proficiency objectives under Title III. I believe that this process will enable the Secretary to better follow the progress of states and take steps to help ensure that State meet their own established goals.

In addition, the conference report states:

> Conferees stress that a fundamental purpose of Title I as established under this Act is to hold States, local educational agencies, and schools accountable for improving the academic achievement of all students, and for identifying and turning around low-performing schools. As a result, Conferees expect States to meet their definition of adequate yearly progress to the same degree as local school districts and schools. The Conferees further urge Congress and the Secretary to thoroughly examine the data collected from the State assessment systems and factor such information into future discussions on accountability measures for States, which should include consideration of the use of fiscal sanctions to hold those States that continually fail to meet their definition of adequate yearly progress and fail to improve the academic achievement of all students accountable.

Although I believe that more improvements could be made to better hold State accountable for academic progress, I do believe that the conference report contains strong requirements under sections 1111 and 1116 of Title I, Part A of Title II, and subpart 2 of Part A of Title III, to hold districts and schools accountable for meeting the goals of this Act. Such provisions take a new approach to accountability by requiring districts and/or schools to meet annual goals, make improvements after initial failure, and eventually imposing tough penalties on those that continually fail to improve.

Furthermore, the reporting requirements for state and district report cards in section 1111, and annual reports by States to the Secretary, in section 1111, annual reports by the Secretary to Congress, in section 1111 and section 6161, and the information provided under the National Assessment of Educational Progress as outlined in section 6302, will provide an uncomparable wealth of information on academic achievement for parents, communities and the public. This unprecedented stream of annual information, combined with the substantial increase in public school choice provided to parents in Title I, section 1116, and Title V—Part B, under the Charter Schools Programs and the Voluntary Public School Choice Programs, will provide an infusion of the market forces of transparency, accessibility, and competition into our nation's public school system. This dynamic will create for some of the greatest accountability that can exist—accountability by parents.

Regarding the National Assessment of Educational Progress, the conference report builds on the basic concept in the Three R's bill to provide parents and communities with greater awareness of the performance of schools as compared to other schools in a local school district, and as compared to other schools in the State. This conference report expands that aim by requiring in section 6302 of Part C of Title VI that States participate biennially in the National Assessment of Educational Progress—NAEP—of fourth and eighth grade reading and mathematics. States shall not be penalized based on their performance on the NAEP, but it is the intent that public knowledge of state performance will help drive states to develop more rigorous content and student academic achievement standards and assessments.

Mr. President, I want to end by briefly thanking my fellow Conference members and their staff for their hard work on this historic conference report, particularly Elizabeth Fay with Senator BAYH, Danica Petroshius with Senator KENNEDY, Denzel McGuire with Senator GREGG, Sally Lovejoy with Representative BOEHNER, Charles Barone with Representative MILLER, as well as all the Conference Committee staff. And, I would like to give a special thanks to Sandy Kress of the White House for all of his efforts in this process, and to Will Marshall and Andy Rotherham of the Progressive Policy Institute as well as Amy Wilkins of the Education Trust for their policy expertise. Finally, I want to thank my own staff for their hard work, particularly Michele Stockwell, Dan Gerstein, and Jennifer Bond.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield 3 minutes to my friend from Iowa, the champion for the disabled, the leader in our full funding for IDEA. He has also been a leader in terms of school construction. On so many of these issues, we have profited from his intervention.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank my chairman for his kind words and I thank him for his leadership. There is no doubt we need to make education the top priority in this Nation. No one in the entire country, let alone this Congress, has made this more of a top priority over all of the years we have been working on this issue than the chairman of our committee, Senator KENNEDY. I commend him and I commend Senator GREGG for their leadership and for working to bring this bill to fruition.

There is a lot in this bill. We know kids are behind in science. We know it has been level in the fourth and eighth grades, but we know by the time they get to the twelfth grade they fall way behind. There is no doubt in my mind we need to make schools accountable and we need to make teachers and principals accountable. In order to do that we have to have the resources for it, and that is why I commend my friend, the Senator from Minnesota, Mr. WELLSTONE, who has fought so hard and so eloquently to keep pointing out time and time again we cannot demand accountability unless we include resources. I am hopeful, having passed this bill, that the Bush administration will follow through with support for the appropriations process.

I happen to chair the appropriations subcommittee that funds education. Now that we have the bill and we have the authorization, the next step is to get the appropriations.

I await the Bush budget next year. I want to see the budget President Bush is going to send down and I want to see if he is going to put the money behind the rhetoric and leave no child behind. That is really going to be the true test next year, the budget the President sends down.

Lastly, I want to thank all of the Senators who have worked so hard to try to get full funding for special education, to get it on the mandatory side, to get it off the plate where we are pitting kids with disabilities against other kids in our schools, to just get rid of that once and for all and make special education a mandatory funding item.

We had that in our bill. It was supported in the Senate by both Republicans and Democrats, and in conference, I might add. It was only because of the intransigence of the administration, in holding the Republicans on the House side, that we did not get full funding and we did not get mandatory funding for special education. One of the biggest losses in this bill is that we did not get mandatory full funding for special education because now we are going to be right back in that same rut again, with kids with special needs in schools fighting with their parents saying why should they get all this money, what about our kids in schools? And you are going to have continued problems until we step to the plate and we provide that 40 percent of funding we promised 26 years ago.

Lastly, I thank the chairman and Senator KENNEDY and Senator GREGG for including two provisions which I think are extremely important. One is the elementary and secondary school counseling program. I believe a lot of this violence is because kids are not getting good counseling. I thank them for keeping it in.

The second is the effort and equity formula for title I. It is important that States put in more money and equalize their funding so our poor kids get the money they need in the schools.

I thank Senator KENNEDY and Senator GREGG for keeping those two provisions in the final bill.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield 2 minutes to our friend from Michigan, Senator STABENOW.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I congratulate and thank Senator KENNEDY and Senator GREGG for their leadership and the tremendous amount of manhours to bring this legislation to this point. I thank all my colleagues deeply involved in this issue.

It is said that knowledge is power. We know that our country's economic engine is fueled by a skilled workforce. It is critical we focus on education. I know the main goal of the compromise bill is to narrow, over a 12-year period, the educational achievement gap between the poor, disadvantaged students and their more affluent peers, and between minority and nonminority students. Wide achievement gaps between these groups have been tolerated for decades at great personal and social cost.

We need to constantly repeat the fact that accountability is not just a test. It is parents, teachers, administrators, communities, and, yes, it is resources. I appreciate the fact there are additional resources designated in this bill.

However, while I intend to support this legislation, I am deeply disturbed and disappointed that we are not taking the opportunity to finally fulfill a 25-year promise regarding special education in this country. Fully funding IDEA is something whose time is past due. While it is not in this legislation, I am very concerned that we continue the fight so next year IDEA is reauthorized and we finally get it done.

As I talk to schools in Michigan, they tell me there would have been an additional $460 million available to children in Michigan this year if we had just kept our promise.

Congratulations to all involved. We have more work to do and I look forward to working together.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield 3 minutes to the Senator from Florida who took a special interest in bringing greater targeting of funds to be used more effectively and also for further evaluation of the students to consider some of the challenges they are facing in their ability to learn.

The PRESIDING OFFICER. The senior Senator from Florida is recognized.

Mr. GRAHAM. I thank Senator KENNEDY for the leadership he has given over many years which has brought us to this point today.

I am very supportive of this legislation and will vote for it with enthusiasm. I do point out there are some areas where I think further action will be required. As we began this debate, there was an assumption, maybe a tacit assumption, that there was a common set of reasons for school failures. That tacit assumption was reinforced by the suggestion that for every school failure there would be a one-size-fits-all prescription. That was school vouchers. The Senate and the conferees have wisely not adopted this approach.

However, there still remains the issue of an intelligent process to determine why schools fail. The reality is, anyone who has spent time in a variety of schools, as I know our Presiding Officer and I have had the opportunity to do, there are a variety of reasons why a school might be considered failing. Some of the reasons have to do with what is happening inside the school. Some of those reasons have to do with the neighborhood, the environment, the circumstances from which the students come and which adverse circumstances they bring to the schools.

For instance, it might be that an absence of effective health care causes students to come to school with a limited ability to learn. It may be because of nutritional restrictions. It may be because there are not sufficient activities in the communities to support what is happening inside the school. This legislation recognizes that and provides for a diagnostic process in which, when a school is identified largely based on the testing process, there will be a determination made as to what the reasons were for that specific school failing to educate its students.

This will put new responsibilities on a variety of institutions. It will put responsibilities on the community to provide resources through things such as public health services as well as nongovernmental agencies such as the United Way, YMCA, and the Boys and Girls Club, and on the Federal Government to bring to bear its agencies, particularly the Health and Human Services, to provide assistance in dealing with those out of the classroom reasons why schools are failing.

Again, I commend the conferees for their good work. I point out that this is an important chapter, but we have more chapters yet to be written. They will require the cooperation of all groups I have referred to in order to see we comprehensively deal and provide the appropriate description to why that specific school is failing.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. When I think of teacher recruitment, principal recruitment, rebuilding schools, or full funding, I think of the Senator from New York. I yield to the Senator from New York for 2 minutes.

Mrs. CLINTON. Mr. President, I thank our chairman for his extraordinary work. I also appreciate the leadership of our ranking member and indeed the entire committee that has worked so hard for nearly a year and has finished the work in a conference that has resulted in a bill which will in many respects increase the opportunities that our students will have for achieving the kind of educational levels for which every child deserves to strive.

We know this bill is far from perfect. However, we do know we have made a step forward. I appreciate greatly the targeting of title I funding, particularly for the highest need school districts in the State of New York. We will receive a 25-percent increase in title I funds and a 40-percent increase in teacher quality funds. For our neediest communities, that means a dramatic improvement in the resources available to focus their attention on those children for whom this bill is intended.

I share the disappointment of many of my colleagues that we were not able to bring about the full funding of special education. That is the No. 1 issue in New York that I hear about, whether I am in an urban, rural, or suburban district. I pledge to work with my colleagues in a bipartisan manner and to work with the administration so that next year when we reauthorize IDEA, we also fully fund it and make good on a promise that we gave to the American people more than 25 years ago.

I also appreciate the kind words of the chairman about teacher and principal recruitment, which was one of my highest priorities. If we do not attract and keep quality teachers in our classroom, everything that is in this bill will not amount to very much. We have to be sure we get the teachers and principals we need.

I am glad we have taken this step forward. I hope my colleagues will continue to support education for every child.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Senator GREGG, we will try to do this again.

First of all, I thank my colleagues for their fine work. Second, it is a little frustrating for me. There are many provisions in this bill that I had a chance to work on and to write. I am proud of it. But I have to say to the Senator and especially my conservative friends that this is a stunning unfunded mandate. You are taking the essence of grassroots political culture and school districts and telling every school district and every school to test every child in grades 3, 4, 5, 6, and 7—not just title I but every child in every school.

I have heard discussions about national priorities. This bill now makes education a national priority. But the only thing we have done is have a Federal mandate that every child will be tested every year, but we don't have a Federal mandate that every child will have the same opportunity to do well in these tests. If they do not do well, they will need additional help.

Colleagues, just because there is money for the administration of the tests doesn't mean this isn't one gigantic unfunded mandate.

Look at this in the context of recession, hard times, and the cutbacks in State budgets and cutbacks in education. Look at this in the context of our now adding a whole new requirement and telling every district they have to test, having high stakes and holding the schools accountable.

My colleague from New Hampshire said: Senator WELLSTONE, you are talking about the IDEA program, but that is not really ESEA, and that is separate from title I.

That is not what I hear in Minnesota.

I thank Senator HARKIN for championing this cause. What I hear at the local level is if we had given Minnesota the $2 billion they would have gotten if we made it mandatory on a glidepath for full funding over the next 10 years, and $45 million this year, I was told we would put 50 percent of it into children with special needs. But then we could have additional dollars for other programs. Right now, the Federal Government has not lived up to its promise. We are now taking our own money that we could be using for afterschool, for technology, for textbooks, for teacher recruitment, and we have to spend that money; whereas, we would have that additional money available if you would just provide the funding for IDEA. You can't separate funding for IDEA from any of the other educational programs.

This is not just about the children who have a constitutional right to have the best education. That is Senator HARKIN's, and it is his soul. He has made that happen.

This is also about all the other children and support for educational programs at the local level. Title I money has gone up. But in the context of economic hard times and all the additional families and children who are becoming barely eligible, I will tell you something. I know that some Senators do not like to hear this. We are in profound disagreement on this.

I think in our States we are going to hear from school board members and teachers, and we are going to hear from the educational community. They are going to say to us: What did you do to us? You gave us the tests, and then you gave us hardly anything that you said you would give us when it came to IDEA. You didn't provide the resources. You made this a giant unfunded mandate. You say you are going to hold our schools accountable, but by the same token, you haven't been accountable because you have not lived up to your promise.

They are right. I think there is going to be a real negative reaction from a lot of States. In my State of Minnesota, we have hard economic times. We are cutting back on education. We are laying off teachers.

I have two children who teach in our public schools. I have been to a school about every 2 weeks for the last 11 years. I believe I know this issue well. We are seeing all of these cutbacks. Minnesota is going to say: Why didn't you live up to your promise? You have given the tests and all this rhetoric about how it is a national priority, and I don't believe the Bush administration is going to make this a commitment next year. I do not know that you do.

Frankly, they now have this education bill. This was our leverage, which was to say we can't realize this goal of leaving no child behind—not on a tin cup budget—not unless you make this commitment. And there will be no education reform bill because it can't be reformed unless we live up to our commitment of providing the resources. And we have not.

I was in a school yesterday—the Phalen Lake School. I loved being there. It is on the east side of St. Paul. I don't think one of the students comes from a family with an income of over $15,000, or maybe $10,000 a year. It is just a rainbow of children with all kinds of culture and history. They are low-income children in the inner city.

Do you know why I went. They raised money to help the children in Afghanistan. The President asked them to do so. They are all beautiful. I loved being there. But do you want to know something. I know what those children need because there are teachers who tell me what they need. They need the resources for more good teachers and to retain those teachers. They need to come to kindergarten ready to learn without being so far behind.

Where is our commitment to affordable child care? We have $2 trillion in tax cuts, and $35 billion or $40 billion in the energy bill as tax cuts for producers. Where is the commitment to developmental child care from this Congress?

I know what they need. They need more afterschool programs. They need a lot more title I money—not just 33 percent or 34 percent of these children but many more children, and more help for reading and smaller class size. They need all of that. We could have provided them a lot more, and we didn't.

I will vote no.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes 48 seconds.

Mr. GREGG. Mr. President, I again thank Senator KENNEDY and all the members of our staffs. I went over that in some length, and I specifically thanked our staff yesterday. I want to renew my thanks for their efforts. It has been extraordinary.

I also thank other members of the committee who worked with me from both sides of the aisle, and also the White House for its assistance.

I think it is important to note as we go into the final moments of this debate that we would not have gotten to this point unless we had the President, who understood how to lead on an issue of national importance.

The fact is that President Bush understands almost in a visceral sense—it totally absorbs him and his wife—that children are being left behind because our educational system is not working, and that we need fundamental reform of that system in order to try to improve it.

He came into office and was willing to lay out a very clear path for us as a Congress and as a Government to follow in trying to assist in the Federal role in elementary and secondary education. Because he was willing to lay out that path, we were able to pass a bill which takes major strides down the road to try to improve education in this country.

We all understand this is neither the end nor the beginning of the issue. We all understand that the Federal role in education is the tail of the dog.

We also understand, however, that the Federal role in education is not working, that we had 35 years of effort, that we had spent $130 billion, and that we still have low-income children falling further and further behind and that something has to be done to try to address that. He has readjusted the whole approach. He has set up a program which is, No. 1, child-centered rather than bureaucracy-centered; that empowers parents and gives parents, especially of low-income children, an opportunity to do something when their children are locked into failing schools, gives them choices; gives the local communities much more flexibility over the dollars they are going to get from the Federal Government. But in exchange for that flexibility, we are going to expect academic achievement, and we are going to have accountability standards that show us whether or not the academic achievement is being obtained.

In the end, what we are doing with this bill essentially is creating opportunities for local school districts, States, and especially parents to take advantage of using their Federal dollars in a more effective way to educate the low-income child, and hopefully have that child be competitive with his or her peers.

In the end, we also understand that it will be the responsibility of the parents, of the schoolteacher, of the principal, and of the school system that is locally based to make the tough decisions and do the work that is necessary to produce the results and have the children compete.

At least that is the Federal role. We are now setting up a framework which will greatly assist parents, schools, and teachers in accomplishing that goal of making the low-income child competitive in America so they can participate in the American dream.

I especially want to thank the chairman of the committee for his efforts and for his courtesy during the markup of this bill.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 5 minutes 26 seconds.

Mr. KENNEDY. I yield myself an additional 2 minutes of the leader's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, we have had a very good discussion and debate today and yesterday. I expect we will have an overwhelming vote in support of the conference report by Senators from all different parts of the country who have varying views on educational issues. We recognize this is an important step forward.

I want to acknowledge, as I have on other occasions, the strong leadership of President Bush. This was a unique undertaking on his part. I can remember, as I am sure the Senator from New Hampshire can, being in this Chamber 2½ years ago when we had 3 weeks of debate in the Chamber and were unable to come to any kind of common position. We were facing the fact that the program that reaches out to the neediest of children was effectively going to be awash at sea.

That has changed. The President deserves great credit for that. Credit also goes to the able chairman of our conference, Congressman BOEHNER, our leader over in the House on education issues. There are many who contributed to this conference report, but GEORGE MILLER brings a special commitment to education, as does my friend and colleague from New Hampshire, Senator GREGG.

The reason this issue is so important is that it affects every family in this country; it is one that goes back to the earliest times of our Nation. Our Founding Fathers understood the importance of educating the whole of the public. It isn't just an accident that the first public schools were developed in this country. It was a really fundamental commitment that all the children were going to be educated. Virtually all the constitutions of our States are committed to the States ensuring a quality education for all the children of this Nation. That has not always been the case.

We have seen the great social movements that have taken place in this Nation. We understand the strong drive of parents for a quality education. It was at the heart of the women's movement. It was not only the right to vote, but the women's movement understood that young ladies, young girls ought to be able to receive a quality education. It took a long time, and now it would be unthinkable if we said we were going to educate everyone but women in our society.

Then it became the principal civil rights issue in the 1950s. Long before Dr. King and others spoke about civil rights, the principal civil rights issue was, were minorities going to be able to gain an education by opening up the doors of education? It became the principal civil rights issue.

We can understand why we have seen the progress we have made for the disabled in recent times. We have heard the statements by the Senator from Iowa, the Senator from Nebraska, and the Senator from Vermont about trying to assure a quality education for those students, which really follows a national concern and commitment that has been part of our tradition. We have not always reached that commitment. But I think, when history examines where we have been and where we are going, those who have followed this issue will believe this is a historic piece of legislation and one that deserves the support of all of the Members of this body.

The legislation before us today is a blueprint for progress in all of the Nation's schools. It proclaims that every child matters—every child, in every school, in every community in this country. That is why this legislation is so important. School improvement and school reform are not optional; they are mandatory for us to achieve if we are going to meet our responsibilities to the next generation. When we fail our students, we fail our country. We cannot expect the next generation of Americans to carry the banner of progress and opportunity if they are not well prepared for the challenges that lie ahead.

This is a defining issue about the future of our Nation and about the future of democracy, the future of liberty, and the future of the United States in leading the free world. No piece of legislation will have a greater impact or influence on that.

In conclusion, what are we really trying to do? Now that we have put this issue into some kind of framework, we are assuring American families this is what this legislation is really all about: Greater opportunity for all of our students to achieve high standards. Extra help will be there for students in need. We are committed to high-quality teachers. We are committed to extra help in mastering the basics. We are committed to reducing the dropout rate. We are committed to providing guidance counselors. We are committed to assist young children who need mental health counseling. We are committed as well to the advanced placement in foreign language, American history, civics, economics, the arts, physical education, and the gifted and talented, and character education.

We have the pathways to American excellence. We are saying to families: If your child is doing well, with this legislation your child will do even better; if your child is failing in the public schools, with this legislation they will get the help they need.

This is the challenge for the schools: Reform in our American schools, having high standards, high expectations. We are going to insist on teacher training and mentoring, high-quality teachers in every classroom, smaller class size, early reading support, violence and drug prevention programs, more classroom technology, afterschool opportunities, high-quality bilingual instruction, new books for school libraries, and greater parental involvement.

This is the third and the important final dimension. This is the power we are going to be giving parents in States and local schools all across this country so that they will know what the achievement is for all the students, not only their own but the other children who are in the classes, including children with disabilities and those with limited English proficiency, and minority and poor children. They will be able to find out what their graduation rates are, what the quality is of the teachers in those classrooms in high-poverty and low-poverty schools, and the percentage of highly qualified teachers.

This is our commitment. We are challenging the children in this Nation. We are challenging the schools in this Nation. And we are challenging the parents in this Nation. As has been pointed out in the course of the debate, finally, we are going to challenge ourselves. Are we in this Congress going to make this kind of an opportunity realized for all children in America, not just a third, but for all children to move along? That is a battle that is going to be fought on this Senate floor day in and day out over the years in the future. Are we going to expect that the States are going to meet their responsibilities in fulfilling this kind of a promise?

Those are the kinds of challenges we welcome. But we are giving the assurance to the American families that help is on its way.

This legislation deserves our support. I hope we will have an overwhelming vote on its adoption.

Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mrs. CLINTON). Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

Mr. KENNEDY. Madam President, I ask unanimous consent that at the conclusion of this vote, the staff be entitled to be make technical amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, soon we will vote on passing H.R. 1—the Better Education for Students and Teachers, BEST, Act. As everyone knows, President Bush campaigned last year with a promise to do all that he could in the realm of education so that we as a nation would "Leave No Child Behind."

The Republican majorities in the Senate and the House responded to the President's focus on comprehensive education reform by putting it at the top of the agenda in both chambers. The first bills introduced in both the Senate and the House—S. 1 and H.R. 1—were both named the Better Education for Students and Teachers Act. It is the conference report to that legislation that we are about to vote on, pass, and send to the President for him to sign into law as he promised.

President Bush recognizes that with almost 70 percent of our fourth graders who are unable to read at even a basic level, our children were and are at risk of being unable to compete in an increasingly complex job market. We all recognize that the ability to read the English language with fluency and comprehension is essential if individuals, old and young, are to reach their full potential in any field of endeavor. As the saying goes: Reading Is Fundamental. And again, as President Bush has said, none of our children should be left behind because they can't read.

In reforming education, Republicans have always sought to maximize local control and flexibility over both education policy and federal funding while requiring schools to be accountable for the ultimate performance of their students. School accountability means schools must respect the rights of parents to know about their child's performance as well as the quality of a child's instructors and learning environment.

That is why the most significant change under the new law is that parents are empowered with new options. For the first time, parents whose children are trapped in failing public schools will be able to demand that a local school district give them a portion of the money available for their child under the Title I Disadvantaged Children program—approximately $500 to $1,000—so the parents can use it to get their child outside private tutorial support. Such tutorial support can come from public institutions, private providers or faith-based educators. Groups such as the Sylvan Learning Center, Catholic schools, the Boys & Girls Club, and a variety of other agencies will be able to help these children come up to speed in the areas of math and English. This provision has the potential to fundamentally impact the way low-income children are educated in America.

Not only will parents have the right to demand money for tutorial assistance for their children, but whenever their children are trapped in failing public schools they will also be able to demand that their child be able to attend another public school which is not failing—and to have their child's transportation costs to the new school paid for by the local school district. This ensures parents are able to access better performing schools for their children.

So, while the bill does not allow parents to access private schools as some have proposed, it does allow a parent to get their child out of a failing public school and move them to a public school where they can get adequate education. The effect of this strong public school choice provision will be to put pressure on those public schools within a major school system that are failing to improve or find itself without any students. But fundamentally, this provision gives parents a viable option for giving their child a chance to succeed not just in school, but in life.

Groups of concerned parents and educators will also have enhanced rights under the BEST Act. The bill creates a major new expansion of self-governing Charter Schools. Charter Schools enable parents, educators, and interested community leaders to create schools outside the normal bureaucratic structure of moribund educational establishments and much of the red tape contained in local, state, and federal regulations. This legislation will significantly expand the opportunity for parents, foundations, and other groups to create Charter Schools and help them succeed without interference from education bureaucrats and politicians who are hostile to Charter Schools.

One of our primary goals in this bill as Republicans was to give states and local communities significantly more flexibility over the management of Federal dollars they receive, and to pared down the amount of red tape that comes with the Federal dollars. While not as strong as we would have liked, there are a series of initiatives in this bill that offer significant help in this regard.

State and local governments, and local school districts, will be able to move up to 50 percent of their non-title I funds from one account to another without Federal approval. This means funding for teacher quality, technology innovation programs, safe and drug-free schools, and other programs would all be open to movement of Federal funds from account to account depending on where a State or local community, and not Washington, DC, feels that it can get the most benefit from the dollars.

In addition, 150 school districts—at least three per State—would be able to apply for waivers from virtually all Federal education rules and requirements associated with a variety of ESEA programs, in exchange for agreeing to obtain higher than required levels of achievement for their low-income students. This provision gives local communities dramatic new flexibility in running their schools.

Seven whole States, if they volunteer, may participate in a demonstration program which would allow Federal funds—other than title I funds—to be used by the State for any educational activity authorized by H.R. 1.

Therefore, States would have greater control over such funds as the innovative block grant program, State administration component of title I, State administration/State activities components of title I, Part B and other Federal funds.

Another significant accomplishment of this bill is the streamlining and consolidation of the number of Federal education programs, which often led to confusion and duplication of efforts. Under current law there are 55 Federal education programs for elementary and secondary schools. This bill makes a down payment on further consolidation by reducing the total number of programs to 45, despite creating several new programs in the bill. This consolidation, although not as dramatic as one would like, is a significant improvement.

The bill also includes reforms to improve teacher quality and training. It includes the Teacher Empowerment Act which takes numerous existing professional development programs for Teachers and the current Class Size Program and merges them into one flexible program which allows local districts to use the funds as they see best for the purposes of hiring teachers, improving teacher professional development, or providing merit pay or other innovative ways to reward and retain high quality teachers.

The bill continues the initiative in current law called the Troops to Teachers program that encourages retired members of the Armed Services to become teachers. The bill also directs that 95 percent of the Federal funds targeted for teacher quality go directly to local school districts. And while the bill provides funds to be used for the recruitment of hiring qualified teachers, it explicitly prohibits funds from being used to plan, develop, implement or administer any mandatory national teacher or professional test or certification. In other words, Federal funds cannot be used to create a national teacher certification system.

Teachers are also given legal protection under the Teacher Liability Act contained within the bill which will shield teachers, principals and other school professionals from frivolous lawsuits. It is a major piece of lawsuit reform that will help ensure that teachers and other school professionals have the ability to maintain discipline, order, and a proper learning environment in the classroom without having to fear losing their home or their life savings.

H.R. 1, the BEST Act, also reorganizes bilingual education initiatives so that the emphasis is now on teaching English rather than separating children who do not speak English and putting them into an atmosphere where they never actually learn English. It also gives the parents of bilingual children the right to demand information about the classes and instructional programs their children are placed in. Most importantly, they are given the right to object to their children's placement or classes to ensure that their children do not end up being locked in a limited-English situation. This is one of the bill's most significant achievements as it involves much needed reforms to a program critical to the success of students with limited English proficiency. It provides accountability to a program which has been misdirected for too long.

The final major accomplishment of H.R. 1 is that it imposes stringent accountability standards on schools and their performance with the goal of assuring that low income students are learning at a level that is equal to their peers. In accomplishing this goal, the bill specifically prohibits federally sponsored national testing or Federal control over curriculum. It sets up a series of tests to ensure that any national test, such as NAEP, which is used for evaluation purposes is fair and objective, and does not test or evaluate a child's views, opinions, or beliefs.

The bill also includes a trigger mechanism so that State based testing requirements are paid for by the Federal Government, not states or local school districts, thus avoiding an unfunded mandate.

Finally, the bill contains several provisions which are important to ensure that Federal funds are used appropriately and objectively without bias. The bill denies Federal funds to any school district that prevents or otherwise denies participation in constitutionally-protected voluntary school prayer. Funding is also denied any public school or educational agency that discriminates against or denies equal access to any group affiliated with the Boy Scouts of America. It requires that the Nation's Armed Forces recruiters have the same access to high school students as college recruiters and job recruiters have. Schools will also be required to transfer student disciplinary records from local school districts to a student's new private or public school so discipline and safety issues are fully appreciated and anticipated by administrators, teachers, parents, and, of course, new classmates at their new school.

President Bush's agenda for education reform as embodied in this bill serves as a framework for common action, encouraging all of us, Democrat, Republican, and Independent, to work in concert to strengthen our elementary and secondary schools to, as the President says, "build the mind and character of every child, from every background, in every part of America."

Madam President, I do want to say, since we are about to begin the vote, how much I appreciate the outstanding leadership and work that has been done by Senator GREGG and Senator KENNEDY. Without their indomitable spirit, it would not have happened. We are indebted to them.

I yield the floor.

Mr. DASCHLE. Mr. President, it has been said that free schools preserve us as a free Nation. I believe that this education bill will strengthen our schools, and strengthen our Nation long into the future.

Much has happened since we began work on this bill to update Federal elementary and secondary education programs.

We were well on our way to reaching a bipartisan consensus on this bill last spring when control of this institution changed.

That unprecedented shift could have thrown this effort into the limbo of partisan gridlock. But we continued to move forward and in June, we passed a strong, bipartisan bill.

Then came the terrible events of September 11 and, a month after that, the anthrax attacks.

Even as we focused on urgent national security concerns, from strengthening airline security to making sure our military has what it needs to dismantle the terrorists' networks, members of the education conference committee continued to work together and iron out differences between the Senate and House versions of this bill.

No one deserves more credit for getting this bill done this year than TED KENNEDY, a man who has spent the last 40 years of his life working to make sure that every child in America has the opportunity to go to a good public school.

I want to commend Chairman KENNEDY, and all the members of the conference committee who worked long and hard on this bill, and kept their eyes on the prize, even during the turmoil of the last three months.

President Bush also deserves credit for helping to put education first, and convincing the doubters in his party that the Federal Government must be a partner in the effort to strengthen America's public schools for all children.

The last time we authorized the Elementary and Secondary Education Act, there were those in the President's party who advocated abolishing the Federal role in education. Instead, President Bush came to us with a serious proposal and a serious commitment to make progress for our children.

He built his proposal around the principle that all children must be given the chance to succeed in school. He agreed that we must have high standards for success in every classroom in every school in every community.

He recognized that reading is, indeed, the foundation of all learning. Without reading, the job manuals and newspapers stay closed, the Internet is a dark screen, the world of discovery is worlds away, and the promise of America is, simply a closed book.

He said we have to measure results, so parents and communities can know what is working, and what isn't.

We were pleased that the President was willing to support several measures Democrats have long advocated.

This new law sets high standards for all teachers. It also provides communities with help, if they need it, to recruit, hire and train new teachers so that every classroom can be led by a qualified, effective teacher.

Under this law, low-performing schools will get the help they need to turn around, and face consequences if they fail.

Immigrant and bilingual children who need extra help to succeed in school and learn English will get that help.

And communities that require help meeting the needs of their most disadvantaged students will get it.

I am pleased that the conferees stripped provisions that many of us thought would ultimately be damaging to public schools. The bill does not allow limited Federal resources to be siphoned off to private schools through ill-advised voucher schemes. It also does not give States blank checks with no accountability, as had been proposed by supporters of the Straight As block grant program.

I am disappointed, however, that this bill does not provide full funding for the Individuals with Disabilities Education Act, or IDEA. Senator JEFFORDS is right: we made a commitment more than 25 years ago to provide 40 percent of the cost of this program; so far, we have failed in that commitment. We need to do better.

Though we finish this bill today, the work of improving our children's schools does not end. This bill lays out a blueprint for reform. But we know that real reform cannot occur without real resources.

Our schools face real challenges: the generation now passing through our schools has surpassed the Baby Boom in size, and school enrollments are expected to rise for the next decade; a large part of the teaching corps is getting ready to retire. Schools will have to hire more than 2 million new teachers over the next decade; diversity in the classroom is increasing, bringing new languages, cultures, and challenges; technology is revolutionizing the workplace and our society as a whole. Schools must keep up with the pace of change, by helping students gain important skills in technology, and by taking advantage of technological capabilities to advance learning for all children.

The first test of whether we are serious about meeting those challenges and keeping the commitments this bill makes will occur this week, when we take up the Labor-HHS appropriations bill.

The details of that bill are still being finalized, but we expect it will provide communities with an additional $4 billion to meet their new responsibilities under these programs. We must make sure that money is there not only next year, but every year.

This bill meets many of our greatest education challenges in word. I hope that this and future Congresses will ensure the resources are there to meet them in deed.

That is the only way that we can strengthen our schools and move our Nation closer to becoming a land of opportunity for every child.

It is with the understanding that we still have work ahead of us, I give this bill my strong support, and I urge my colleagues to do so as well.

The PRESIDING OFFICER. The Senator from Minnesota has 3 minutes remaining.

The Senator from Minnesota.

Mr. WELLSTONE. Madam President, actually, I think I have said what I wanted to say. I feel as though I was speaking for a lot of people in Minnesota and around the country.

My colleagues, I have figures I will leave everyone in terms of our national commitment.

In 1979, close to 12 percent of the Federal budget was devoted to education. It is now down to 7 percent.

If we just were where we were in 1979, 30 some years ago, we would be allocating an additional $21 billion to education today. I have heard colleagues say that this is all about equal opportunity for every child. There is nothing I believe in more. I know Senators can agree to disagree.

If I had one vision, one hope, one dream that I cared more about for Minnesota and the country than any other, it would be that every child, starting with the littlest of the children, regardless of color of skin, urban/rural, income, gender, every child would have the same chance to reach her or his full potential. That is the goodness of our country.

When I was in Phalen Lake school yesterday, that was the goodness of that school, those teachers and what they were trying to do under incredibly difficult circumstances. I wish I could believe that this bill lived up to that promise. When I look at the resources, it doesn't.

Make no mistake about it, a test every year doesn't give our schools the resources to either recruit or to retain more teachers. A test every year does not lead to smaller class size. It doesn't lead to better lab facilities. It doesn't lead to more reading help for children who need the help. It doesn't lead to better technology. It doesn't lead to more books. It doesn't lead to making sure the children are prepared when they come to kindergarten. Many of them are so far behind. It doesn't mean we will have afterschool programs. It doesn't mean any of that.

I am all for accountability. I am all for testing and accountability to see how the reform is doing. I am not for the argument that the actual testing represents the reform.

We have done one piece, the accountability. We haven't given our children and our schools and our teachers the resources they need.

One final time, I have shouted it from the mountaintop 1,000 times on the floor: Mr. President, you cannot realize the goal of leaving no child behind, the mission of the Children's Defense Fund, on a tin cup budget. That is what you have given us.

I vote no.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the conference report to accompany H.R. 1.

The yeas and nays have been ordered. The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 10, as follows:

[Rollcall Vote No. 371 Leg.]

YEAS—87

Allard
Allen
Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hutchinson
Hutchison
Inhofe
Inouye
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murray
Nelson (FL)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—10

Bennett
Dayton
Feingold
Hagel
Hollings
Jeffords
Leahy
Nelson (NE)
Voinovich
Wellstone

NOT VOTING—3

Akaka
Helms
Murkowski

The conference report was agreed to.

Mr. KENNEDY. I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

CORRECTING ENROLLMENT OF H.R. 1

Mr. DASCHLE. Madam President, I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 289, which is at the desk: that the Kennedy-Gregg amendment to the concurrent resolution be considered and agreed to, and the motion to reconsider be laid upon the table; that the concurrent resolution, as amended, be agreed to, and the motion to reconsider be laid upon the table, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2640) was agreed to, as follows:

Strike all after the resolving clause and insert the following: "That in the enrollment of the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, the Clerk of the House of Representatives shall make the following corrections:

On page 1, in section 2 of the bill, insert the following after the item for section 5:

"Sec. 6. Table of contents of Elementary and Secondary Education Act of 1965.".

On page 1, in the item for section 401 of the bill, strike "century" and insert the following: "Century".

On page 1, strike the item for section 701 of the bill and insert the following:

Sec. 701. Indians, Native Hawaiians, and Alaska Natives.

On page 2, in the item for section 1044 of the bill, strike "school" and insert the following: "School".

On page 4, in the item for section 1121, strike "secretary" and "interior" and insert the following: "Secretary" and "Interior".

On page 5, in the item for section 1222, strike "early reading first" and insert the following: "Early Reading First".

On page 6, in the item for section 1504, strike "Close up" and insert the following: "Close Up".

On page 6, strike the item for section 1708.

On page 12, in the item for section 5441, strike "Learning Communities" and insert the following: "learning communities".

On page 14, in the item for section 5596, strike "mination" and insert the following: "Termination".

On page 25, line 31, strike "Any" and insert the following: "For any".

On page 25, line 32, after "part" insert the following: ", the State educational agency".

On page 25, line 33, after "developed" insert the following: "by the State educational agency.".

On page 30, line 3, after "students" insert the following: "(defined as the percentage of students who graduate from secondary school with a regular diploma in the standard number of years)".

On page 33, after line 35, insert the following:

"(K) ACCOUNTABILITY FOR CHARTER SCHOOLS.—The accountability provisions under this Act shall be overseen for charter schools in accordance with State charter school law.

On page 34, lines 2, 15, and 31, strike "State" and insert the following: "State educational agency".

On page 38, line 29, strike "section 6204(c)"and insert the following: "section 6113(a)(2)".

On page 39, line 11, strike "(2)(i)(I)" and insert the following: "(2)(I)(i)".

On page 40, line 22, strike "State" and insert the following: "State educational agency".

On page 41, lines 28, 33 (the 2d place it appears), and 35 strike "State" and insert the following: "State educational agency".

On page 42, lines 8, 19, 23 (each place it appears), and 27, strike "State" and insert the following: "State educational agency".

On page 44, lines 24 and 35, strike "State" and insert the following: "State educational agency".

On page 46, lines 6 and 7, strike "A State shall revise its State plan if" and insert the following: "A State plan shall be revised by the State educational agency if it is".

On page 46, lines 12 and 13, strike "by the State, as necessary," and insert the following: "as necessary by the State educational agency".

On page 46, lines 15 and 16, strike "If the State makes significant changes to its State plan" and insert the following: "If significant changes are made to a State's plan".

On page 46, lines 19 and 20, strike "the State shall submit such information" and insert the following: "such information shall be submitted".

On page 48, line 23, strike "(b)(2)(B)(vii)" and insert the following: "(b)(2)(C)(vi)".

On page 50, lines 2, 12, and 18, strike "State" and insert the following: "State educational agency".

On page 52, line 9, strike "State" and insert the following: "State educational agency".

On page 62, lines 3 and 4, strike "baseline year described in section 1111(b)(2)(E)(ii)" and insert the following: "the end of the 2001-2002 school year".

On page 90, line 10, strike "defined by the State" and insert the following: "set out in the State's plan".

On page 94, line 32, strike "State" the first place it appears and insert the following: "State educational agency".

On page 104, line 25, insert the following: "identify the local educational agency for improvement or" before "subject the local".

On page 120, line 28, after "teachers" insert the following: "in those schools".

On page 130, line 34, strike "subsection (b)" and insert the following: "subsection (c)".

On page 185, lines 24 and 25, strike "fully qualified" and insert the following: "highly qualified".

On page 227, line 16, strike "subsection (c)(1)(F)" and insert the following: "subsection (c)(1)".

On page 227, line 17, strike "9302" and insert the following: "9305".

On page 274, line 23, strike "States" and insert the following: "State".

On page 274, line 33, strike "1111(b)" and insert the following: "1111(h)(2)".

On page 275, line 19, insert a period after "school year".

On page 276, lines 20 and 25, strike "supplemental services" and insert the following: "supplemental educational services".

On page 283, line 25, strike "and" after the semicolon.

On page 283, line 31, strike "(d)" and insert the following: "(e)".

On page 284, line 1, strike "Congress".

On page 284, line 6, strike "(e)" and insert the following: "(f)".

On page 290, lines 14 and 22, strike "section" and insert the following: "part".

On page 293, line 4, strike "section" and insert the following: "part".

On page 556, line 1, strike "DEFINITIONS" and insert the following: "DEFINITION".

On page 599, line 23, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 600, line 12, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 601, line 4, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 601, line 9, strike "DEFINITIONS" and insert the following: "DEFINITION".

On page 601, line 10, strike "terms 'firearm' and 'school' have" and insert the following: "term 'school' has".

On page 620, line 22, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 635, line 14, strike "(b)" and insert the following: "(c)".

On page 635, line 20, strike "(c)" and insert the following: "(d)".

On page 781, line 32, insert closing quotation marks and a period after the period.

On page 873, line 25, amend the heading for section 701 to read as follows:

SEC. 701. INDIANS, NATIVE HAWAIIANS, AND ALASKA NATIVES.

On page 955, after line 6, insert the following:

TITLE IX—GENERAL PROVISIONS

SEC. 901. GENERAL PROVISIONS.

Title IX (20 U.S.C. 7801 et seq.) is amended to read as follows:

On page 1004, at the end of line 2, insert closed quotation marks and a period.

The concurrent resolution (H. Con. Res. 289), as amended, was agreed to.

Mr. DASCHLE. I yield the floor.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

Pending:

Daschle (for Harkin) amendment No. 2471, in the nature of a substitute.

Smith of New Hampshire amendment No. 2596 (to amendment No. 2471), to provide for Presidential certification that the government of Cuba is not involved in the support for acts of international terrorism as a condition precedent to agricultural trade with Cuba.

Torricelli amendment No. 2597 (to amendment No. 2596), to provide for Presidential certification that all convicted felons who are living as fugitives in Cuba have been returned to the United States prior to the amendments relating to agricultural trade with Cuba becoming effective.

Daschle motion to reconsider the vote (Vote No. 368) by which the motion to close further debate on Daschle (for Harkin) amendment No. 2471 (listed above) failed.

Wellstone amendment No. 2602 (to amendment No. 2471), to insert in the environmental quality incentives program provisions relating to confined livestock feeding operations and to a payment limitation.

Lugar (for McCain) amendment No. 2603 (to amendment No. 2471), to provide for the market name for catfish.

Harkin modified amendment No. 2604 (to amendment No. 2471), to apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract will certain individuals.

Burns amendment No. 2607 (to amendment No. 2471, to establish a per-farm limitation on land enrolled in the conservation reserve program.

Burns amendment No. 2608 (to amendment No. 2471), to direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, I ask unanimous consent that the motion to proceed to the motion to reconsider the cloture vote on the substitute amendment to S. 1731 be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection? The Senator from Indiana.

Mr. LUGAR. Madam President, reserving the right to object, and I will not object, but I ask for the comity of the majority leader, if he would be prepared to amend his unanimous consent agreement of a few days ago to ensure my amendment with regard to nutrition be included in the list that he gave.

Mr. DASCHLE. Madam President, only if it is restricted to nutrition, I have no objection.

Mr. LUGAR. May I please respond to the distinguished majority leader that the amendment changes certain portions of the commodity programs and would increase nutrition spending. This is a full disclosure of what I have in mind.

Mr. DASCHLE. Madam President, I have no objection, and I ask my request be amended. I also hope that might encourage my dear friend from Indiana to vote for cloture at some point perhaps as early as tomorrow. I have no objection and so amend the request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The senior assistant bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Harkin substitute amendment No. 2471 for Calendar No. 237, S. 1731, the farm bill:

Tim Johnson, Harry Reid, Barbara Boxer, Tom Carper, Zell Miller, Max Baucus, Byron Dorgan, Ben Nelson, Daniel Inouye, Tom Harkin, Kent Conrad, Mark Dayton, Debbie Stabenow, Richard Durbin, Jim Jeffords, Tom Daschle, Blanche Lincoln.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the substitute amendment No. 2471 to S. 1731, the Agriculture, Conservation, and Rural Enhancement Act of 2001, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—54

Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Hutchinson
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Snowe
Stabenow
Torricelli
Wellstone
Wyden

NAYS—43

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Cochran
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—3

Akaka
Helms
Murkowski

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Madam President, I ask unanimous consent that when the Senator from Massachusetts, Mr. KERRY, finishes his brief remarks the Senate recess until 2:30 today for the party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Massachusetts.

EMERGENCY ASSISTANCE FOR SMALL BUSINESS

Mr. KERRY. I thank the Chair.

I was at this time going to ask unanimous consent to move to the small business bill. I am not going to do that at this point in time, having had a conversation with the majority leader, a conversation with Senator BOND and other Senators. But I say to my colleagues on the other side of the aisle that we have been for several months trying to get emergency assistance through the normal lending process of the Small Business Administration to the small businesses that have not been helped. We have helped airlines. We have been talking about help for the insurance companies. We have a lot of small businesses. We always hear the speeches on the floor of the Senate extolling the virtues of the people who really make the businesses of our country grow; the place where all of the growth of the Nation exists—not in the Fortune 500 companies but in the small businesses.

Many of those businesses simply need a small tide-over with access to credit that they have been denied because of the downturn in the economy.

If you talk about stimulus, helping small businesses at this point in time is one of the most important ways we can invigorate our economy.

I hope and plead with my colleagues on the other side of the aisle. I have yet to have the administration come to us and say, here is the way we can improve your bill, or here is a change we really would like besides gutting the bill altogether, or simply not spending any money on small business.

In fact, by creating lending through the program that 63 of our colleagues have joined as cosponsors, we would, in fact, be making loan guarantees. This is not direct lending. These are loan guarantees that would be made at a less expensive rate than the disaster assistance loans currently being made. This is a way to get much more leverage for the dollars we invest.

I urge my colleagues on the other side of the aisle—and I see the minority assistant leader is here. I hope we can try to break through on this small business bill this afternoon and find a way to reach some kind of compromise so those 63 colleagues could have their interests met.

I thank the Chair. I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:30 p.m.

Thereupon, at 1:06 p.m., the Senate recessed until 2:31 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

The PRESIDING OFFICER. The assistant majority leader.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant majority leader.

ORDER OF PROCEDURE

Mr. REID. For the information of all Senators, we have two Senators who are on their way to the Chamber. The Democratic conference has taken longer than was anticipated. They should be here momentarily. I ask unanimous consent that, pending their coming to the Chamber, Senator SMITH be recognized as in morning business for up to 6 minutes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from New Hampshire is recognized.

MTBE

Mr. SMITH of New Hampshire. Mr. President, we are moving into the season of festivities. Hopefully, we will get an opportunity to celebrate the holidays. Unfortunately, for many in my State of New Hampshire and in other States across the country, this is a holiday season filled with the anxiety that comes with knowing their water is contaminated.

This contamination is caused by a Federal mandate that I believe is wrong. Another year has gone by and Congress has still done nothing to right that wrong.

Over the past few years, a good deal of the Nation has learned firsthand of the damage that MTBE has done to our drinking water supply. That certainly is true of many communities in New Hampshire where it has become a crisis where people cannot even drink their water or shower with it.

I have been fighting for the past 2 years to get the Senate to vote on a bill that will solve this problem. I am pleased that last week the majority leader made a commitment to me that the Senate would at least vote on this issue before the end of next February. I am grateful for that. Until that day arrives, though, I plan to come to this Chamber on a regular basis, while we are in session, to remind Senators of the terrible impact that MTBE is having on our Nation and on so many thousands of people and to remind them that it is very important that we act now.

For the past 2 years, I have met with a number of small businesses and families across New Hampshire who have been devastated by this problem. They cannot sell their homes. They cannot drink their water. They cannot shower with water. They have filters in their basements to get the MTBE out of the water.

According to the New Hampshire Department of Environmental Services, there may be up to 40,000 private wells with MTBE contamination. Of those, 8,000 may have MTBE contamination of above State health standards.

This is a crisis. We have to deal with this. I know it is nice to say we can make money by replacing MTBE with ethanol and all that. That is fine. Make all the money you want. But we need to get this issue resolved.

In many instances, the State has had to provide bottled water to my constituents. They are installing and maintaining extremely expensive treatment equipment. These costs are high. Particularly hard hit have been communities in the southern tier of my State: Arlington Lake in Salem, Frost Road in Derry, Green Hills Estates in Raymond, and so many more. But I want to briefly tell you a story about one particular site in Richmond, NH. It is in the southwestern part of the State. It is a beautiful area, and the type of beauty for which New Hampshire is so well known.

In August, I visited the Four Corners Store and several surrounding homes in the town of Richmond. It is called the Four Corners Store because it is at a rural crossroad; like so many in America, and takes up one of the four corners. Common sense is very pervasive in New Hampshire.

Mr. and Mrs. Stickles are the store's proprietors. When they purchased that country store a few years ago, they believed the MTBE contamination problem had been solved. They do have new underground storage tanks and are completely in compliance with the law.

Unfortunately, the MTBE plume from years ago still persists. A number of the nearby homes are having their wells polluted. It has contaminated a number of homes near the Four Corners Store.

I met with the owners of the store and visited those homes. The Goulas and the Frampton families were kind enough to invite me into their homes. They showed me the treatment systems that had been installed by the State. They shared their concerns about their health and their children's health. At one of the homes lives a young couple with small children.

First and foremost, they are worried about the long-term health impacts on their children. They told me about the daily inconveniences of having to deal with this contamination in their wells. They were told the water was safe for showers; however, showers should only be with cold water, limited to 10 minutes, and well ventilated. That is what they were told. So take a cold shower and make sure it is well ventilated.

It is outrageous that we would stand by and allow this to continue in our country while the debate rages about replacing the MTBE additive with ethanol. Let's get real. We need to deal with this problem now. I intend to fight for these constituents throughout the rest of this session and also early into next year until we get this legislation passed. It is not right. Sometimes you just have to speak out when things are not right—that somebody should make a profit at the expense of somebody else getting sick and not being able to use their water.

Making a profit is wonderful. That is the American way. I am all for it. But we do not need a guaranteed MTBE market. We do not need a guaranteed ethanol market. We do not need a guaranteed anything.

Let the market play, but we have to be able to replace MTBE with something, and we cannot mandate that it be ethanol. It is not right for those of you in ethanol States to make the people in my State have to suffer.

It seems to me the passage of this bill should be easy. I tried for weeks and months and years to reach an accommodation. I have debated every Senator who deals with ethanol privately and publicly, behind the scenes and in committee, but we cannot seem to get agreement.

I urge my colleagues from all States to join with me to pass this legislation now so we can get the MTBE out of the wells in New Hampshire and many other wells and water supplies throughout the country.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

The Senator from Iowa.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

Mr. HARKIN. Mr. President, parliamentary inquiry: What is the order before the Senate right now?

The PRESIDING OFFICER. The pending business is the amendment No. 2608 offered by the Senator from Montana to the substitute.

Mr. HARKIN. We are on the farm bill and the pending business is an amendment offered by the Senator from Montana, Senator BURNS; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, first I want to take a little bit of time right now to once again respond to my friends on the other side of the aisle and wonder why 1 week before Christmas, less than 2 weeks before the end of this year, they continue to hold up the farm bill. We had another cloture vote today in good faith, thinking that maybe over the weekend some minds might be changed; they might think secondly about stopping a farm bill that is so important to farmers in rural America. But on the vote we just had a little bit ago, I believe, if I am not mistaken, we had three Republicans vote for cloture. I am sorry, four Republicans voted for cloture. We picked up one.

I am told by my friend from Mississippi we had four all along.

Again, we see this stalling tactic, dragging out the farm bill. One of the press people outside just stopped me and said that a Senator on the other side said the reason this bill has so much trouble is because it is such a partisan bill. I would like to point out again to my friends and my farmers in Iowa and all over this country, this bill came out of the Agriculture Committee, every single title, on a unanimous vote, Republicans and Democrats. You can't get much more bipartisanship than that. Quite frankly, I will submit this is the most bipartisan bill to come out of our committee since I have been serving on it for the last 17 years in terms of support on both sides of the aisle on the final bill that came out of committee.

Obviously, we disagreed on the commodities title, but that was still bipartisan. It was not unanimous, but it was still bipartisan.

To those who say this is some kind of a partisan bill, I say: Look out the window. It is daylight out there. It is not midnight. It is daytime. Look at the bill for the facts of what happened when that bill came from committee. This bill has very strong bipartisan support.

Again, there is a lot of politics now being played on this bill—a lot of politics being played. It is a shame. It is a shame that our farmers and their families, farm families all over America, facing the uncertainty of what is going to happen next year, are being held hostage by certain political games that may be going on here. It is just a darn shame. It is about time that we bring this bill to a close. We have the votes. We can have the debate, and we can have the votes. But it is obvious that for whatever reason, people on the other side of the aisle do not want this farm bill passed this year.

I have said before we could finish this farm bill. We could have finished it today. If we had had cloture, we could have finished this thing today. This morning I talked on the phone to Chairman COMBEST from the other side. I said: If we finish this bill, can we go to conference?

He said: Sure, we will go to it right away.

So they are willing in a bipartisan way. The Republican leader of the Agriculture Committee on the House side said to me this morning: If you pass the bill, we are ready to go to conference today, tonight, tomorrow and begin to work this thing out.

I am disappointed and saddened, not for me but for our farm families, especially in my State of Iowa and all over this country, who are being held hostage for whatever reason I can't discern.

Mr. DORGAN. I wonder if the Senator from Iowa will yield for a question.

Mr. HARKIN. I yield for a question without losing my right to the floor.

Mr. DORGAN. Mr. President, I share the disappointment of the Senator from Iowa that we were not able to invoke cloture today for the second time. My belief is that we have a couple of major amendments remaining to be offered. In fact, the authors of one of them are both in the Chamber, Senators ROBERTS and COCHRAN. There is an alternative amendment to the commodities title which I understand they will offer. I hope at some point to offer an amendment that does some targeting, and my hope is that we can make some progress and move ahead.

I still don't understand what the filibuster is about. My hope is that if we have major issues, let's move ahead with the issues, offer amendments, and have debates on the amendments.

It is the case, is it not, that Senators ROBERTS and COCHRAN simply have a different idea with respect to how the commodity title ought to be applied and so they are intending to offer an amendment? I ask the Senator from Iowa if he has some notion of when that amendment would come; has he consulted with the authors of that major amendment? If so, what does that consultation disclose to us about when that amendment would be offered?

Mr. HARKIN. I am sorry. I was conversing with a member of the Senate Agriculture Committee. I missed the question.

Mr. DORGAN. I was asking the Senator from Iowa if he has been able to consult with the authors of the other major amendment on the commodities title about when that might be offered. My hope is we could just proceed with the amendments, dispose of the amendments, at which point I hope we will reach the end of the consideration of this bill and be able to report out the bill.

Has the Senator consulted with the major authors of that amendment, and what might we expect from that consultation?

Mr. COCHRAN. Mr. President, if the Senator would yield without losing his right to the floor, I will respond.

Mr. HARKIN. I am glad to yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator from Mississippi.

Mr. COCHRAN. Mr. President, we have indicated to the manager of the bill that we would be prepared to offer the amendment now and have a time agreement on the Cochran-Roberts amendment. I have suggested 2 hours evenly divided so that both sides will have ample opportunity to talk about the amendment. We have already talked about this amendment Friday morning. Senator ROBERTS and I were here to discuss the amendment and talked about an hour and a half at that time.

That is what I would suggest we do, and that would get us moving along. This would be a major alternative to the committee-passed bill, and we think that that would be one way to start moving toward final disposition of this legislation.

Mr. DORGAN. If the Senator from Iowa will yield further, might I say that is a very hopeful sign. It is certainly up to the chairman of the committee to decide whether that time agreement is sufficient. Certainly, it sounds reasonable to me. After that, we would be able to dispose of one of the major amendments and move through the bill and perhaps late today or tomorrow we would be able to complete consideration of the farm bill. That is the most hopeful sign I have heard for some long while.

As I indicated, the authors of this legislation have been deeply involved in farm legislation for many years. They just have a different approach on the commodities title. The best way to resolve that is to have the discussion and vote and see where it comes out. I encourage the Senator from Iowa to proceed along the lines suggested.

Mr. HARKIN. I say to the Senator, that is encouraging news. We will get to that. I see the Senator from Arizona is on the floor and has offered an amendment. I would like to ask him, if I could, without losing my right to the floor for right now, is the Senator wishing to debate the amendment that he laid down last week?

Mr. MCCAIN. That is correct, without losing your right to the floor. I will be glad to enter into a reasonable time agreement, including a half hour equally divided.

Mr. HARKIN. Mr. President, I ask unanimous consent that the pending amendment be laid aside; that the Senator from Arizona be recognized to debate his amendment that is pending; that the time be limited to a half an hour evenly divided, at the end of which either a motion to table or an up-or-down vote would be in order.

Mr. REID. Reserving the right to object, we just received a call from one Senator, and we have to find out how much time that Senator wants to speak in opposition to this amendment. We could do that real quickly. We can't do it right now.

Mr. MCCAIN. May I ask the Senator to yield for a question?

Mr. HARKIN. Yes.

Mr. McCAIN. Would it be agreeable to start the debate? I will be glad to agree to any time limit that is agreeable to the other side on this amendment—5 minutes, half an hour, whatever is agreeable to the Senator from Iowa.

Mr. HARKIN. I am willing, obviously, as the Senator knows, to enter into this time agreement. We seem to have an objection over here. I see the Senator from Arkansas.

Mr. HUTCHINSON. There are Senators who have expressed interest in this amendment and who wanted to speak. I will object to any time agreement until we are able to check with those Senators to see how much time they require.

Mr. COCHRAN. Why don't we start debate on the McCain amendment, as the Senator suggested? He will agree to any time agreement. It is just a matter of how many people want to talk in opposition to it. And we can get unanimous consent that following disposition of the McCain amendment we proceed to consideration of the Cochran-Roberts amendment, with 2 hours of debate evenly divided.

Mr. HARKIN. Mr. President, the problem is if we start the McCain amendment and people start filibustering, we will have another filibuster going here. The Senator from Arizona has been forthright.

Mr. McCAIN. If the Senator will yield for another question, if it appears to be a filibuster, there is nothing I can do about that. We are going to move forward with the bill.

Mr. HARKIN. The Senator from Arizona is a gentleman. I appreciate that. I wonder if we can then agree—I will yield the floor and the Senator from Arizona will be recognized. I will ask unanimous consent that on the disposition of the McCain amendment, the Senator from Mississippi be recognized to offer his amendment; that there be a time agreement on the amendment of the Senator from Mississippi, with 2 hours evenly divided.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, will the Senator repeat the request?

Mr. HARKIN. I ask unanimous consent that when I yield the floor, the Senator from Arizona be recognized to speak on his amendment; that on the disposition of the amendment of the Senator from Arizona, the Senator from Mississippi, Mr. COCHRAN, be recognized to offer his amendment; that there be 2 hours for debate on the Cochran amendment, evenly divided, and at the end of that time, there be a vote on or in relation to the Cochran amendment, without further amendment to the Cochran amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object, I would not expect a second degree, but I think it would be important to see the amendment that Senators ROBERTS and COCHRAN intend to file. I would not expect a second degree to be offered.

Mr. HARKIN. I assume the amendment is the same as was filed on Friday; is that right?

Mr. COCHRAN. Yes. In response to the Senator, the amendment is at the desk, and it has been there. It is the one we discussed Friday. There were no changes since that time, to my knowledge.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I call for the regular order with respect to the McCain amendment.

AMENDMENT NO. 2603

The PRESIDING OFFICER. The McCain amendment No. 2603 is now the pending question.

Mr. McCAIN. Mr. President, this is kind of an interesting situation that we are facing. It is instructive of a lot of things that are happening around here in the Senate and in the country. Even though it is only about catfish—the lowly catfish—it has a lot of implications. There are implications for trade and our relations with Vietnam. It has implications as to how we do business in the Senate. It has a lot of interesting implications, including the rise of protectionism in the United States of America, how a certain special interest with enough lobbying money and enough special interest money and campaign contributions can get most anything done.

During consideration of the Senate version of the Agriculture appropriations bill for fiscal year 2002, it was late at night and I voiced concern about the managers' decision to clear a package of 35 amendments just before the final passage of the bill. I said: Has anyone seen these amendments? It was late in the evening. There was dead silence in the Senate. It was late in the evening so, unfortunately, I agreed for this so-called managers' amendment to be passed by voice vote, remembering that managers' amendments are technical in nature; they are to clean up paperwork or clerical errors.

Well, in this package of 35 amendments, 15 were earmarked to members of the Appropriations Committee—several million dollars. I have forgotten exactly how much. And this is a so-called catfish amendment. My good friend from Mississippi will say the issue was discussed before. If it was, why didn't we have a vote on it? Why didn't we have the amendment up and have a vote on it as we do regular amendments? The reason is because the Senator from Massachusetts, the Senator from Texas, I, and many others—and I believe we are going to find that a majority of the Senate—would have rejected such a thing.

As it turns out, I had good reason to be concerned. Included was an amendment banning the FDA from using any funds to process imports of fish or fish products labeled as catfish, unless the fish have a certain Latin family name. In fact, of the 2,500 species of catfish on Earth, this amendment allows the FDA to process only a certain type raised in North America—specifically, those that grow in six Southern States. The program's effect is to restrict all catfish imports into our country by requiring they be labeled as something other than catfish, an underhanded way for catfish producers to shut out the competition. With a clever trick of Latin phraseology and without even a ceremonial nod to the vast body of trade laws and practices we rigorously observe, this damaging amendment, slipped into the managers' package and ultimately signed into law as part of an appropriations bill—an appropriations bill—literally bans Federal officials from processing any and all catfish imports labeled as they are—catfish.

It is going to be ludicrous around here and entertaining because we are going to talk about what is and what is not a catfish. Over there, we may see one with an American flag on it, which would be an interesting species. When is a catfish other than a catfish.

On this chart is a giant catfish with a name I can't pronounce. Here is a yellowtail catfish. I didn't do well in Latin. Here is another one, a basa catfish—yes, the culprit. Here is the channel catfish. They are all catfish. There are 2,500 of them. I don't have pictures of all of them. Now there is only going to be one recognized as a catfish in America, which are those which are raised in America—born and raised in America. These are interesting pictures. We will have a lot of pictures back and forth. I think we will see more pictures of catfish than any time in the history of the Senate of the United States of America.

As you can see, these are common catfish characteristics: Single dorsal fin and adipose fin, strong spines in the dorsal and pectoral fins, whisker-like sensory barbels on the upper and lower jaws, all part of the order of Siluriformes. We are going to only call catfish the kind that are raised in the southeastern part of the United States.

Proponents of this ban used the insidious technique of granting ownership of the term "catfish" to only North American catfish growers—as if Southern agribusinesses have exclusive rights to the name of a fish that is farmed around the world, from Brazil to Thailand. According to the FDA and the American Fisheries Society, the Pangasius species of catfish imported from Vietnam and other countries are "freshwater catfishes of Africa and southern Asia." In addition, current

FDA regulations prohibit these products from being labeled simply as "catfish". Under existing regulations, a qualifier such as "basa," or "striped" must accompany the term "catfish" so that consumers are able to make an informed choice about what they are eating.

These fish were indeed catfish, until Congress, with little review and no debate, determined them not to be. No other animal or plant name has been defined in statute this way.

All other acceptable market names for fish are determined by the FDA in cooperation with the National Marine Fisheries Service after review of scientific literature and market practices.

What are the effects of this import restriction? As with any protectionist measure, blocking trade and relying only on domestic production will increase the price of catfish for the many Americans who enjoy eating it. One in three seafood restaurants in America serves catfish, attesting to its popularity.

This trade ban will raise the prices wholesalers and retail customers pay for catfish, and Americans who eat catfish will feel that price increase—a price increase imposed purely to line the pockets of Southern agribusinesses and their lobbyists who have conducted a scurrilous campaign against foreign catfish for the most parochial reasons.

The ban on catfish imports has other grave implications. It patently violates our solemn trade agreement with Vietnam, the very same trade agreement the Senate ratified by a vote of 88 to 12 only 2 months ago. The ink was not dry on that agreement when the catfish lobby and its congressional allies slipped the catfish amendment into a must-pass appropriations bill.

A lot of things come over the Internet these days. This is one called the Nelson Report. The title of it is the "Catfish War." It talks about an obscure amendment to the agricultural bill that puts the U.S. in violation of the Vietnam BTA barely days after it goes into effect, and it is not just a bilateral problem. The labeling requirement goes to the heart of the U.S. fight with European use of GMO protectionism. It has already forced the USTR to back off from supporting Peruvian sardines.

> No. 1, don't get us wrong: We here at Nelson Report World Headquarters flat out love fresh Arkansas catfish. Serve it all the time at our house, with Paul Prudhomme's spicy seasoning. Tasty and nutritious. So nothing in the Report which follows should be interpreted as bad mouthing, you should pardon the expression, catfish from the good old U.S. of A.
>
> —and we will confess going along with the crowd, every time Sen. Blanche Lincoln of Arkansas launched into one of her lectures on the inequities of lower priced Vietnamese catfish coming into the U.S. All of us at the press table, and back in the high priced lobby gallery, were too smart for our britches. So we missed the FY '02 Agriculture Appropriations amendment, now signed into law, requiring that only U.S.-grown catfish of a certain biological genus can actually be called catfish.
>
> That's right: U.S. law now says you can be ugly, you can have whiskers, you can feed on unspeakable things off the bottom of whatever bit of god's creation you happen to be swimming around in, but if you ain't in the same genus as your Arkansas cousins, you ain't a catfish. Or, rather, you can't be called a catfish. That's now the law of the U.S., to be enforced by the Federal Food and Drug Administration.
>
> —so what, you may ask? Ask your spousal unit, or friends, who does the grocery shopping. Except maybe in Little Rock, catfish isn't marketed by brand name. You look for a package that says "catfish." That's it. So now, if a catfish from Vietnam, or Thailand, or some of the places in Africa that export catfish happens to be in your supermarket, you may never find out, since they've got to be called something else.

The amendment Senator GRAMM and I offered will repeal this import restriction on catfish. The amendment would define catfish according to existing FDA procedures that follow scientific standards and market practices. Not only is restrictive catfish language offensive in principle to our free trade policies, our recent overwhelming ratification of the bilateral trade agreement and our relationship with Vietnam, it also flagrantly disregards the facts about the catfish trade.

I would like to rebut this campaign of misinformation by setting straight these facts as reported by agricultural officials at our Embassy in Vietnam who have investigated the Vietnamese catfish industry in depth. The U.S. Embassy in Vietnam summarizes the situation in this way. This is the exact language from our Embassy in Vietnam:

> Based on embassy discussions with Vietnamese government and industry officials and a review of recent reports by U.S.-based experts, the embassy does not believe there is evidence to support claims that Vietnamese catfish exports to the United States are subsidized, unhealthy, undermining, or having an "injurious" impact on the catfish market in the U.S.

Our Embassy goes on to state:

> In the case of catfish, the embassy has found little or no evidence that the U.S. industry or health of the consuming public is facing a threat from Vietnam's emerging catfish export industry. . . . Nor does there appear to be substance to claims that catfish raised in Vietnam are less healthy than [those raised in] other countries.

The U.S. Embassy reported the following:

Subsidies: American officials indicate that the Vietnamese Government provides no direct subsidies to its catfish industry.

Health and safety standards: The Embassy is unable to identify any evidence to support claims that Vietnamese catfish are of questionable quality and may pose health risks. FDA officials have visited Vietnam and have confirmed quality standards there. U.S. importers of Vietnamese catfish are required to certify that their imports comply with FDA requirements and FDA inspectors certify these imports meet American standards.

A normal increase in imports: The Embassy finds no evidence to suggest that Vietnam is purposely directing catfish exports to the United States to establish a market there.

Labeling: The Vietnamese reached an agreement with the FDA on a labeling scheme to differentiate Vietnamese catfish from U.S. catfish in U.S. retail markets. As our Embassy reports, the primary objective should be to provide Americans consumers with informed choices, not diminish choice by restricting imports.

The facts are clear. The midnight amendment passed without a vote is based not on any concern for the health and well-being of the American consumer. The restriction on catfish imports slipped into the Agriculture appropriations bill serves only the interests of the catfish producers in six Southern States that profit by restricting the choice of the American consumer by banning the competition.

The catfish lobby's advertising campaign on behalf of its protectionist agenda has few facts to rely on to support its case, so it stands on scurrilous fear-mongering to make its claim that catfish raised in good old Mississippi mud are the only fish with whiskers safe to eat. One of these negative advertisements which ran in the national trade weekly "Supermarket News" tells us in shrill tones:

> Never trust a catfish with a foreign accent.

This ad characterizes Vietnamese catfish as dirty and goes on to say:

> They've grown up flapping around in Third World rivers and dining on whatever they can get their fins on. . . . Those other guys probably couldn't spell U.S. even if they tried.

How enlightened. I believe a far more accurate assessment is provided in the Far Eastern Economic Review in its feature article on this issue:

> For a bunch of profit-starved fisherfolk, the U.S. catfish lobby had deep enough pockets to wage a highly xenophobic advertising campaign against their Vietnamese competitors.

Unfortunately, this protectionist campaign against catfish imports has global repercussions. Peru has brought a case against the European Union in the World Trade Organization because the Europeans have claimed exclusive rights to the word "sardine" for trade purposes. The Europeans would define sardines to be sardines only if they are caught in European waters, thereby threatening the sardine fisheries in the Western Hemisphere. Prior to passage of the catfish-labeling language in the Agriculture appropriations bill, the U.S. Trade Representative had committed to file a brief supporting Peru's position before the WTO that such a restrictive definition unfairly protected

European fishermen at the expense of sardine fishermen in the Western Hemisphere. As the Peruvians, a large number of American fishermen would suffer the effects of an implicit European import ban on the sardines that are their livelihood.

Yet as a direct consequence of the passage of the restrictive catfish-labeling language in the Agriculture appropriations bill, the USTR has withdrawn its brief supporting the Peruvian position in the sardine case against the European Union because the catfish amendment written into law makes the United States guilty of the same type of protectionist labeling scheme for which we have brought suit against the Europeans in the WTO.

Mr. President, I obviously do have a lot more to say. I know the opponents of this amendment have a lot to say as well. I would take heed, however, to the admonishments of the managers of the bill, the Senator from Iowa, the Senator from Mississippi, and I would be glad to enter into a time agreement so we can dispense with this amendment as quickly as possible.

I do not know how both Senators from Arkansas feel, but I would propose a half hour—Mr. President, I ask unanimous consent to engage in a colloquy with the Senators from Arkansas.

The PRESIDING OFFICER (Mr. JOHNSON). Without objection, it is so ordered.

Mr. McCAIN. I ask the Senator from Arkansas, is he prepared to have a time agreement?

Mr. HUTCHINSON. I say at this time I am not prepared to enter into a time agreement. There are a number of Senators, and I don't know how long they need to speak. An original agreement was full and open debate. This is a good time for full and open debate, and it is not in the best interests to enter into a time agreement.

Mr. McCAIN. I thank the Senator from Arkansas. I know he would probably not want to filibuster this bill. I think he agrees we would want to have an up-or-down vote as he described. We are prepared to only use another 20 minutes on this side. I hope the Senators from Arkansas can find out who wants to speak and for how long so we can establish a time agreement. We need to move on with the important Cochran and Roberts amendment to the farm bill.

Mrs. LINCOLN. Will the Senator yield?

Mr. McCAIN. I am happy to yield.

Mrs. LINCOLN. Speaking for myself, I agree with the Senator that we can probably get through debate rapidly. I think the Senator from Mississippi, and maybe Senator HUTCHINSON, and there may be a few other Senators who want to speak, but I don't foresee it taking a good deal of time, and we could conclude our comments rapidly.

Mr. McCAIN. I thank the Senator from Arkansas for her courtesy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. I am delighted to engage in this debate. As my colleagues listen to the facts concerning the Vietnam basa and the impact on the domestic catfish industry, they will see things in a different light. I voted for the Vietnamese Free Trade Agreement. I believe in free trade. I believe in fair trade. I also believe in accurate labeling and that the American people ought to know what they are buying.

We heard the term "catfish lobby" used frequently last week and today. It has an ominous ring to it. I am not sure what the catfish lobby is. I know this: I have thousands of people who are employed in the catfish industry in Arkansas. I was in Lake Village, AR, on Saturday. Chicot County is one of the poorest counties in Arkansas—one of the poorest counties in the United States, as a matter of fact. We had 70 or 80 catfish growers who were present on Saturday. I didn't see agribusiness. I didn't see wealthy landholders. I saw a group of small business men and women struggling to survive in an industry that has been one of the bright spots in one of the poorest spots in the United States in the last decade.

One of the farmers came up and said: I want to give you my books for the last 5 years—and handed me spread sheets. When they talk about us being wealthy catfish growers, I will show my books. He had a net profit last year of $8,000. This is a part of the country where the median household income is $19,000, about half of what it is in the State of Arizona.

I take exception when we talk about the catfish lobby as if it were a powerful, wealthy, devious, insidious group. This amendment cripples and potentially destroys the aquaculture industry in the State of Arkansas. This industry has been in distress over the last year because of the influx of Vietnamese fish mislabeled as catfish. The Vietnamese basa is not catfish.

On November 28, 2001, President Bush signed into law what was a great victory for our Nation's catfish farmers, a provision that simply said the Vietnamese basa would not be labeled "catfish." It is a different species; it is a different order; it is a different fish.

This language attached to the Agriculture appropriations bill has also been included in the farm bill that passed the House of Representatives. Put in the bill was language that would limit the use of the common name "catfish" for the Vietnamese basa. Importers have hijacked the common name of catfish and applied it to a species of fish that is not closely related or similar to what we commonly consider catfish.

The domestic catfish industry has spent millions and millions and millions of dollars to try to educate the American people as to the nutritional value and the health and safety conditions in which farm-grown catfish are raised. All of that investment the domestic channel catfish industry has made has been hijacked by importers who see a quick way to profits.

The language in the appropriations bill corrected this mislabeling of fish and misleading of American consumers. This limitation will give our domestic catfish producers a reprieve from unfair competition and mislabeling. I share Senator McCAIN's belief that competition is good when open and a competitive market benefits our Nation's economy and consumers. However, misleading consumers and mislabeling a product is wrong. To allow it to continue at the expense of an entire industry is unthinkable.

The States of Arkansas, Mississippi, Alabama, and Louisiana produce 95 percent of the Nation's catfish. If you look at the broad area of aquaculture, 58 percent of fish grown in the United States are catfish. This is a huge aspect of fisheries in general in the United States, and 95 percent of those are grown in these four Southern States. These catfish are grain fed, they are farm raised catfish, produced under strict health and environmental regulations.

Arkansas rates second in the amount of catfish produced nationally, but it is an industry that has grown and has thrived in one of the poorest areas of this country, the Mississippi Delta, an area that has sometimes been referred to as the Appalachia of the 1990s. When I say that Chicot County and Desha County are two of the poorest counties in Arkansas, it is true they are two of the poorest counties in the Nation.

Despite the work ethic and strong spirit, economic opportunities have been few and far between. The aquaculture industry has been a shining success story for this region of the country. I made a number of visits to southeast Arkansas and to the Mississippi Delta and to our aquaculture regions of the State. I have been to the processing plants. I have seen them and talked to those who are employed in the catfish processing plants. I have gone to the ponds. I have seen the pristine conditions in which the fish are raised.

This past Saturday, I saw the pain and distress and concerns reflected in the faces of these catfish growers who have built an industry and seen hope and are now seeing that hope ripped away from them. It is estimated that as high as 25 percent of the catfish growers in Arkansas could go bankrupt within the next year. This is not some obscure debate about free trade; it is people's livelihoods, people's lives.

At a time when there is a lot of attention being paid to an economic stimulus package for the Nation, I suggest to my colleagues this is one of the poorest regions of our Nation. Just think of the economic damage that can be done with this kind of amendment.

Some of my colleagues are making accusations that this legislation is in violation of trade practices, saying this legislation is unfair.

What is unfair is that our catfish farmers are being subjected to competing with an inferior product that simply adopts the name of a successful product and gains acceptance. What is unfair is these fish are being pawned off as catfish to unsuspecting American consumers at a time when the fears of unemployment and the reality of an economic downturn in the wake of the September 11 attacks are weighing heavily on the minds of Americans. It is not acceptable for us to sit back and watch as an industry which employs thousands is allowed to be crushed by inferior imports because of the glitch in our regulatory system.

Vietnamese exports are being confused by the American public as being catfish due to labeling that allows them to be called basa catfish. These Vietnam basa are being imported at record levels.

The chart to my right demonstrates what has happened. As late as 1997, imports of Vietnam basa were almost nonexistent. Yet if you look at 1998 and 1999, and particularly this year, they have grown exponentially. In June of this year, 648,000 pounds were imported into the United States. Over the last several months, imports have averaged 382,000 pounds per month.

To put this in perspective, in all of 1997 there were only 500,000—one-half million—pounds of Vietnam basa imported into the United States. However, it is predicted that 15 million to 20 million pounds could be imported next year.

The Vietnamese penetration in this market in the last year has more than tripled. Market penetration has risen from 7 percent to 23 percent of the total market. As a result of that incredibly fast increase of penetration into the American market from 7 percent to 23 percent, American catfish growers have seen their prices decrease 15 percent just in the last few months in 2001 alone.

For those who argue this is the result of a competitive market, let me offer a few facts.

When the fish were labeled and marketed as Vietnamese basa, when they imported it and put "Vietnam basa" on it, or they just put "basa" on it, sales in this country were limited, almost nonexistent. Some importers were so creative that they tried to label basa as white grouper, still with very little success. It was only when these importers discovered that labeling it as catfish added a lot of appeal that sales began to skyrocket and imports began to skyrocket. Try this, and it didn't work. Try this, and it didn't work. And try catfish, because of the great investment this domestic industry made, and sales took off.

Although the FDA issued an order on September 19, stating that the correct labeling of Vietnamese basa be a high priority, the FDA is allowing these fish to retain the label of "catfish" in the title.

Whether it is budget constraints or lack of personnel, it is obvious that inspections have been lacking in the past and the inclusion of the term catfish in the title only serves to promote confusion.

Prior to this ruling there were numerous instances where the packaging of these fish was blatantly misleading and even illegal.

This illustration shows how Vietnamese companies and rogue U.S. importers are trying to confuse the American public.

Names such as "Cajun Delight," "Delta Fresh," and "Farm Select," lead consumers to believe the product is something that it is not.

"Catfish" in large letters, "Delta Fresh"—no one would suspect it is from the Mekong Delta.

The total impact of the catfish industry on the U.S. economy is estimated to exceed $4 billion annually. It has gone up dramatically. Approximately 12,000 people are employed by the industry.

When you talk about the catfish lobby and say it in such sinister terms, please think about the 12,000 people—thousands of them—in the delta of Arkansas, the poorest part of this Nation, who are employed in this industry. That is the catfish lobby.

It is estimated that 25 percent of my catfish farmers in Arkansas will be forced out of business if this problem is not corrected.

Catfish farmers of this country have invested millions of dollars educating the American public about the nutritional attributes of catfish. Through their efforts, American consumers have an expectation of what a catfish is and how it is raised.

They have an expectation that what they purchase is indeed a catfish.

Here you will see an official list of both scientific names and market or common names from the Food and Drug Administration. Almost all of these fish can contain the word catfish in their names under current FDA rules.

All of these fish in this one order can use the term "catfish" under current FDA rulings. It is the same order, if you look at the channel catfish. The basa are here at the bottom. In fact, you will find that while they are of the same order as Senator McCAIN rightly pointed out, they are of a different family and a different species: that is, channel catfish and the basa—totally different species. Even more importantly, when we look at trade issues, they are a totally different family.

This is a very important distinction to realize. Most people just look and see the word "catfish" and they don't pay any attention to the package. They are currently allowed to use that term.

In fact, you will notice, if you look a little farther down on the chart, the Atlantic salmon and the lake trout are of the same family or more closely related to the channel catfish than the basa. Ask those who are from the States where Atlantic salmon is an important fishery product whether they would appreciate lake trout being allowed under FDA rules to be labeled "Atlantic salmon." Those two fish are more closely related than the channel catfish is to the basa. You can see that the Atlantic salmon and the lake trout are of the same family while channel catfish is of a different family entirely.

Most people are not able to make those distinctions and are being misled when they see that word "catfish" put on the package.

When the average Arkansan hears the word "catfish," the idea of a typical channel catfish come to mind. When they sit down at a restaurant and order a plate of fried catfish, that same channel catfish is what they expect to be eating.

One cannot blame the restauranteur who is offered "catfish" for a dollar less a pound for buying it. However, in many cases they do not realize that what they are buying is not really channel catfish.

It is obvious that this confusion has been exploited and will continue to be exploited unless something is done to correct the obvious oversight that is jeopardizing American jobs.

Further, American catfish farmers raise their catfish in pristine and closely controlled environments. The fish are fed pellets consisting of grains composed of soybeans, corn, and cotton seed. These facilities are required to meet strict Federal and State regulations.

In fact, this upper picture is a very accurate reflection both of U.S. farm-raised catfish—what it looks like—and the conditions in which it is grown. I was there this Saturday. I have flown over our catfish ponds in delta Arkansas time and time again. They are clean, they are pristine and well regulated, and they are inspected.

I understand the Vietnamese basa fish are raised in far different conditions. In the Mekong Delta, one of the most polluted watersheds in the world, basa are often exposed to many foul and unhealthy elements, sometimes even feeding off raw sewage. In fact, because an importer signs a statement saying he guarantees it was raised in conditions comparable to the United States and meets health and safety requirements of the United States is little assurance to the American consumers.

There is, I believe, a pretty good indication of the comparison, and most assuredly a comparison of the two different fish that are involved. One is Vietnamese basa, a different species, and a different family from United States farm-raised catfish, channel catfish.

I understand that my colleague from Arizona has a strong desire to promote competitive markets and encourage trade but markets must be honest and trade must be fair.

I again emphasize that these are people's livelihoods. Congress acted properly limiting the use of the common name "catfish." This action was warranted because exporters in Vietnam and importers in the United States have used the term "catfish" improperly and unfairly to make inroads into an established market.

This provision does not exclude Vietnamese basa from being imported. Let me emphasize that it does not violate any trade agreements.

There can be as many Vietnam basa fish imported into the United States as they can sell if it is properly labeled Vietnamese basa. My objective under the provisions that were included in the Agriculture appropriations bill was to ensure that labeling is accurate and truthful.

That language ends the practice of purposely misleading consumers at the expense of an industry in one of the poorest parts of the Nation.

Some people may argue that the restriction of the use of the name "catfish" to members of the family Ictaluridae runs counter to past international seafood trade policy, and may hinder our progress of increasing trade. In fact, that is the very argument that has been made.

Two examples of attempted nomenclature restrictions used to support this argument are name restrictions for scallops proposed by the French Government and one for sardines proposed by the EU. Both of these efforts have been strongly opposed by American producers. We do not dispute that; in the cases of the scallops and the sardines, these nomenclature restrictions are unfair.

However, both of these examples—and I suspect the Senator from Texas will talk about these examples and try to make it identical to the issue of catfish; and, in fact, it is not at all—are based on groups of animals that are much more closely related taxonomically than are basa and channel catfish. Channel catfish and the Vietnamese basa are classified in different taxonomic families—Ictaluridae for channel catfish and Pangasidae for basa. As is shown on this chart, the families are entirely different for the channel catfish and the Vietnamese basa.

This is a very distant relationship, analogous to the difference between giraffes and cattle, which differ at the level of family within the mammal grouping. However, the scallop issue involves members of a single molluscan family, the Pectenidae. That is, the molluscs at issue in the French case differ only at the genus or species level.

The European Union sardine issue likewise involves members of a single family of fish, the Clupeidae. Again, the fish species allowed by the United Nations Food and Agriculture Organization's Codex Alimentarius standard to be sold under the common name "sardine" differ only at the genus—that is shown here on the chart—and species level, not at the family level.

The Vietnamese basa and the American channel catfish are in different families. They are only in the same order—Siluriformes—which has more than 2,200 different species in it. This order is characterized by the presence, as Senator McCain has said, of barbels or whiskers. Some will say: If it has whiskers, then it is a catfish. I heard my colleague make that statement. So should all of these fish be allowed to be sold as catfish—these 2,000 different species? Do you think it is all right with consumers to sell them nurse shark labeled as catfish? They have the barbels or the whiskers. They have the pictures here to show that. Do you not think that would be a little bit deceptive for the nurse shark to be labeled as catfish?

Now think about if that nurse shark were raised in salt water under health inspection conditions that only require the producer to sign a piece of paper that states that health standards are being upheld.

Now imagine that because of the way this nurse shark is raised—it is cheaper, significantly cheaper. What if that nurse shark, raised in salt water under questionable health conditions, was allowed to be sold as catfish? Is that fair trade? That is exactly analogous of what is being done today when Vietnamese basa is being labeled as catfish. It is not fair trade.

Now imagine that they tried to sell it as nurse shark and couldn't develop a market—understandably—but suddenly, when they labeled it as catfish, they saw their market grow by not 100 percent, not 400 percent, but 700 percent. Because they took the nurse shark and labeled it as catfish, wouldn't that be considered deceptive and considered unfair? The answer is obvious.

This is exactly the case that our catfish farmers in Arkansas, Mississippi, Louisiana, and Alabama are facing. And it is not fair.

Black drum fish have whiskers. That should not be labeled as catfish. Sturgeon have whiskers and barbels. It should not be labeled as catfish. The blind fish, the blind cave fish uses whiskers or barbels to feel its way around, but no one would suggest they should be marketed as catfish.

That is why we introduced S. 1494 on October 3, 2001. Many of us, including my colleague from Arkansas, Senator Lincoln, came to this Chamber and described the situation in great detail at that time. Nothing was hidden. We had an open and full debate. Afterwards, we worked to include this needed legislation in a number of bills, finally being successful in getting it into the Agriculture appropriations bill.

I remind my colleagues, again, as they will hear of the wealthy catfish growers, they will hear of agribusiness. They will hear of the catfish lobby. Two counties in Arkansas that grow the most catfish are Chicot County and Desha County.

In Chicot County, 33.8 percent of the residents live in poverty—33.8 percent. The median household income in Chicot County is $19,604. That is the average household income.

In Desha County, 27.5 percent of the residents live in poverty, with the median household income being $23,361.

By contrast, in the State of Arizona, 15 percent of the residents live in poverty. That is one-half the poverty rate of Chicot County. And the median household income in Arizona is $34,751—$15,000 per family more than Chicot County.

I would not suggest that we should try to hurt, destroy, undermine, or undercut industries in the State of Arizona because they are prospering more than these two poor counties in the delta of Arkansas. But I assure you, I am going to stand in this Senate Chamber and fight for the thousands of people who are employed in this industry and the one ray of light in that delta economy.

When they talk about large agribusinesses and wealthy catfish growers, it should be remembered that 70 percent of the catfish growers in the United States qualify under the Small Business Administration as small businesses. And many of that 70 percent are fighting for their survival.

So, Mr. President, and my colleagues, I ask we keep very much in mind that this is not a free trade issue. This is a fair trade issue. It is a truth-in-labeling issue. It is calling Vietnamese basa what they are—basa—and allowing that term "catfish," which has been part of an important educational and nutritional campaign in this country, to not be kidnapped by those importers that seek to make a quick buck.

I ask my colleagues to vote down the McCain-Gramm amendment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Mr. President, I thank my colleague from Arkansas for being in this Chamber and so eloquently describing the issue with which we are dealing, particularly in our home State of Arkansas, particularly in the area of the Mississippi Delta region of Arkansas that has been so hard hit by the unfairness of the influx of trade from the Vietnamese basa fish.

I thank the Senator from Arizona for his continued leadership and his work in keeping us focused on making sure we are on the straight and narrow and that we are doing business in the Senate in the way that business should be handled. He is always there working diligently in that regard.

Today I rise to respectfully oppose the amendment that Senator MCCAIN has offered on catfish and, again, thanking him for his leadership and doing many things in keeping us straight in the Senate. But I respectfully disagree with him on this one.

Our distinguished colleagues who support this amendment argue that this issue is about free trade. They argue this amendment is about preserving the integrity and the spirit of our trade agreements, in particular, the bilateral agreement with Vietnam this body approved earlier this fall. And they are right on both of these points, but not for the reasons they describe.

This issue does touch on free trade and on the integrity of our agreements. It touches on the fairness of trade and on the trust that we ask our citizens in this country to put into our trade agreements.

For global market liberalization to succeed, it must be built on a strong foundation of rules. This rules-based market system must be transparent and fair. It must be reliable and it must encourage market confidence.

That is one reason we worked so hard to negotiate our trade agreements within the auspices of a stable, multilateral institution such as the WTO. If we do not work within a reliable, predictable rules-based system, then people lose faith in the promise of free trade and the free trade agenda is undermined. I do not think anyone in this body with the state of the economy wants to undermine the opportunities that free trade brings to this great Nation.

Many of our farmers have lost faith in our promises of free trade because they sense that their trading partners are not playing by the same rules. The House barely approved TPA last week in large part because rural Members and their constituents have lost faith in free trade. Our catfish farmers are now having to confront this issue of fairness and trust. They are having to confront imports of a wholly different kind of fish that is brought into this country but that is labeled as catfish.

Let's remember what it is we are talking about when we talk about catfish. As a young girl, I learned how to shoot using target driftwood on the Mississippi River. I also learned how to enjoy the outdoors and fishing by catching some big catfish in many of our lakes and streams in Arkansas, the thrill of being able to be a part of the environment and something that is a part of our heritage in Arkansas and in the Mississippi Delta region.

Some of us have in mind a specific kind of fish, the catfish that we grew up catching and eating. If we look at the chart, which has been shown to you by my colleague from Arkansas, which was prepared by the National Warmwater Aquaculture Center in Stoneville, MI, we see, as my colleague pointed out, what catfish consumers in this country think of as classified taxonomically under the family known as Ictaluridae.

It is a week before Christmas, a time when we should all be focused on family and getting home to our families so we can celebrate this Christmas. Let's look at this family column of what we are talking about. Look at the Ictaluridae area of the family column, more specifically known by its genus species as the channel catfish, which is what we are talking about today. In contrast, the basa fish that is being imported and labeled as "catfish" is classified under the family name here known as Pangasiidae. So not only are the channel catfish and the basa fish not members of the same genus species, they are not even members of the same family. They are only members of the same taxonomic order.

To get an idea of what this means or of how different these fish are, let's look at classifications of other items that we buy and consume. I mentioned this in my comments when we did bring up this amendment on the floor and talked about the bill we had introduced.

An Atlantic salmon and a lake trout, as my colleague mentioned, are members of the same family. So they are closer relatives than are the channel fish, catfish, and the basa fish. I suppose if we are prepared to say that basa would be sold under the label of "catfish," then lake trout can be masqueraded as Atlantic salmon. I imagine many of my colleagues in this body would disagree with that.

Here is another one: A cow and a yak are members of the same family; once again, closer relatives than the channel catfish and the basa. So if we are prepared to say that the basa can be sold under the label of "catfish," then we are more justified in saying that yak meat can be labeled and sold as New York strip steak. Or how about a camel or a giraffe? Both are members of the same order as a cow so just as close as the channel catfish and the basa fish. I suppose our opponents believe that an importer ought to be able to label a camel or a giraffe as beef and deceive the consumers into thinking they are buying filet mignon. Of course, it would be absurd to let a business deceive a consumer in such an egregious manner. To do so is nothing more than outrageous deception.

Do not let the other side fool you by suggestions that all fish are the same. It is not true, not any more than saying all four-legged mammals can be sold as beef.

These basa fish are brought into this country, packaged to mimic American brand names, even to mimic U.S. brand emblems for catfish, then labeled and sold to consumers as catfish in a blatant attempt to deceive the consumer into thinking he or she was buying a certain kind of catfish. That catfish they think they are buying is the North American channel catfish, not a basa fish.

This issue really hits home in Arkansas. As was mentioned by my colleague, we are talking about the Mississippi River Delta region of Arkansas where I grew up, one of the poorest regions in the Nation, one of the areas where our catfish farmers have contributed significantly to the economic viability of our Mississippi Delta counties, an area which has already been hit hard by the downturn in the rural economy which occurred over 4 years ago or better.

At a time when terribly low prices of other crops have been sending more and more farmers into bankruptcy, our catfish farmers have been able to scratch out a living by carving out a new market in this stable economy. These are farmers who in years past have left row cropping, who have found an environmentally efficient way to take their lands, their productive lands, and put them into aquaculture, thereby not only looking at the environmental impact statement they can make, the economic impact they can make, because they will hire more individuals and put more individuals to work, but also carving out a niche in the economy that needed to be filled.

So many of these farmers and workers once worked in production of other crops. As we have seen, the market for those crops has gone in the tank. There wasn't a very proud commercial market in catfish to speak of, but these farmers and these workers, after finding it nearly impossible to make a living in other crops, saw an opportunity to develop a market and build an industry. That is exactly what they have done over the last 15 to 20 years. They have built from scratch this market for aquaculture. So many of these communities, these farmers, their families and related industries invested millions and millions of dollars into building a catfish industry and into developing a catfish market. It has taken years, but they have done it. They are still doing it.

But now, just as they are seeing the fruits of their years of labor and investment, just as they are finding a light at the end of the rural economic tunnel, they find themselves facing a new and even more devious form of unfair trading practice. The people importing these Vietnamese fish see a growing market of which they can take advantage. It is irrelevant to them that what they are selling is not really catfish.

Why are they doing it? Because the catfish market in America is growing. Americans like catfish. As the Senator from Arizona mentioned, it is wholesome and healthy. It is safe. But as in any other crop in this Nation, as we continue to demand of our producers in this great Nation that they produce the safest—environmentally safest and product safest—economical product, we must be willing to stand by them, whether it is in an incredibly good farm bill, which the chairman has produced, or whether it is in trading practices to ensure that we stand by our producers.

American-raised catfish is farm raised and grain fed, grown in specially built ponds, cared for in closely regulated and closely scrutinized environments that ensure the safest supply of the cleanest fish a consumer could purchase.

Some basa fish are grown in cages in the Mekong River in conditions that are far below the standards which our catfish farmers must meet. Do consumers know that? Are they aware of the product they are getting? It is an unfair irony that our catfish farmers, many of whom left other agricultural pursuits, find themselves once again in the headlights of an onslaught of unfair trade from another country.

It is not true, as Senator McCAIN has suggested, that these are simply wealthy agribusiness corporations with deep pockets. These are farmers and workers and families who have built their lives around a productive aquaculture business, who have been scrapping out of the land and the mud of the Mississippi Delta a living in an area that has been so traditionally downtrodden.

In fact, 70 percent of the catfish processing workforce consists of single mothers in their first jobs. These are single working mothers, many of whom are coming off the welfare rolls in one of the poorest regions in the country. One of the farmers from Arkansas whom I know, a gentleman named Randy Evans, is a Vietnam veteran himself who has sunk his life savings into his catfish farm. Another year like the last one, he tells me, and he will be out of business. His story is a common one.

Another farmer, Philip Jones, also from Arkansas, decided to quit farming in other crops 4 years ago because it was too tough to make a living and decided to throw his and his wife's savings into the catfish business. Now, as Randy Evans, they face losing all of their savings and going out of business if the next year is like the last.

To hear the other side describe, the troubles these farmers are facing couldn't possibly have anything to do with increasing sales of basa as catfish. They will try to point out that basa imports represent only 4 percent of the catfish market. But that's only if you look at the entire catfish market. What they don't tell you is that basa imports are primarily in the frozen filet market, which is the most profitable market within the catfish business. And within the frozen filet market, basa imports have tripled—tripled—each of the last couple of years—from 7 million pounds to 20 million pounds annually.

Looking at that trend line, it is easy to understand how imports of these misleadingly labeled basa fish will very soon have a devastating effect on the catfish industry; that is, unless something is done to bring some fairness to the marketplace.

My colleagues and I felt that this problem could best be resolved by addressing the unfair trading practice where it occurs—at the labeling stage. That is exactly what the language included in the Agriculture appropriations bill does, which was signed into law by President Bush on November 28, just 3 weeks ago. It simply prohibits the labeling of any fish as "catfish" that is in fact not an actual member of the catfish family "Ictalariidae."

We are not trying to stop other countries from growing catfish and selling it into this country. We simply want to make sure that if they say they are selling catfish—then that is what they are really doing. It does not violate the "national treatment" rules in our trade agreements, nor should it violate our bilateral agreement with Vietnam, as some may argue. That is because the language included in the Agriculture appropriations law applies to anybody who tries to mislabel fish as "catfish," whether that mislabeled fish has been grown in Asia or in Arkansas.

I have heard some people mention a case involving sardines and the European Union. In that case, the EU is trying to limit the label of "sardines" to a specific genus species that is harvested in the Mediterranean. That case is different from ours for three reasons.

First of all, the European action violates an applicable international standard that is binding on the EU under the Technical Barriers to Trade Agreement. There is no applicable international standard that applies to catfish. So one of the main objections to the EU sardines case is not even relevant to our case.

Second, the EU action would change the way sardines imports had already been handled. So the EU action represented an about-face of sorts against the way the sardines importing industry had been doing business. This is different from our case because these basa imports have only recently begun to deluge our market. So there is no existing way we have dealt with the catfish labeling issue. We are establishing that manner right now.

Third, as I mentioned earlier, the EU action would limit the label of sardines to within the specific genus species that is harvested in the Mediterranean. So sardines that are within the same taxonomic family as the European species could not use the sardines label. This is different from our case because we're talking about fish that is not even a member of the same taxonomic family.

And do not let others sell you on the argument that we would violate the "national treatment" and most-favored-nation provisions of our trade agreements. Our language focuses only on the types of fish, not on the place of origin, so it would apply equally whether the fish is grown in Asia or in the Mississippi Delta.

If our trading partners want to raise catfish of the "Ictaluridae" family overseas and import it into this country under the label of "catfish," then they can do that. Our language does not seek to stop them. It only requires them to deal with the consumer honestly. It only prohibits them from deceiving the consumer.

This is about truth and fairness and that is what the language included in the Agriculture appropriations law accomplishes. So our colleagues on the other side of this issue are right when they say this is about preserving the integrity of our trade agreements.

What is at stake is whether we will honor the spirit of a rules-based global trading system that relies on transparency and fairness. Will we encourage our farmers and workers to trust increased trade? If so, then vote against this amendment.

I, once again, would like to go to and reconfirm that this is not an issue of campaign finance reform. This is an issue of jobs—jobs in an area of our country that has traditionally suffered unbelievable poverty and unemployment. These are about hard-working families, in an area of our country that, again, has been downtrodden for years. It is about encouraging diversity in an industry, particularly agriculture, where we have seen our agricultural producers in this great Nation who have been farming away the equity in their farms that their fathers and grandfathers and great-grandfathers built up before them because we haven't provided them the kind of agriculture policy that could sustain them in business. It is providing the diversity that when row crops can't provide that stability, they can diversify into aquaculture, into an area where they can employ more people and preserve the environment, and they can make an effort at building a part of the economy that needs to be built in this great Nation.

I thank the Senator from Arizona again for his leadership and for always coming forward to try to set us straight. I respectfully disagree with him. I ask my colleagues to join me in supporting the people of the Mississippi Delta, the farmers of this Nation who have been willing to diversify and to seize a marketplace that needed to be seized, and to give them fairness so that once again the American farmer, the American producer, can have faith in the integrity of the free trade that this Nation stands behind on their behalf.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, surely God must be smiling that we are here on December 18th talking about catfish. I would like to try to address all these issues that have been raised as quickly as I can and get to the bottom line of what this issue is about.

Let me first say I take a back seat to no man or woman on the issue of catfish. I have eaten as many or more catfish than anyone in the Senate. In fact, as a boy growing up on the Chattahoochee River, I can remember buying catfish from people along River Road who had up a sign: "Our catfish slept in the Chattahoochee river last night."

I think it is an incredible commentary on how poorly we understand trade that we have heard an endless debate today about what the income level of catfish producers is while nobody has mentioned catfish consumers. Is there anybody here who would be willing to wager whether the average catfish consumer in America is substantially poorer than the average catfish producer? Nobody would make that wager. Nobody thinks there is any question about it.

The amazing thing about the debate on trade is that nobody cares about the consumer. The consumer is absolutely irrelevant in the trade debate. The trade debate is basically about single-entry bookkeeping. Nobody looks at all the agricultural products that the Vietnamese buy from America. Nobody looks at all the jobs that creates. Nobody looks at the fact that every American dollar that goes to Vietnam, or any other country, for that matter, comes back to America in purchases. We are focused on single-entry bookkeeping, and in this sort of naive world of the Senate trade debate, the end of all activities is exports. Imports seem to be terrible things.

If that is true, I wonder why my colleagues go to the grocery store. They talk about free trade. But when is the last time Kroger or Safeway bought anything from you? They have never bought anything from me. I have never sold anything to a grocery store. I am engaged in absolutely one-way unfair trade with the grocery store. The groceries sell things to me but they do not buy things from me. If I listen to the logic of this debate, we should be putting up barriers to people getting in the grocery store because of unfair trade.

Maybe I have been following these debates for too long, but I thought the end of all economic activity was consumption. Does no one care about what impact this provision will have on consumers? Does anybody doubt that limiting competition in the sale of catfish will hurt poor people? It will, and it will hurt them everywhere—not just in Arkansas, not just in Texas, but everywhere.

I also do not understand the point about people in Arizona being richer than people in Arkansas. On that logic, why don't we simply have amendments to redistribute wealth? I do not think any of that is relevant.

My point is that no one can dispute that the average consumer of catfish is poorer than the average producer of catfish. So if we are here choosing up sides based on income, we would all be against the provision that limits competition in catfish. But obviously, that is not what we are about.

Let me try to address some of the issues that have been raised. First of all, many comments have been made today that I do not think comport with existing regulations and laws. I have here a September 27 directive by Phillip Spiller, who is director of the Seafood Center for Food Safety and Applied Nutrition, about labeling of Vietnamese catfish. I will ask that it be printed in the RECORD when I get through speaking. He lists about 30 commercial catfish labels, none of which is just plain catfish. You can label it basa catfish. You can label it bocourti catfish. You can label it short barbel catfish. You can label it sutchi catfish. You can label it striped catfish. But you certainly cannot label it plain catfish. So the idea that we have no way to indicate whether or not catfish is U.S. catfish just does not comport with the regulations in place today.

In looking into this issue, and trying to find a neutral source, we pulled up www.fishbase.org, which is a taxonomic database on the Internet that serves as a reference for fisheries scientists. Rather than going to an old dusty library and pulling out a reference book and blowing the dust off it, you now can call up this information from a database on the Internet. And up pops various kinds of catfish.

It is interesting to me that our colleagues are so adamant that the catfish grown in Vietnam is not catfish. That will come as a surprise to the scientists who compiled the taxonomic database at fishbase, because sure enough, right there on the database—and I challenge my colleagues to look it up—is this basa catfish. So apparently the scientists are confused. They may call this a basa catfish, and they may have a picture that goes with it that sure looks like a catfish to me. But we, of course, have in-depth knowledge of the catfish and the catfish family and its scientific names.

I went to great trouble to actually get a photograph of this nefarious catfish. Just the growth of this catfish puts people out of work, and spreads hunger and disaster across the globe. Here is a picture of a very young one. If you put that before any child in America over the age of 3 and asked, what is that fish, what would they say? Mama, it's a catfish.

I have a blowup of this picture. See those whiskers? Do you think that is a crab or a bass or a salmon? It is a catfish. Not only does it look like a catfish, but it acts like a catfish. And the people who make a living in fisheries science call it a catfish.

Why do we want to call it anything other than a catfish? We want to call it something other than a catfish because of protectionism. I have never run into a man or woman serving in public office who said: I am a protectionist. Nobody says that. They are always for free trade, but they are never for free trade in anything that in any way affects anybody they represent. It never ceases to amaze me. I do not know what free trade they favor other than something their state does not produce. But that is not the way trade works.

Let me address the many other issues raised. One argument we hear is that this Vietnamese catfish is an inferior import. If it is inferior, why do restaurants buy it in such overwhelming volume? Do they not want people to come back to their restaurant? Are they not interested in customer loyalty? And if it is inferior, why has no one presented us with taste test results? I do not know that such a test has ever been done. Do you know why I do not think it has been done? Because people would not be able to tell the difference. There obviously is a difference between a mud cat and a channel cat. I prefer the channel cat. If you tried to serve mud cat in a restaurant, you would not have many repeat customers.

Restaurants are serving basa catfish because it is good catfish, people like it, and it is cheaper. You might say that there is something wrong with it being cheaper. What is trade about except seeing products become cheaper? Why would we trade with anybody for any item unless we could buy it cheaper from them than we could produce it for ourselves? That is what trade is about. That is where we gain from trade. But all that gets lost in this debate.

What about a nutrition study? Does Vietnamese catfish have the same nutritional value as U.S. catfish? Is it nutritionally inferior? When consumed by the human species are its digestive qualities different? I suspect not, because certainly the proponents of preventing this catfish from being called a catfish would have done these studies if they thought there were any possibility of generating data in their favor.

On the argument regarding a surge in imports, it all depends on where you start. It is true that between 1997 and 2000, there was a big surge in catfish imports, from .9 million pounds to 8.2 million pounds. But if you go back to 1986, the level of imports then was 8.2 million pounds. So the level of imports has not changed, at least as measured in million-pound increments, since 1986. It may have declined in 1997, but in terms of imports, we are not appreciably different today than we were in 1986. This data is data from the State Department. It is unclassified and available for everyone to look at, and I ask my colleagues to look at it.

In terms of dirty conditions, where is the evidence? The State Department was asked to go out and look at how the Vietnamese catfish were grown, and they have come back and tell us that the conditions are highly sanitary. It is interesting that at this very moment, the Chinese are beginning to produce channel cat from American strains. There is no evidence to suggest that the Vietnamese could not ultimately produce channel cat. What would the argument be then?

It seems to me all of the arguments we are hearing today come down to an argument against trade. The question turns on what is in a name.

Imagine for a moment that Alaskan king crab were required to be labeled as "giant sea spiders." Just imagine that I am in France and I don't want these Alaskan king crab brought into France because they are good, relatively inexpensive, and superior to the crab we have in France. The Alaskan king crab is a different subspecies. As everyone who has ever seen a blue crab and an Alaskan king crab knows, one is a No. 1 jimmy, the very top one you can get, at about 6 inches across. Then there are various gradations in the Maryland blue crab.

Mr. McCAIN. Will the Senator yield? Shouldn't we change the name of one of those?

Mr. GRAMM. My point.

Mr. McCAIN. They don't look as much alike as the catfish shown in the pictures, yet we will make sure that the term "catfish" is removed. I don't see why either the dungeness or the blue, one of those, should clearly not be called "crab."

Mr. GRAMM. The point is, what is the purpose of a name? The purpose of a name is to convey information. A blue crab, a dungeness crab, a king crab—all are labeled as crab because, while they look very different and are very different sizes, they basically are similar creatures and a very high quality food source. Why would you call them anything but the same thing unless the objective was to try to reduce or remove one of the products from the market?

Now, we produce Alaskan king crab. It is a superior product. I don't know whether people that produce it are rich or poor. I know anybody who has enough income to afford Alaskan king crab likes to eat it. I do. But if I were in France and I were in the crab business and I didn't want to compete against Alaskan king crab, what would I do? I would say this is not a crab. I would say that our French crab is a superior product and this Alaskan king crab is an inferior product that is being foisted off on French consumers by French chefs.

What about the Florida stone crab that is so expensive and that people like so much? Now, I will say, and I speak with some authority, poor people do not eat stone crabs because it is expensive. It is very expensive. And it is very, very good. If I am in France, I have this crummy little crab they grow in France. It is good, but it does not compare to the Florida stone crab or the Maryland blue crab—I sing its virtues—or the Alaskan king crab. I don't know whether God didn't love them as much as he loves us, but he gave us this great variety of crabs. If I am a French crab grower—a "water man" as they call it on the eastern shore of Maryland—I might start a campaign because I don't want to compete against these crabs by going to a French parliamentarian.

Do you think that parliamentarian would stand up and say: Although the American crab are better and cheaper, we don't want them in France because we think consumers in France are not paying enough for crab. We want to literally steal the crab right out of their mouths. We want to rip them off.

Do you think you would stand up and say that, even in the French parliament? I think not. You know what I think the parliamentarian would say? He would get a picture of a glorious French crab and he would say: Monsieur, this is a crab. And then he would talk about the French water men who go out in the North Sea, with the winds blowing, where it is cold and risky. He would have a picture of a water man who fell and broke his leg during a storm, and with tears in his eyes, he would say: Are we going to take bread out of their mouths? Are we going to let Americans continue to send these inferior crabs into France? And then they would take down the picture of the French crab, with its scientific name, and he would put up a picture of the Alaskan king crab, and he would say: Can anyone say that is a crab?

Then he would put up a table showing a family tree of the crab. He would show the crummy little French crab at the top, and the Florida stone crab and the Alaskan king crab, way down here. He might even argue that genetically, the Alaskan king crab is closer to being a lobster than to being a crab. I don't know. I have not looked at the crab family tree.

Then he would say: We cannot allow these Americans to call this thing a crab. So he might suggest to the French parliament: Let us call it some scientific name that would scare consumers to death, like a giant sea spider.

Now you go into a grocery store in France, and you see these Alaskan king crab—superior to any crab grown in France, and cheaper to boot—and it is labeled in French "giant sea spider." Why would it be called a giant sea spider instead of a crab? Because the French crab grower does not want people to buy it.

That sums up what this debate is about. How can you sell catfish when you can't call it catfish? If the suggestion were to require that the catfish be labeled "Vietnamese catfish," I would vote for it. I don't think that is a good idea nor one that would benefit me. I don't get all these arguments about it being unpatriotic to buy some product from another country at the same time that we want them to buy things from us. I don't understand it. I think that view is a road to poverty. I think that that view is what politicians have done to their people for thousands of years.

The new thinking, the new revolution is trade. But what this is about—with the best of intentions—is the fact that we have competition in catfish. It has gotten cheaper. The consumer has benefitted, real income has risen, and nutrition levels are up because catfish now is cheaper.

What we are debating now is an effort to take what the Internet reference database used by the scientists call a "catfish" and say they don't know what they are talking about because it is not a catfish. Just like the French might say the Alaskan king crab is not a crab. Instead we will force the Vietnamese catfish farmers to market their catfish under a name that nobody knows. Who knows what "basa" is?

Let us say that I am a low-income person. I am looking at every penny. I am working. I have gotten off welfare. I am going to the grocery store to buy a product: catfish. So I go to the catfish counter, and I see catfish. It looks kind of high in price. Then I see basa over here. It looks like catfish, but I don't know if it is catfish.

Is forcing sellers to call a product by a name that has nothing to do with our common knowledge of the product an insurmountable obstacle to trade? I believe that it is. I believe that any trade panel impaneled anywhere in the world would rule that this practice is an unfair trade practice. If scientists say it is a catfish, why don't we say it is a catfish? Why would we say it is not a catfish? If there were no significant imports of Vietnamese catfish, would we be in a debate about whether this is catfish?

If this were a gathering of ichthyologists—the name for people who study fish—would we be debating whether this catfish is a catfish? No, we would not be debating it. We are debating it because people want protection. I understand why they want it. I am not saying some people may not be hurt without the protection, without destroying the ability of a competitor to compete.

But my point is this: We are the greatest exporting nation in the world. Protectionist efforts are being directed at us all over the world. Similar debates are occurring in every parliament and every congress on Earth. In fact, right now there are efforts in the European Community to change our ability to market U.S. sardines. And the French have tried to label foreign scallops as not being scallops. I can't pronounce the French name for scallops. Why are they doing that? Is not a scallop a scallop? Quite frankly, even though the French scallops are smaller, they are superior to ocean scallops. Why are they doing that in France?

Mr. MCCAIN. Mr. President, is the Senator aware that the suit was brought against France for exactly that—mislabeling scallops? The United States is one of them. WTO ultimately ruled against the French and changed the regulation, as they will rule against this. But it would take years to do it.

Mr. GRAMM. Why do the French want to say a scallop is not a scallop? Because they wanted to cheat French consumers. They wanted to make French consumers consume their domestically produced scallops rather than being able to buy scallops from around the whole world.

Why is concern focused only on the people who produce things and not the people who consume things? How extraordinarily different that world view is. Quite frankly, when I look to the future, it frightens me that at the very time when we are seeing developing countries start to open up trade, developed countries are restricting trade. We are the greatest trading country in the world, with the largest export and the largest import base of any country on the planet. Yet somehow something is said to be wrong.

I am reminded of Pericles, who gave the funeral oration each year in Athens to honor those who had died during the Peloponnesian War. Other than the Gettysburg Address, probably the most famous speech ever given was Pericles's funeral oration. It is very interesting that of all the things Pericles could have chosen to show the greatness about Athens, he picked out trade, and specifically, imports. He didn't pick out exports, although he could have said that if you go all over the world you will find products from Athens. But he didn't say that. He said: "Because of the greatness of our city, the fruits of the whole earth flow in upon us, so that we enjoy the goods of other countries as freely as of our own." To Pericles, that fact represented the greatness of Athens.

But yet, in America, the greatest, richest, freest country in history, we are debating a proposal that a catfish is not a catfish because catfish are too cheap and we want to restrict competition by forcing people who produce catfish in Vietnam to call it something other than catfish. Quite frankly I think that is a problem.

Let me make a couple of other points.

What is a red snapper? I thought I knew what a red snapper from the gulf was. I am sure the Presiding Officer, if I asked him to draw a picture of a red snapper, would draw the same picture of a red snapper: a red fish that is kind of flat. But if you asked Senator STEVENS or Senator MURKOWSKI to draw a red snapper, they would draw a very different fish because, in fact, the red snapper of the gulf coast is a very different product from the red snapper of Alaska. Should we pass a law that says you can call one a red snapper but not the other? Would that make any sense?

I have already talked about crab, and the example of the French parliamentarian. Can you imagine the great passion he could muster in making his argument—an argument that quite frankly, would be a better case than we have here? The difference between the Alaskan king crab and the crummy little French crab is far starker than the difference between these two catfish.

All over the world today, this very same debate is going on about what is crab and what is not crab, what are scallops and what are not scallops, or what are sardines and what are not sardines. Does this debate serve any purpose other than to cheat people, to limit trade, and to produce declining living standards?

Finally, let me say that this effort won't end with seafood. Is pima cotton the same thing as short-strand cotton? Is the cotton produced in Arizona and West Texas the same cotton that is produced in Georgia and central Texas? Is Egyptian cotton the same as U.S. cotton? Could we not find ourselves in a similar debate over, literally, buying sheets?

I have a son who is getting married on the 19th of January. I have become an expert on bedding. When you want to give someone the nicest sheets, you get sheets made of pima cotton or Egyptian cotton, because that is long-strand cotton. And you look for a large number of threads per square inch.

If the United States Senate changes by legislation what catfish is for the purpose of trade—even though scientists classify catfish differently—is it hard to imagine that we might actually see a proposal that says Egyptian cotton is not cotton? Is that out of anybody's imagination? It is not out of my imagination. We could literally have a situation where a superior product—long-strand cotton—could not be sold because it was not allowed to be called cotton and consumers were not able to know what it was.

I understand cotton. I must be like every other Member of Congress in that I have been given thousands of T-shirts every year. If it is not 100-percent cotton, I give it away. First I give it to my staff. If they don't want it, I send it off to somebody who is collecting clothes. It is not that I would take it if it said "Free Love" or something like that on it. But I want 100-percent cotton.

What if, for political reasons, we started saying that some kinds of cotton are not cotton? The only reason someone would want to do that would be to impede trade. The purpose of this effort to prevent the use of the name "catfish"—the name used by fisheries scientists—for imported catfish is to impede trade.

Catfish, at the end of the day, is important to our trading partners in Vietnam. We could cheat them. And we could cheat catfish consumers, who probably would never know it. The millions of people who eat catfish have no idea that we are debating this today.

I am guessing that some catfish producers are looking over my shoulder and sending letters back to Texarkana or the Golden Triangle—where people grow catfish—asking whether PHIL GRAMM cares about catfish producers. Yet nobody is looking over my shoulder asking whether I care about the catfish consumer.

This is how bad law is made. Even though nobody other than a few catfish producers is ever going to know how senators vote, I urge my colleagues to vote with Senator MCCAIN because this is an important issue. If we start changing names to impede trade, who is more vulnerable to this kind of cheating than the United States of America? If we can do this to Vietnamese catfish, it can be done to every agricultural product that we produce.

In fact, it is being done to our beef exports today in Europe using phony science. The scientific community says growth hormones have no impact. Yet the Europeans, for protectionist reasons, have reached the conclusion they do. It is limiting American cattle growers and it is cheating Europeans out of a superior diet.

The problem with cheating in little ways in trade is that it undercuts our credibility when we tell other nations to treat people fairly and to respect free trade.

I want to make one final argument. I know people flinch when I say it, but it needs to be said. I personally do not believe that the Vietnamese or the Chinese or anybody else will put us out of the catfish industry. But God did not guarantee that people have a right to be in the catfish business. I did not get to play in the NBA or the NFL. I did not get to act in movies. Nobody guaranteed me those rights. If other people can produce a catfish product that is better and cheaper than our catfish, what is wrong with letting consumers buy that catfish and letting us engage in the production of products that we do better?

One final point, and then I will end my statement. Trade creates progress and increases living standards. Take textiles. For years, political representatives of the South tried to protect textiles—a low-wage industry that in the old days provided very poor working conditions and very poor benefits. By the way, Americans pay twice as much for their clothing as they would pay if we had free trade in textiles. Our textile policy literally steals money out of the pockets of working men and women in America, and cheats them every day through protectionism in textiles.

Now any job is a godsend to anybody who wants to work. But Senator McCain and I recently were in South Carolina together campaigning at a BMW plant. I was struck by the fact that the old textile plants had gone broke anyway, and the same people who had worked in the textile mills now were working at BMW at three times the wages and with substantially better working conditions.

I urge my colleagues: Let's not get into the business of saying that a catfish is not a catfish for a quick benefit today, because in 100 or 1,000 or 10,000 other ways the same game can be practiced on us. And we are far more vulnerable than the poor Vietnamese because they do not produce and sell many things. We produce and sell things all over the world. And when we start this kind of business, it encourages others to do the same against us. Certainly then the impact would become significant enough that people would pay attention.

So I thank Senator McCain. His objection to this proposal is in part because the proposal is unfair, and in part because of the way the proposal was enacted. But as trivial as this issue may seem now, at 4:35 on the 18th of December, when we should long ago have gone to our homes and made merry with our families—as trivial as it sounds at the moment, saying that a catfish is not a catfish for political reasons is dangerous business. It may benefit a few producers—although not the consumers, who nobody cares about—in a couple of States today, but it could hurt every State in the Union and every consumer in the world tomorrow. That is why Senator McCain is right on this issue.

I yield the floor.

Mr. LOTT. Mr. President, I understand that Senator McCain is offering an amendment to the farm bill which would strike a key provision of the fiscal year 2002 Agriculture Appropriations Conference Report. Earlier this year, the House and Senate sent to the President an Agriculture Appropriations report which contained language banning the commercial and legal use of the word "catfish" by importers and restaurants for the Vietnamese basafish. I rise to support our earlier conference agreement, and I voice my opposition to the McCain amendment to the farm bill. As many of you know, the domestic catfish industry is very important to my home State of Mississippi. Commercially-raised North American catfish farms and processing facilities bring jobs and benefits to many people living in the communities of the Mississippi Delta, one of the poorest regions in America. I fear that the McCain amendment will undo much of the hard work by private companies and government officials to bring economic development to this region.

I have heard from catfish producers and processors in Mississippi, Alabama, Arkansas, and Louisiana regarding the unfair marketing of the Vietnamese basafish as a "catfish" in stores and markets across the entire country. I agree with their arguments that by permitting this Vietnamese fish to be imported and marketed as a "catfish" the Food and Drug Administration, FDA, is allowing customers to be misinformed and defrauded. Domestic catfish industry officials rightfully fear they will lose revenue and that their businesses and workers' livelihoods will be endangered.

The scientific fact is that the basafish is not closely related to the North American channel catfish and thus should be commercially and legally identified as a separate variety of fish so that American consumers are fully informed as to what they are buying.

The Vietnamese basafish and the North American channel catfish are as genetically-related to one another as a cow and a pig. All we want is for the FDA to provide the same scientifically-based commercial distinction between these two items as they give between beef and pork. We want sound science to define what is a catfish and what is not. I ask unanimous consent that a copy of the attached taxonomic chart be printed in the Record following my statement to reinforce the above argument.

Now, some will argue that the fiscal year 2002 Agriculture Appropriations report discourages free trade. I disagree with such an assessment. It is not our intention to ban the importation of the Vietnamese basafish into the United States through this legislation. The fiscal year 2002 Agriculture Appropriations report will only require the FDA to recognize what science does, that this fish is not a "catfish."

I believe that the Agriculture Appropriations report actually encourages fair trade between America and emerging markets like Vietnam. Throughout this past year, my constituent catfish producers and processors have expressed their willingness and ability to compete head-to-head with consumers against the Vietnamese basafish for the frozen filet market demand, provided that Federal and State regulators direct importers and restaurants to honestly and correctly market the Vietnamese basafish as a Vietnamese basafish and not as a "catfish". Under a regulatory system based on sound science my constituents are confident that the North American channel catfish will easily outsell the Vietnamese basafish in the United States.

I encourage my colleagues to vote for fair trade, sound science, and informed consumers by opposing the McCain amendment.

Mr. McCAIN. Mr. President, I wish to draw my colleagues' attention to an action Congress recently took, but which they most likely know nothing about, a severe restriction on all catfish imports into the United States. Much more is at stake here than trade in strange-looking fish with whiskers. In fact, this import barrier has grave implications for the U.S.-Vietnam Bilateral Trade Agreement, for our trade relations with a host of nations, and for American consumers and fishermen. America's commitment to free trade, and the prosperity we enjoy as a result of open trade policies, have been put at risk by a small group of Members of Congress on behalf of the catfish industry in their States, without debate or a vote in the Congress. Consequently, Senators Gramm, Kerry, and I are offering an amendment to the farm bill to elevate the national interest over these parochial interests by stripping this narrow-minded import restriction from the books and ensuring that we define "catfish" for trade purposes in a way that reflects sound science, not the politics of protectionism.

During consideration of the Senate version of the Agriculture Appropriations bill for fiscal year 2002, I voiced deep concern about the managers' decision to "clear" a package of 35 amendments just before final passage of the bill. The vast majority of Senators had received no information about the content of these amendments and had had no chance to review them.

As it turns out, I had good reason to be concerned. Included in the managers' package was an innocuoussounding amendment banning the Food and Drug Administration from using any funds to process imports of fish or fish products labeled as "catfish" unless the fish have a certain Latin family name. In fact, of the 2,500 species of catfish on Earth, this amendment allows the FDA to process only a certain type raised in North America, and specifically those that grow in six southern States. The practical effect is to restrict all catfish imports into our country by requiring that they be labeled as something other than catfish, an underhanded way for U.S. catfish producers to shut out the competition. With a clever trick of Latin phraseology and without even a ceremonial nod to the vast body of trade laws and practices we rigorously observe, this damaging amendment, slipped into the managers' package and ultimately signed into law as part of the Agriculture Appropriations bill, literally bans Federal officials from processing any and all catfish imports labeled as what they are, catfish.

Proponents of this ban used the insidious technique of granting ownership of the term "catfish" to only North American catfish growers, as if southern agribusinesses have exclusive rights to the name of a fish that is farmed around the world, from Brazil to Thailand. According to the Food and Drug Administration and the American Fisheries Society, the Pangasius species of catfish imported from Vietnam and other countries are "freshwater catfishes of Africa and southern Asia." In addition, current FDA regulations prohibit these products from being labeled simply as "catfish." Under existing regulations, a qualifier such as "basa" or "striped" must accompany the term "catfish" so that consumers are able to make an informed choice about what they're eating.

These fish were indeed catfish until Congress, with little review and no debate, determined them not to be. No other animal or plant name has been defined in statute this way. All other acceptable market names for fish are determined by the FDA, in cooperation with the National Marine Fisheries Service, after a review of scientific literature and market practices.

What are the effects of this import restriction? As with any protectionist measure, blocking trade and relying on only domestic production will increase the price of catfish for the many Americans who enjoy eating it. One in three seafood restaurants in America serves catfish, attesting to its popularity. This trade ban will raise the prices wholesalers and their retail customers pay for catfish, and Americans who eat catfish will feel that price increase, a price increase imposed purely to line the pockets of Southern agribusinesses and their lobbyists, who have conducted a scurrilous campaign against foreign catfish for the most parochial reasons.

The ban on catfish imports has other grave implications. It patently violates our solemn trade agreement with Vietnam, the very same trade agreement the Senate ratified by a vote of 88–12 only two months ago. The ink was not yet dry on that agreement when the catfish lobby and their Congressional allies slipped their midnight amendment into a must-pass appropriations bill.

Over the last 10 years, our Nation has engaged in a gradual process of normalizing diplomatic and trade relations with Vietnam. Our engagement has yielded results: the prosperity and daily freedoms of the Vietnamese people have increased as Vietnam has opened to the world. The engine of this change has been the rapid economic growth brought about by an end to the closed economy under which the Vietnamese people stagnated during the 1980s. Many Americans, including many veterans, who have visited Vietnam have been struck by these changes, and the potential for capitalism in Vietnam to advance our interest in freedom and democracy there. We have a long way to go, but we are planting the seeds of progress through our engagement with the Vietnamese, as reflected most recently in ratification of the bilateral trade agreement by both the United States Senate and the Vietnamese National Assembly. Indeed, the trade agreement only took effect this week.

This trade agreement is the pinnacle of the normalization process between our countries. It completes the efforts of four American presidents to establish normal relations between the United States and Vietnam. It is the institutional anchor of our relationship with Vietnam, the 14th-largest nation on Earth, and one with which we share a number of important interests.

Yet in the wake of such historic progress, and after preaching for years to the Vietnamese about the need to get government out of the business of micromanaging the economy, we have sadly implicated ourselves in the very sin our trade policy claims to reject. The amendment slipped into the Agriculture Appropriations bill openly violates the national treatment provisions of our trade agreement with Vietnam, in a troubling example of the very parochialism we have urged the Vietnamese government to abandon by ratifying the agreement.

The amendment Senator GRAMM and I are offering today would repeal this import restriction on catfish. Our amendment would define "catfish" according to existing FDA procedures that follow scientific standards and market practices.

Not only is the restrictive catfish language offensive in principle to our free trade policies, our recent overwhelming ratification of the Bilateral Trade Agreement, and our relationship with Vietnam; it also flagrantly disregards the facts about the catfish trade. I'd like to rebut this campaign of misinformation by setting straight these facts, as reported by agricultural officials at our embassy in Hanoi who have investigated the Vietnamese catfish industry in depth.

The U.S. Embassy in Vietnam summarizes the situation in this way: "Based on embassy discussions with Vietnamese government and industry officials and a review of recent reports by U.S.-based experts, the embassy does not believe there is evidence to support claims that Vietnamese catfish exports to the United States are subsidized, unhealthy, undermining, or having an 'injurious' impact on the catfish market in the U.S." Our embassy goes on to state: "In the case of catfish, the embassy has found little or no evidence that the U.S. industry or health of the consuming public is facing a threat from Vietnam's emerging catfish export industry. . . .Nor does there appear to be substance to claims that catfish raised in Vietnam are less healthy than [those raised in] other countries." The U.S. embassy reports the following: Subsidies: American officials indicate that the Vietnamese government provides no direct subsidies to its catfish industry; Health and Safety Standards: The embassy is unable to identify any evidence to support claims that Vietnamese catfish are of questionable quality and may pose health risks. FDA officials have visited Vietnam and have confirmed quality standards there. U.S. importers of Vietnamese catfish are required to certify that their imports comply with FDA requirements, and FDA inspections certify that these imports meet American standards; A normal increase in imports: The embassy finds no evidence to suggest that Vietnam is purposely directing catfish exports to the United States to establish market share; and Labeling: The Vietnamese reached an agreement with the FDA on a labeling scheme to differentiate Vietnamese catfish from American catfish in U.S. retail markets. As our embassy reports, the primary objective should be to provide American consumers with informed choices, not diminish the choice by restricting imports.

The facts are clear, the midnight amendment passed without a vote is based not on any concern for the health and well-being of the American consumer. The restriction on catfish imports slipped into the Agriculture Appropriations bill serves only the interests of the catfish producers in six southern States who profit by restricting the choice of the American consumer by banning the competition.

The catfish lobby's advertising campaign on behalf of its protectionist agenda has few facts to rely on to support its case, so it stands on scurrilous fear-mongering to make its claim that catfish raised in good old Mississippi mud are the only fish with whiskers safe to eat. One of these negative advertisements, which ran in the national trade weekly Supermarket News, tells us in shrill tones, "Never trust a catfish with a foreign accent!" This ad characterizes Vietnamese catfish as dirty and goes on to say, "They've grown up flapping around in Third World rivers and dining on whatever they can get their fins on. . . .Those other guys probably couldn't spell U.S. even if they tried." How enlightened.

I believe a far more accurate assessment is provided in the Far Eastern Economic Review, in its feature article on this issue: "For a bunch of profit-starved fisherfolk, the U.S. catfish lobby had deep enough pockets to wage a highly xenophobic advertising campaign against their Vietnamese competitors."

Unfortunately, this protectionist campaign against catfish imports has global repercussions. Peru has brought a case against the European Union in the World Trade Organization because the Europeans have claimed exclusive rights to the use of the word "sardine" for trade purposes. The Europeans would define sardines to be sardines only if they are caught off European waters, thereby threatening the sardine fisheries in the Western Hemisphere. Prior to passage of the catfish-labeling language in the Agriculture Appropriations bill, the United States Trade Representative had committed to file a brief supporting Peru's position before the WTO that such a restrictive definition unfairly protected European fishermen at the expense of sardine fishermen in the Western Hemisphere. Like the Peruvians, a large number of American fishermen would suffer the effects of an implicit European import ban on the sardines that are their livelihood.

Yet as a direct consequence of the passage of the restrictive catfish-labeling language in the Agriculture Appropriations bill, USTR has withdrawn its brief supporting the Peruvian position in the sardine case against the European Union because the catfish amendment written into law makes the United States guilty of the same type of protectionist labeling scheme for which we have brought suit against the Europeans in the WTO. The WTO has previously ruled against such manipulation of trade definitions which, if allowed to stand in this case, could be used as a precedent to close off foreign markets to a number of U.S. products. I doubt the sponsors of the restrictive catfish language in the Agriculture Appropriations bill happily contemplate the potential of the Pandora's Box they have opened.

This blanket restriction on catfish imports, passed without debate and without a vote on its merits, has no place in our laws. I urge my colleagues to join us in striking it from the books and allowing science, not politics, to define what a catfish is by supporting our amendment.

Mr. KERRY. Mr. President, I rise as a cosponsor of Senator McCain's amendment. This amendment would repeal a provision in the recently enacted Agriculture Appropriations bill that prohibits for the current fiscal year, the FDA from using any funds to process imports of fish or fish products labeled as "catfish" unless the fish have a certain scientific family name that is only found in North America. The House-passed version of the Farm bill contains a similar provision that would make the ban on imports permanent. The amendment we are offering seeks to reverse this position as well.

A number of scientific classification organizations have identified over 30 distinct families of catfish world-wide and over 2,500 different species within these families. Quite frankly, the classification of species is a subject that I think is best left with the scientific community and the experts at the National Marine Fisheries Service and the Food and Drug Administration. I understand the concerns of the American catfish industry, however these kinds of trade wars only lead to our trading partners enacting similar protectionist measures against U.S. food producers.

For example, the European Union has passed a provision that prohibits the use of the word sardine for anything other than the European species of sardine. The Office of the U.S. Trade Representative was arguing to the World Trade Organization that the EU's new import policy restricting the labeling of sardines was unfair. After all, North American herring are a part of the sardine family, just like Vietnamese basa is part of the catfish family. Once the Agriculture Conference Report became law however, with its one year ban on imported catfish, everything stopped. American fishermen and processors in the Northeast have the Peruvian and Canadian governments to thank for stepping in to file a complaint with the WTO; otherwise American fishermen and processors have little hope of ever entering into the EU export market.

Back in 1993 the French government attempted a similar provision for scallops. Only European caught scallops could be sold as "Noix de Coquille Saint-Jacques", which reduced the market value of imported scallops by 25 percent. The U.S. and a number of other nations protested to the WTO and overturned the decision.

The U.S.-Vietnam bilateral trade agreement, which came into force this week, requires that each country give "national treatment" to the products of the other country when those products share a likeness with domestic products. By denying American importers the right to bring in Vietnamese catfish under the name "catfish", the provision enacted in the Agricultural Appropriations Conference report, and the language in the House-passed farm bill, violate the trade agreement by denying the same treatment to Vietnamese catfish as we give to American raised catfish.

The U.S.-Vietnam trade agreement is a vehicle for opening the Vietnamese economy to American goods and services. It is the precursor to a WTO agreement. For the United States to violate the letter and the spirit of that agreement by restricting the importation of Vietnamese catfish will undermine the process of implementation of that agreement before it has even begun.

I wish to remind my colleagues that Brazil, Thailand, and Guyana are all members of the WTO and all three countries also export catfish to the U.S. This provision would deny them access to our markets as well, and I would not be surprised if they successfully protest this matter to the WTO should we choose not to repeal this provision.

I understand the desire of my colleagues in the Senate and the House to try to help their domestic catfish farmers who have hit on hard times. I believe one of the ways to do this is to make it clear to the American consumer where the fish that they are purchasing comes from. Existing FDA and Customers regulations require country of origin labeling on catfish that is imported by U.S. companies. In fact, one of those importers in my home State of Massachusetts has shown me the label on his catfish. It leaves no doubt about the origin of the fish. However, I believe we should go a step further to include country of origin labeling for fish products at the consumer level as well. Consumers have a right to know where their food comes from.

I urge my colleagues to support this amendment.

Ms. SNOWE. Mr. President, I am very concerned about the precedent of arbitrarily determining the acceptable market name of any fish. We have never before set into statute a market name for any animal or plant. In the case of fish, the Food and Drug Administration works with the National Marine Fisheries Service to review the available scientific literature and common market practices. They will then provide the fishing industry with guidance on acceptable names for their catch. This is to ensure that the consumers are getting what they expect.

We have seen other countries draw arbitrary lines in the sand. In 1995, the French tried to say that only the local French scallop could be called by their common name, "coquilles St. Jacques." The result was that scallop fishermen in the United States who export their catch to France were essentially blocked from the market. You simply can't create a new name for a scallop and have consumers recognize what it is.

Peru and Chile challenged the French restriction at the WTO. The United States filed briefs in support of that challenge. The WTO ruled that the French restriction had no scientific basis and could not stand.

Unfortunately, that was not the end of this trend of discriminatory naming practices. Right now, the European Union has a restriction in place that prevents U.S. sardine fishermen from both the east and west coasts from selling their catch using any form of the word "sardine." Fishermen in my home State are even prevented from clearly identifying their product as not being from the EU and selling their fish as "Maine sardines" as they had in the past.

This restriction is also being appealed at the WTO by Peru. The U.S. Trade Representative had been working with the U.S. sardine fishermen to file a brief in support of this challenge. As a result of the language included into the Fiscal Year 2002 Agriculture Appropriations bill, however, the USTR determined that filing such a brief would be contrary to statute. As a result, the U.S. sardine fishermen have to rely on the Peruvian Government to prove the scientific merits of the case and regain their market access.

We must put a stop to this trend of arbitrary and discriminatory fisheries naming practices. In 2000, the United States exported over $10 billion worth of edible and non-edible fish and shellfish. This was a $900 million increase over 1999. Access to foreign markets is absolutely critical to our fishermen, and these naming practices only serve to undercut their efforts. Therefore, I urge my colleagues to join with me in supporting the amendment before us.

Mr. SESSIONS. Mr. President, I rise today in opposition to an amendment which would repeal a provision in current law restricting the use of the term "catfish."

The FY 2002 Agriculture appropriations conference report, recently signed into law, restricts the use of the term catfish to the family of fish that is present in North America.

Unfortunately, there has been a campaign of misinformation about what this provision does, and I want to take this opportunity to set the record straight.

First, the provision in the agriculture appropriations bill does NOT stop the importation of Vietnamese fish into the U.S. That would be a violation of the recently approved Vietnam trade agreement.

Rather, this provision only requires the fish to be called what they really are—they are "basa" fish and not catfish.

We learned in biology class about the classification of living things. We classify living organisms from kingdom on down to species.

Specifically, the subcategories are: Kingdom, Phylum, Class, Order, Family, Genus, Species.

Vietnamese "basa" fish are not the same species as North American channel catfish. They are not of the same genus either. They aren't even in the same family of fish.

These two fish are only in the same order.

Well guess what. Humans are in the same order—primates—as gorillas and lemurs.

We don't say that lemurs and humans are close enough to call them the same thing.

What about other animals? Pigs and cows are in the same order.

If an importer was shipping pork into the U.S. and passing it off to consumers as beef, we would rightly be outraged.

Some in the Senate may say that the taxonomy of fish is different. So let's take a look at an example of my point using trout and salmon.

Atlantic salmon and lake trout are closer to each other than basa fish and North American channel catfish.

They are in the same family of fish, yet we do not say that salmon and trout should both be called salmon.

It is a similar story here: the closest a Vietnamese basa fish is to a North American channel catfish is that they are in the same order. There are over 2,200 species in this order of fish.

The opponents of this provision say that because both fish have whiskers, they both must be catfish.

Do we call all animals with stripes zebras? Do we call all animals with spots leopards? Of course we don't. Similarly, because the fish has whiskers does not mean that it is a catfish.

The whiskers on fish are called barbels, and a number of species have them, including the black drum, some sturgeon, the goat fish, the blind fish, and the nurse shark.

By restricting the use of the word catfish to those species that actually ARE catfish, we can reduce widespread consumer confusion. Substituting species is extremely misleading to consumers.

These "basa" fish are being shipped into the United States labeled as catfish. These labels claim that the frozen fish filets are cajun catfish or imply that they are from the Mississippi Delta.

In fact, they are from the Mekong Delta in South Vietnam.

As a result, American consumers believe that they are purchasing and eating U.S. farm-raised catfish when in fact they are eating Vietnamese "basa."

The Vietnamese fish sold as catfish continue to be found to be fraudulently marketed under names that the Food and Drug Administration has determined to be fictitious.

These names are used to misrepresent imports as U.S. farm-raised fish. The provision that we have previously passed will reduce this consumer confusion.

Since 1997, the import volume of frozen fish fillets from Vietnam that are imported and sold as "catfish" has increased at incredibly high rates.

The volume has risen from less than 500,000 pounds to over 7 million pounds per year in the previous 3 years.

The trend has continued this year—the Vietnamese penetration into the U.S. catfish filet market alone has tripled in the last year from about 7 percent of the market to 23 percent.

The law of the United States and most countries seek to protect consumers by preventing one species of fish to be marketed under the preexisting established market name of another species.

When the Vietnamese fish in question first started to be marketed significantly in the U.S., importers sought and received approval of the name "basa" from the FDA.

However, some importers of the lower priced Vietnamese fish sold that fish as "catfish" to customers.

The name "catfish" was already established in the U.S. market for the North American species.

FDA has the legal responsibility to prevent "economic adulteration" of food products in the U.S. market.

FDA has described "species substitution" in seafood as an example of "economic adulteration."

FDA in recent years, however, has not taken an active role in enforcing these laws, and efforts made by the American farm-raised catfish industry to obtain enforcement went largely ignored.

To make matters worse, the FDA in August of 2000, at the request of import interests, authorized the Vietnamese fish to be marketed under the name "basa catfish."

My colleague from Arizona has mentioned on the Senate floor that this provision was done to protect the interests of "rich" agribusinesses in Alabama, Mississippi, Arkansas and Louisiana.

I invite him to come visit the Alabama Black Belt, one of the poorest areas in the United States, and see these operations for himself.

It is clear to me that this effort to go back and strike appropriations language is an effort being made on behalf of rich importers who are substituting this Vietnamese fish for channel catfish.

In spite of full knowledge of the legality of substituting one fish species for another, importers are making more and more money passing off basa fish as channel catfish.

U.S. catfish producers and processors have spent years creating a successful market for their fish.

The Vietnamese and importers are taking advantage of this established market by substituting the basa fish for catfish.

The provision in the agriculture appropriations bill makes it clear to importers that the practice of species substitution is unlawful. This is no change in substantive law.

Nothing in the legislation imposes any restriction on the importation of Vietnamese fish of any kind. Nor does it prevent Vietnam or importers from establishing a market for Vietnamese fish.

I encourage them to expand their market. Just don't substitute it for something that it is not.

U.S. catfish farm production, which occurs mainly in Alabama, Mississippi, Arkansas, and Louisiana, accounts for 68 percent of the pounds of fish sold and 50 percent of the total value of all U.S. aquaculture, or fish farming, production. The areas where catfish production is greatest are in the Blackbelt of Alabama and the Mississippi Delta.

These are some of the poorest areas of the United States, with double-digit unemployment rates. With depressed prices for almost all other agricultural commodities, catfish production is critical to the U.S. economy, and particularly to the economy of the South.

U.S. catfish farming is one of the few successful industries in these areas of the South, and the farmers, processors, and the regions are suffering tremendously because of this dramatic surge in imports.

If the Vietnamese were raising North American channel catfish of good quality and importing them into the U.S., I would have no problem. That is fair trade.

Fair trade is not importing "basa" fish, labeling them as catfish, thereby taking advantage of an already established market, and passing them off to American consumers as American catfish.

The Vietnamese and the importers need to play by the rules.

The provision in the agriculture appropriations bill simply clarifies existing guidelines and sends a message that substituting these two species is fraud.

A vote in favor of the McCain amendment is a vote in favor of fraud, consumer confusion and species substitution. Therefore, I urge my colleagues to vote against the McCain amendment.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Iowa.

Mr. HARKIN. Mr. President, I feel constrained to say a couple things about what my friend from Texas has said. I wrote this down when he said it because I thought it was a pretty astounding statement. He said the end result of all economic activity is consumption. Think about that: The end result of all economic activity is consumption.

Whether that is true or not, and if I were to go ahead and assert that it was true, I do not think there is anything inconsistent with saying people ought to know what they are consuming. But I would even go further than that and say, from a learned former professor of economics, I still find that an astounding statement; that the end result of all economic activity is consumption. If that is the case, let's bring back slavery. Hey, the cheapest thing for the consumers is to have free labor. Why not? Let's do away with all environmental laws that protect the environment. Why not? If the end result is consumption, then forget about all that nonsense. Worker safety laws? Forget about all that nonsense, if the end result is simply consumption.

I really think what this amendment is about, and others that are like it, is really more about transparency in markets. I say to my friend from Texas, who is an economist, transparency in markets, truth in labeling, transparency, and information to the consumer.

If a country wanted to all of a sudden say that the horse meat they eat is beef, could they sell it in this country as beef if that is what they call it? It is red meat. They are in the same family of animals as cattle. They just call it beef. Why can't they sell it in this county? Truth in labeling, letting the consumer know what they are consuming, that is what it is all about.

We have had a long discussion on this. I would like to bring this to a close. I am going to ask unanimous consent that the Senator from Arkansas get 5 minutes, the Senator from Mississippi wants 1 minute, and then for wrapup the Senator from Arizona will be recognized for 1 minute, after which time I would be recognized for a motion to table. I ask unanimous consent that be the order.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, in my 5 minutes, I just want to say to the Senator from Texas, I wish I could have been in his economics class. I would have said "amen" to everything he said except his initial supposition. His initial supposition was that we are trying to change the name of catfish. His initial supposition was there is no difference between a channel catfish and a basa catfish, that they are all catfish so just sell them as catfish. After all, we do not want to change, we don't want to get the truth. His basic supposition was wrong. And following everything after that initial supposition, you come to the wrong conclusion.

He said: Nobody cares about the consumer. What is best for the consumer? Why isn't somebody asking about the consumer?

Let me just this one time associate myself with the Senator from Iowa. I am concerned about the consumer. I am concerned about what the consumer is going to consume, what he is going to eat. Doesn't he have a right to know whether he is getting Vietnamese basa or he is getting channel catfish? He ought to have the right to know that when he goes in that restaurant, that when they are selling it as channel catfish that it is, in fact, channel catfish.

The Senator from Texas, in great eloquence and great entertainment, said what we want is protection. I don't want protection. I want honesty.

I want truth. I want fairness. At some point a name has to mean something. We pointed out—this is not me; this isn't something I dreamed up; this is science—the reality is that a channel catfish and a basa are not members of the same species. They are not members of the same scientific family. The truth is, the fact is, Atlantic salmon and a lake trout are more closely related than a channel catfish and basa.

I don't want protection. I want truth. I want the consumer to know what he or she is consuming. That is all in the world this provision was in the Agriculture appropriations bill this year. It doesn't need to be rescinded. It needs to be sustained in this vote.

The Senator from Texas asked, what is the purpose of a name? The purpose of a name is to identify. If, in fact, basa was the same as channel catfish, then I would say I am totally wrong; the catfish growers in the delta are totally wrong. But they are not the same. They are not the same fish. That should be reflected in what is labeled and what the American consumer knows he is getting.

I ask my colleagues not to help poor people in the delta—that obviously doesn't move some—I ask my colleagues to demand that our trade be fair and that the American consumer be told the truth. It is, in fact, about transparency. I ask my colleagues to reject this amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I compliment the distinguished Senator from Arkansas for his very persuasive arguments on this issue today. He is absolutely right. There is not any effort being made to be unfair or to act inappropriately toward any legitimate importing concern selling fish or any other product in the United States.

What is important is that the consumers in the United States have the information so they know what they are buying. I have seen logos and advertisements stamped on these fish cartons that say "cajun catfish." Immediately one assumes that it is from south Louisiana. That is a distinctive name. It means something to the consumer in the southern part of the

United States. That fish is basa fish from Vietnam. It does not say so on the package.

Another package said "delta catfish." You immediately assume you are talking about the Mississippi Delta from where 50 percent of the aquaculture in the United States comes. But, no, that is the Mekong Delta that is being referred to in that package. It is misleading. It is unfair. It is unfair to those who have spent $50 million over time to develop a market for Lower Mississippi River Valley pond-raised catfish. That is how much has been invested over a period of years.

Now it has become a food of choice for many Americans. They go into the supermarket and now they buy what they see is delta catfish. But it is not what they think it is. That is unfair to them. That is what this amendment seeks to correct. It simply says the Food and Drug Administration ought to ensure that these fish are labeled so consumers know what they are.

We have it from the National Warmwater Aquaculture Center that this basa fish is not of the same family. It is not of the same species as is the delta pond-raised catfish.

The PRESIDING OFFICER. The Senator has used his 1 minute.

The Senator from Arizona.

Mr. McCAIN. Mr. President, I think we ought to do something right away about dungeness crab and blue crabs. This is a remarkable argument we have been having. This is about several issues. This is why it is important.

One, it is about process. In this place there are three kinds of Senators: Republican Senators, Democrat Senators, and appropriators. This was done on an appropriations bill. This is a major policy change that affects the lives of thousands and thousands of people. It was done on an appropriations bill.

Two, it was inserted in a managers' amendment, in a managers' amendment which none of us saw because I asked this body if anybody knew what was in the managers' amendment. Not one person said they knew, including the managers of the bill themselves.

Three, this is all about protectionism and free trade. If we do it here, we will do it on something else, and we will do it on something else, and we will do it on something else, whether it be crabs or whether it be scallops or whether it be cattle or whatever it be in the name of protectionism and jobs.

I am a little bit offended when we talk about poor people. I will take you where the poorest people in America live. That is on our Indian reservations in the State of Arizona. Let's not talk about poor people. Those poor people who live on these Indian reservations would like to eat catfish. They don't want it priced out of the market because we put some phony name on it.

There is a lot to do with this amendment besides the name of a catfish. I hope my colleagues will restore a normal process where we have an open and honest debate on major policies such as this rather than being stuck in a managers' amendment. I hope we will recognize that protectionism is not good for America. This is another manifestation of it.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, under the unanimous consent, I move to table the amendment offered by the Senator from Arizona, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. MURKOWSKI), the Senator from North Carolina (Mr. HELMS), the Senator from Mississippi (Mr. LOTT), and the Senator from Kansas (Mr. BROWNBACK) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "yea."

The PRESIDING OFFICER. (Mr. CORZINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 27, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—68

Allen
Baucus
Bayh
Bingaman
Bond
Boxer
Breaux
Bunning
Burns
Byrd
Campbell
Carnahan
Cleland
Clinton
Cochran
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Domenici
Dorgan
Durbin
Edwards
Enzi
Feingold
Frist
Grassley
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
McConnell
Mikulski
Miller
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Specter
Stabenow
Stevens
Thomas
Thurmond
Torricelli
Warner
Wellstone
Wyden

NAYS—27

Allard
Bennett
Biden
Cantwell
Carper
Chafee
Collins
Dodd
Ensign
Feinstein
Fitzgerald
Graham
Gramm
Gregg
Hagel
Kennedy
Kerry
Kyl
Lugar
McCain
Murray
Nelson (FL)
Schumer
Smith (OR)
Snowe
Thompson
Voinovich

NOT VOTING—5

Akaka
Brownback
Helms
Lott
Murkowski

Mr. HARKIN. I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. LANDRIEU. Mr. President, I thank both of the Senators from Arkansas and the Senators from Mississippi. Senator BREAUX and I join with them in sponsoring this provision in the Agriculture appropriations bill. I thank my colleagues for wisely defeating this amendment.

Allow me to take a few moments to say that for Louisiana this is a very important industry. Catfish farmers in Catahoula Parish, Franklin Parish, and other parishes throughout our Mississippi Delta have spent years and a lot of money, as the Senator from Mississippi knows, in developing these farms and investing their hard-earned dollars in marketing this product to a nation that was somewhat reluctant some years ago to accept this. Now catfish is commonplace in restaurants across the country.

Speaking for a State that represents the greatest restaurants in this Nation, let me say it is not only the farmers who benefit, but also our restaurants and our consumers. I thank the Senate for their wise tabling of the McCain amendment. I am for free trade but fair trade, and tabling this amendment was a step in that direction.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry for the information of all Senators: Am I correct the next order of business under the unanimous consent agreement is the Cochran-Roberts amendment, 2 hours evenly divided?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. I thank the Chair.

AMENDMENT NO. 2671 TO AMENDMENT NO. 2471

Mr. COCHRAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. ROBERTS proposes an amendment numbered 2671 to amendment No. 2471.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted and Proposed")

Mr. COCHRAN. Mr. President, because the distinguished Senator from Iowa is involved in a very important discussion on the economic stimulus bill, as a high ranking member of the

Senate Finance Committee, he is supposed to be in a meeting discussing that right now. He is interested in this legislation, and I yield such time as he may consume to comment on the Cochran-Roberts amendment.

Mr. GRASSLEY. Mr. President, I thank the distinguished Senator for yielding me time. I will address one specific issue of the bill, which is the farmer savings account, and then I would like to speak to the trade-distorting aspects of the farm bill legislation that is before us, which the Cochran-Roberts amendment takes into consideration and alleviates a lot of problems that other farm proposals before us have.

I will start with the farmer savings account. I want to make clear the farmer savings account is not an idea that comes only from America. Other countries, not exactly as in this bill, have come up with the idea of farmer savings accounts to help sustain family farmers from two standpoints: One, in a way that is not trade distorting and violative of the trading agreements; and, two, to continue support for the family farmer in a way that is not trade distorting.

Few occupations face more uncertainties than agriculture. Each spring, farmers across the nation put their seed in the ground and pray for sufficient rain and heat. A single storm during the growing season can wipe out an entire year's work and place farmers in dire financial distress. Each fall, farmers go to the fields to harvest their crops, the value of which is completely subject to volatile and unpredictable commodity markets.

As a result of these factors, farmers experience frequent cyclical downturns in income which can make it difficult to continue their operations from one year to the next. Farmers need the ability to offset these cyclical downturns by deferring income from more prosperous years to use during the lean years.

The farmer savings accounts provision in the Roberts-Cochran title would allow a producer to establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution that has been approved by the Ag Secretary. The Secretary would provide a matching contribution that is equal to the amount deposited by the producer into the account, up to a maximum of 2 percent of the average adjusted gross revenue of the producer.

A producer could withdraw the account funds from the account if the estimated net income for a year from the agricultural enterprises of the producer is less than the adjusted gross revenue of the producer.

It is important to keep in mind that unlike other counter-cyclical programs before the Senate, this counter-cyclical approach is not dependent on commodity prices, farm production, or farm income. Therefore, this approach is "green-box," or fully compliant with our international trade obligations. It would not subject our farmers to the possibility of retaliation by our trading partners.

Moreover, this amendment benefits producers of non-program commodities that would otherwise be ineligible for assistance under our federal farm support programs. Producers of livestock, fruits, and vegetables are often overlooked by our federal farm programs. This amendment would give these producers the same counter-cyclical self-help program that it gives producers of program commodities.

In recent years, I have strongly advocated the creation of FARRM accounts to allow farmers to deposit funds in an account and defer income taxes for 5 years. Of course, this legislation would have to be considered within the context of the Finance Committee.

The provision we are considering would ensure that matching contributions equal to the amount deposited by the family farmer, up to a maximum of 2 percent of the average adjusted gross revenue of the producer, would be placed in special savings accounts.

I have been an advocate of this idea for a very long time. In fact, this is similar to the provision I introduced in my own commodity title working draft earlier this fall. This type of proposal will provide farmers an incentive to save money when they have the money to save. With this type of program, farmers can begin to fashion their own countercyclical protection.

Now, this program sometimes is belittled with the fact that farmers are not making enough money to put away anything in savings. Let's not try to set a pattern and assume something for 2.5 million farmers, because 2.5 million farmers are not one to the other the same; they each have different circumstances. We can provide an environment where the farmer can make a determination for himself. This bill does that.

In addition, if we are successful in advancing this concept through the Senate, I will push hard to protect these funds from up-front taxable consequences by modifying the bipartsan farm accounts legislation I have already introduced in the Senate.

In conclusion, I urge my Senate colleagues to support the Roberts-Cochran amendment. This amendment will give all farmers the much-needed opportunity to help themselves through less prosperous years. And it meets this need without risking a violation of our international trade agreements.

Now, when it comes to the trade issues, I don't think there has been enough discussion either in the other body or this body on the impact of various proposals on our trade agreements with the concern about whether or not they violate trade agreements so we can be retaliated against. The Cochran-Roberts proposal takes that into consideration.

Our family farmers are highly dependent on exports. For instance, in a given year, the United States exports about one-quarter to one-third of the farm products it produces, either as agricultural commodities or in a value-added form. For the past 25 years, the U.S. has exported far more agricultural goods than it has imported.

One of the principal benefits of the Uruguay Round negotiations, perhaps the most important benefit for U.S. agriculture, was the improved condition of market access. For the first time, all agricultural tariffs were "bound," and agricultural tariffs were reduced by 36 percent on average over a 6-year period.

In addition, the U.S. made a binding commitment not to exceed its amber box spending limitation. Because we take our legally binding commitments seriously, and because we want our trading partners to do the same, we have never violated those commitments. Were we to do so, the United States and its trading partners would likely be subjected to harmful trade retaliation.

What would retaliation mean for our family farmers?

If a WTO complaint were brought against the United States for exceeding its domestic support commitments, it is possible that many countries could become complainants in the case and allege injury to their farmers and their economy.

If the U.S. were found in violation of our trade obligations, we would be expected to change our current farm program, midstream. If we were not able to, the complaining countries would receive authorization to retaliate by raising duties on U.S. goods.

The likely first target of any retaliation would be U.S. agricultural exports, because countries fashion their retaliation lists to pressure the non-complaint country to change its practices. The products chosen for retaliation are those that are the most successful exports.

For example, U.S. exports of animal feed products and components could be targeted. This could affect corn, soybeans, wheat, beef, pork, or any of our agricultural exports. However, a country would not be limited to agricultural goods only; if it did not import significant amounts of U.S. agricultural goods, a successful complaining party could also target industrial products.

Tariff retaliation against U.S. agricultural products would back products into the U.S. market placing ever greater downward pressure on domestic price. U.S. farm domestic prices would weaken even further, and this could cause the price of U.S. farm programs to rise dramatically.

This would particularly be true in basic farm commodities such as wheat, corn, and soybeans where a large portion of the U.S. crop is exported. But if the programs that supported the commodity price were the same programs that were violating our trade commitments, we would not be allowed to provide our family farmers any support, at least above that limit.

If our farmers experience a bad year and our farm programs pay out large amounts in no-trade compliant payments, we would be forced to freeze or alter our farm assistance payments. Simply put, the type of program the Senate Agriculture Committee approved would fail family farmers when their need is the greatest.

Also, tariff retaliation against U.S. industrial goods due to excessive "amber-box" ag spending could create a substantial political backlash against U.S. farm programs. U.S. exporters of non-agricultural products who might suddenly be caught in the crossfire of retaliation would demand that their government officials correct the problem so that they can regain their hard-earned access to foreign exports.

U.S. credibility would be undercut if it were determined that the United States was not living up to its current commitments. It's very realistic that the Democratic farm bill we are considering would cause U.S. farmers to become increasingly dependent upon government payments that could vanish at a time when the economic situation is worsening and the federal budget surplus is disappearing.

A decision by the United States to exceed its WTO domestic subsidy commitments would undermine the current Uruguay Round arrangement and make it much harder for the United States to achieve a workable multilateral agreement in the new WTO trade negotiations. This could be extremely important to farmers if the budget surplus evaporates and Congress is unable, or unwilling, in more difficult economic times to continue to fund farm programs at recent levels.

It is very important the farm bill we pass be one that advances our trade agenda and does not hinder it. The farm bill needs to help family farmers, not limit their potential marketplace. Family farmers in Iowa and across the United States need profitability, and there is no profitability check from the Federal Government. The profitability comes from the marketplace. The Government cannot provide profitability, only that marketplace can. I think the Cochran-Roberts legislation has taken us to a point where we can be WTO compliant, help our farmers, and move ahead.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. I thank the distinguished Senator from Iowa for his comments. His leadership in the areas of trade and agriculture have been very helpful in the Senate over the years as we have been called upon to legislate in this subject area. I am grateful to him for his complements to this legislation as they relate to our obligations in the World Trade Organization and likewise in the importance and support from the Government for those engaged in production agriculture.

This legislation attempts to preserve the best of current farm law, improve programs that have proven to work in the areas of conservation and income protection.

The Marketing Loan Program, which has been a centerpiece of our agricultural programs in the last two farm bills, is carried forward in this legislation. We have a predictable level of income support that is not coupled to planting decisions by farmers. This leaves them with the freedom to make planting decisions not based on what the Government will pay them for doing or not doing but on the basis of what they think is best for their farm and their individual circumstances. Their freedom in this farm bill to make those planting decisions will be very popular with farmers and for those who will depend on this legislation in the years ahead.

That is one of the distinguishing characteristics between the Cochran-Roberts approach and the committee bill that is pending before the Senate. The committee bill depends upon high loan rates guaranteed to distort the market to encourage overproduction. That is not going to be the result under the Cochran-Roberts amendment.

The Cochran-Roberts amendment provides, as the Senator from Iowa points out, for a new way to encourage farmers to save. It provides a matching formula for the Government to come in and help encourage the savings by farmers, much as a 401-K program does for others engaged in business in our country. Farmers will be able to use their funds to deal with the countercyclical price distortion if prices go down as they customarily do. There are good years and bad years. We all know that. This will offer an opportunity to hedge against those bad years.

There is a substantial emphasis in this legislation on conservation. Two billion dollars in additional funding is authorized in this amendment for conservation programs and to provide technical assistance to farmers to help them make decisions that are consistent with good management practices to protect soil and water resources.

There are also reauthorization provisions for the Conservation Reserve Program, the Wetlands Reserve Program, the Wildlife Habitat Incentives Program, all of which have helped assure that those gradual and marginal lands are not farmed. The encouragement of benefits from the Government for making decisions not to plant on marginal lands will be carried forward and expanded in this legislation.

I am hopeful that the Senate will look with favor at the difference between this bill and the committee bill in the area of rural development. The rural development title of the committee bill mandates that certain levels of spending be made on a lot of new programs that are authorized and funded in this legislation.

Our approach is to authorize a wide range of rural development programs, rural water and sewer system programs, other infrastructure programs, and housing programs that will help those who live in small towns and rural communities enjoy the full benefits that those who live in more urban areas would enjoy. It costs more in many of these areas to provide those kinds of services. So the Federal Government is authorized to provide funding to help ensure that the quality of life for those in rural America is enhanced. But the programs are not mandated at certain high levels.

The program managers in the Department of Agriculture and Department of Agriculture officials are given more latitude. The Congress is given more flexibility in appropriating each year the levels of funding that should be made available to those specific programs, rather than mandating certain high levels. This gives us budget flexibility. We know we are entering an era now where we are going to be hard pressed to stay within our budgets. This is important in this area of legislation as well.

We are not on a certain path towards deficit spending, but I am afraid if we follow the course that is outlined in the committee bill, that will be the result.

There are others who want to speak on this legislation. We have a time limitation of 1 hour per side.

Let me at this point say that the distinguished Senator from Kansas, who is the cosponsor of this amendment, is due in large part the credit for coming up with the strategy for this amendment and a lot of the content for this amendment. He was chairman of the Agriculture Committee in the House of Representatives before he came to the Senate. He has long been a leader in agriculture in America. I respect his judgment. It has been a pleasure working with him in crafting this amendment.

I yield such time as he may consume to the distinguished Senator from Kansas, Mr. ROBERTS.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I thank the distinguished Senator, a good friend whom I think every farmer understands. Every farmer and rancher understands that it has been Senator

THAD COCHRAN who has provided the investment in American agriculture so as to keep our heads above water and invest in the man and woman whose job it is to feed America and a very troubled and hungry world. I thank him for his contribution.

As Senator COCHRAN said, we want to preserve the best in the current farm bill—much criticized, I understand, but basically build on that. My concern in regard to the Daschle-Harkin bill is that changing the Daschle-Harkin bill really takes us back to the past. I am talking about agricultural program policy that was built several decades ago. I used to support those bills. But I don't think it really fits the modern reality that faces agriculture today. I think it will lead us right back to calls for additional emergency assistance which we have tried to avoid.

With all due respect, I do not think the proposal that is before us today is strictly bipartisan in the true sense of the word. When I say that, I understand we all have partisan differences. I understand we all have serious intent. I am not challenging anybody's intent or questioning anybody's intent.

But especially on the commodity and conservation titles—and as the distinguished Senator pointed out on the rural development title—it has been a one-way street. I guess you could call it bipartisan. As a matter of fact, someone on the other side indicated the Republican position on this bill has been one of stalling. I don't think that is the case. I think we had very important amendments. I think we have a very strong difference of opinion as to where our farm program policy ought to go. But I guess you could call this bill bipartisan except for the front loading of the funding. We have $73 billion over a 10-year period. This farm bill is 5 years. Based on budget, it is already outdated. As a matter of fact, the administration says it is not the money, it is the policy we worry about.

But if you look at the underlying bill, the Daschle-Harkin bill, it is front loaded to the tune of about $46 billion. That only leaves $28 million in regard to any future bill or any baseline we would use in the future.

That is something on which there is a strong difference of opinion. If you want to say that is partisan, I suppose you can. I think that is a significant difference of opinion. I guess you could call it bipartisan, except that the underlying bill is opposed by the administration and by the President.

I suppose then you could say, well, yes, the President, the Secretary of Agriculture, the Trade Ambassador, don't think it is a good idea for all the reasons the distinguished Senator from Iowa has pointed out, but I wouldn't say it is exactly bipartisan in that regard.

Then, of course, you could say it is bipartisan except for the WTO problems down the road. The Senator from Iowa did point this out: What if we reach a WTO agreement—that is a mighty big if; I know we are going to have a difficult time doing that—and all of a sudden in this bill that "amber box"—and all that is is a box that all of a sudden is flashing "amber" as fast as it can—indicates you are over the limit in regard to the WTO cap. Then you have to come back in, and you could be fined. You could be in the business of trade retaliation. You could even, conceivably, have the Secretary of Agriculture come back and ask farmers and ranchers to give back some of the investment they have already received. I don't think we want that. So it is bipartisan except for, of course, that little minor disagreement.

Then it could be bipartisan except for the farm savings account. We have the farm savings account in our bill. The Daschle bill does not have that. I am not saying they would not have it or they are not acceptable to some portion of it, but that is not bipartisan either.

It is not bipartisan in regard to the situation of going back to loan rates and target prices as the investment by which we are going to protect our farmers as opposed to direct payments. We have a strong difference of opinion. So that really isn't a bipartisan situation either.

It certainly isn't bipartisan in regard to how we use crop insurance. Crop insurance reform: It took us 18 months—us, meaning Senator Bob Kerrey, the former Senator from Nebraska, myself, Senator COCHRAN, Senator BURNS, and others—to forge together and put together crop insurance reform.

Where does the Daschle bill, and also the Harkin bill, get the money to increase loan rates? From crop insurance. That is not very bipartisan. We had a strong difference of opinion.

It would be very bipartisan if in fact it were not for the really strong difference of opinion in regard to State water rights. That is the bill that was introduced by Senator REID. It has Senator CRAPO of Idaho and others from the West very worried about it. So it isn't very bipartisan in that regard either.

Then we have mandatory conservation programs. And then we have this statement that we could go to conference a lot more quickly if in fact we would just pass the Daschle bill.

My colleagues, the differences between the bill that is referred to as Daschle-Harkin and the House bill are enormous. You are not going to get that done until next year anyway. On the contrary, in the Cochran-Roberts approach I think we could probably go to conference and settle it out in a day or two. We could get that done.

So when people say it is partisan or bipartisan, or there are strong differences of opinion, or people are stalling, I think a little clarification certainly is in order.

Let me just say I have touched on some of the specifics I had in my prepared remarks. I am not going to go over the process. If anybody wants to talk about process and what we deem as a better way to approach the process of this bill, they can go back to the statements Senator COCHRAN and I made last Friday.

But let me say, again, that I believe the commodity title in the bill would really take us back to the past. Our producers will receive higher payments through higher loan rates—if they have a crop to harvest. If they have no crop to harvest, they receive no loan deficiency payments.

The bill also includes a "technical correction" to the bill that addresses a $15.5 billion scoring problem in the dairy title of the committee-passed bill. That is quite a technical correction. Again, that is a strong difference of opinion.

If you are going to return to target prices, I would say to my colleagues, that only results in payments to the producers if the price for that crop year is below the target price. And it has happened time and time again when a State up in the Dakotas, or a State such as Kansas, in high-risk agriculture will lose a crop, and the price rises above the target price, and then, when the farmer needs the payments the worst, then is when he does not get it, either from the target price or the loan rate. That is something we tried to fix in 1996 with our direct payment program. And that is basically the feature of our bill.

I talked a little bit about the front-loading of the bill, which I think leaves us in a very precarious situation in the years of the coming deficits if in fact that takes place.

Senator COCHRAN also pointed out that the underlying bill, the Daschle bill, front-loads spending for the popular programs, including EQIP, the Wetlands Reserve Program, WHIP, and the Farmland Protection Program.

I think we could make a pretty good case, I say to Senator COCHRAN, that our bill is better in regard to the environment and conservation than the underlying bill. So we are basically mortgaging future farm bills simply to buy off votes on this one. I do not think that is good policy, and it is not good for the future of our farmers.

We think we have the better approach. We take a very commonsense approach to conservation. It puts funding into those popular programs I just mentioned. It ramps up the funding so we have a significant baseline as we head into the next farm bill. I think the Senator from Mississippi indicated $2 billion in that regard. That is a big investment. We don't go "Back to the Future." We don't raise loan rates or return to the target prices of the past.

Instead, we increase the direct payment—listen up, all farmers, ranchers, and their lenders—we increase the direct payment levels back to near their 1997 levels while adding a payment for soybeans and minor oilseeds.

This does create a guaranteed payment that the producers and their bankers can count on, even in years of crop losses when they need it the most. They do not have that guarantee in the committee-passed bill.

Again, I would like to reflect on what the Senator from Iowa said. It is WTO legal. It will not really shoot our negotiators in the foot in these international trade negotiations. He is directly on point in warning what could happen on down the road.

Our bill is supported by President Bush and Secretary of Agriculture Ann Veneman. So you are past that, and I think, obviously, you get to conference a lot quicker.

Let me say that to the Kansas farmer and, for that matter, to the Mississippi farmer or the Montana farmer, or any of our colleagues who are privileged to represent agriculture and they say: Wait a minute, if you are stalling a bill, and you are going to hold up this bill, and you are not going to get progress, and you are not going to get the money invested—that the administration has said, over and over again, it is not the money, it is the policy, so the investment in agriculture will be there—if somebody comes to me and says, PAT, let's pass the farm bill, I would love to pass the farm bill in an odd-numbered year as opposed to an even-numbered year because it does get to be a tad political. But if I said: Now, wait a minute, Mr. Kansas farmer, what if that bill that you want to move, or that others on the other side want to move, contained $46 billion up front and left no money for future farm bills, would you support that? They would probably say: No, PAT, I don't think that is a very good idea.

What if I said: Do you want to go back to loan rates? They might say: Well, I am not too sure. We never figured out whether that was income protection or market clearing. I don't know.

We need that debate. We are having that debate.

Actually, we are not having that debate. Nobody spoke to that. How are you going to pay for that? We are going to take it out of your crop insurance reform we had only last year. I don't think they will buy that and say: PAT, I don't want that kind of bill.

Then if I said: Well, Mr. Farmer in Kansas, if this bill is supported by the President and the Secretary of Agriculture, and we could conference it more quickly with the House, would you prefer this than the other? Is that stalling? They would say: No, PAT, I don't think so.

What if I said: Is it consistent with the WTO negotiations? They would look at me and say: PAT, do you think we are going to get that done? I would say: We haven't yet, but we are going to keep trying.

Lord knows, it is a difficult process. But if the bill that we passed already has more money, so that the "amber box" is flashing so you can't even see past it, they are going to say: Well, PAT, I don't think we want that bill either.

If they say, we are going to maintain the integrity of the crop insurance program in our better substitute, I think most farmers would say yes.

Then there is an analysis by the Food and Agriculture Policy Research Institute that says the Cochran-Roberts proposal will result in higher market prices for farmers in the program crops than the committee-passed bill. It says it right there. In Kansas, every Kansas farmer will understand we are losing $1.3 billion over the life of the bill if we go with the committee bill as opposed to our substitute.

I could go on, but I think I have used up enough time and have made the points I tried to make. I do not want to go back to the old, failed policies of the past.

As the distinguished Senator from Mississippi has indicated, let's preserve the best, and let's improve it.

I say to the Senator from Mississippi, I think you control the time, sir. So I yield back to you.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator for his comments and his leadership on this issue.

We have some time left.

Does the senior Senator from Montana wish to speak at this time or will we reserve the time?

Mr. BURNS. Whenever you all run out of gas.

Mr. COCHRAN. We have not run out of gas.

Mr. ROBERTS. Will the Senator yield so I can make a unanimous consent request at this point?

Mr. COCHRAN. I am happy to yield to the Senator for that purpose.

Mr. ROBERTS. Mr. President, I neglected to ask unanimous consent that Senator GORDON SMITH be added as a cosponsor of the amendment offered by Senator McCAIN in regard to catfish. We want to make sure the catfish cosponsors are, indeed, added.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. I thank the Senator.

Mr. COCHRAN. I reserve the remainder of our time on this side.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have listened to the discussion. The chairman of our committee is now chairing a conference committee on one of the appropriations subcommittees. He will be back in the Chamber in a few moments. Let me consume some time to respond to a couple of the arguments.

First of all, my colleagues ably described their proposal. Their proposal is different than the proposal brought to the Chamber by the Senate Agriculture Committee. I have listened to a substantial amount of discussion about the amber box. I suspect it is probably confusing to people listening to this debate about family farming to hear about the amber box. I heard someone say perhaps if we took the wrong turn here or made the wrong decision, we would shoot our trade negotiators in the foot. With all due respect, our trade negotiators have shot themselves in the foot. In fact, they took aim before they did it which really compounds the felony.

This amber box is not of great interest to me. I understand it is part of our current trade regime. The amber box exists. So does unfair trade with stuffed molasses, so does unfair trade with potato flakes, with Canadian wheat, so does unfair trade with T-bone steaks to Tokyo. I could go on forever. While that amber box up there is shining amber for somebody, all I see are trade negotiators who negotiate bad trade deals for American farmers.

Let me talk about boxes, not amber boxes. Let me talk about the box that the American farmers are in. That is the only box I really care about. Here is the box the American farmer is in. The American farmer is farming under a farm program whose presumption was to transition them out of a farm program, give them 7 years of fixed and declining payments at the end of which there would be no farm program. The whole point was to transition to the marketplace. That all sounded good because wheat was $5 or so a bushel back then. Just like people thought that the budget surplus was going to last forever, everybody thought—I did not—that the price of wheat would be $5. So let's give 7 years of fixed payments, farmers can put it in the bank, draw interest and be able to transition into a market economy.

Almost immediately the market collapsed. The price of grain just collapsed. So then this farm program of fixed and declining payments didn't look good at all. Each year at the end of the year we had to pass an emergency bill to make up the difference for a farm program that didn't work.

So this is the box the farmers have been put in: They are trying to do business, selling a product whose price has collapsed. That is a box. They are trying to do business and ship their product over railroads that are monopolies in most cases. That is a box. They are trying to do business when they buy chemicals from chemical companies that are getting bigger. These companies are exacting the prices they want to exact. That is a box. When our farmers sell their grain into the grain trade, they face concentrations in virtually every area of economic activity. That is a box. Everywhere the farmer looks they are put in a box. It is not the amber box. It is just the box driving them flat broke.

Then they turned to see a farm program that at its roots was wrong. The farm program said: We won't relate at all to what is happening in the marketplace. If the grain prices are higher, we will give you a payment. Wheat is $5.50 a bushel. Under our plan, you get a payment. Farmers don't need a payment. If wheat is $5 or $5.50 a bushel, family farmers don't need help from the Federal Government. That was the bankruptcy of that idea in the first place. It didn't recognize the times when farmers did not need assistance.

We have had a real struggle to get this farm bill to the floor. We had the Secretary of Agriculture calling around to our colleagues saying: Don't do this; you shouldn't write a farm bill now. The current farm bill is just dandy. Wait until next year.

We had colleagues say: The current farm bill is working just fine. Give it time. We shouldn't write a new farm bill this year.

It was a long struggle. We have overcome that. We are on the floor. We have a farm bill. Now we have a filibuster. We have had two cloture votes, and we have not been able to break the filibuster. Eventually we will. Debating the Cochran-Roberts amendment is an important step forward, because this is the major amendment to the commodities title.

I hope perhaps when we get past this we will be able to move through the rest of the amendments and get this bill completed. That is our goal. The idea in the Cochran-Roberts amendment with respect to the commodities title is a bad idea, but I am not trying to be pejorative about what they are doing. They have a different idea. I don't happen to think it works. I think it is almost identical to Freedom to Farm. The Freedom to Farm idea was fixed payments, not withstanding what is happening in the marketplace. We know that didn't work. We can do it again, but we know that won't work.

So the question is, Do we want to revisit what we have done for the last 7 years with a few pieces of chrome added here and there, maybe a hood ornament here and there, but essentially the same basic philosophy? Or do we want countercyclical price protection so when times are tough, family farmers understand there is a bridge over these price valleys?

That seems to me to be the right approach. That is the approach in the underlying bill offered by the Senate Agriculture Committee.

The entire purpose of a farm program should be nothing more than helping this country maintain a network of family farms producing America's food. If it is not for that purpose, then let's just not have a farm program. Let's get rid of USDA. We don't need it. It was started under Abe Lincoln with nine employees over 140 years ago. We just don't need it if the purpose isn't to try to maintain a network of family farmers and ranchers who produce America's food supply.

Why is there some special attention to those family producers? Because those family producers work under conditions that almost no one else in the country does. They don't know whether they are going to get a crop. They planted a seed. It may rain too much, or not enough. Insects might come and eat it up; they may not. It might hail; it might not. You might get crop disease; you might not. If you survive all of those "mights" and get to harvest time and get that crop, get it in the back of a two-ton truck, haul it to an elevator, what might happen to you, and almost certainly did happen to you every year under Freedom to Farm, is that elevator would say: On behalf of the grain trade, we must tell you your food has no value.

That is the problem. That is the problem we are trying to fix. During tough times, can we create a farm program that offers a helping hand. That is the bill that was brought from the Agriculture Committee. It is a good bill. It has a commodity title that is now the target of this substitute. My hope is that we will defeat the Cochran-Roberts amendment.

I have the greatest respect for both of the Senators who offered this amendment. We have worked together on a wide range of issues. They are terrific Senators. But this is a bad idea. This idea needs to be defeated so we can move on with the commodity title brought to the floor from the Agriculture Committee by Senators HARKIN and DASCHLE. I hope we do that soon.

I yield 10 minutes to Senator CONRAD.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CONRAD. I thank my colleague from North Dakota. I thank our colleagues, Senator ROBERTS and Senator COCHRAN, who are valuable members of the Senate Agriculture Committee and have a sincere dedication to agriculture. We have appreciated working together even when we have had disagreements, some of them strenuous disagreements on farm policy. There is no doubt in my mind about the genuine commitment of Senator ROBERTS and Senator COCHRAN to the rural parts of our country and to agriculture in America. Certainly their hearts are in the right place, and they are thoughtful and valuable members of the Senate Agriculture Committee.

With that said, we do have a profound disagreement with respect to this amendment. If you liked the Freedom to Farm policy, then this is the amendment for you. This is a Freedom to Farm policy warmed over. Freedom to Farm had a shelf life of about a year. We were promised under that policy permanently high farm prices. That is what we were told over and over. What we saw was something quite different. What we saw was a collapse of farm prices after that legislation was put in place. In fact, I have shown on the floor many times the chart that shows the prices that farmers pay going up continually and the prices that farmers receive dropping like a rock after Freedom to Farm was passed in 1996. The prices farmers receive have been straight down, like a one-way escalator going down, ever since Freedom to Farm passed.

We have had to pass four economic disaster assistance bills for agriculture since Freedom to Farm passed, four economic disaster bills costing over $25 billion because Freedom to Farm was a disaster itself. This amendment before us would continue that failed policy.

Senator ROBERTS keeps warning about a return to the failed policies of the past. How about the failed policies of the present?

(Mrs. CARNAHAN assumed the chair.)

Mr. CONRAD. Madam President, how about the failed policies of the Freedom to Farm bill, which has been such a disaster that each and every year for the last 4 years we have had to come to the Congress and pass an economic disaster assistance package for our farmers or see literally tens of thousands of them forced off the land.

Even the authors of the House-passed bill labeled Freedom to Farm a failure. After 18 months of hearings, they concluded that one major change was needed in current policy. The change that the House agricultural leadership agreed upon was the addition of a countercyclical form of payments—payments that would increase if prices fell. That one feature sets the House bill apart from current policy. Yet the Cochran-Roberts bill and the Bush administration reject this fundamental feature. After 18 months of hearings, the House concluded there was one critical missing element. They put it in their bill. It is in the underlying bill, but it is not in this amendment. It is a countercyclical form of income support.

Compared to the committee-approved bill, this amendment is particularly unfriendly to the so-called minor crops—commodities such as sugar, barley, sunflowers, and canola, which are crops that are critically important in my home State—and not just in my home State but in dozens of other States as well.

For example, the Cochran-Roberts amendment fails to repeal the loan forfeiture penalty for sugar. If you are a cane or beet sugar producer, that one shortcoming will reduce the effective support rate of the sugar loan program and directly reduce the income of sugar producers.

I find it particularly puzzling that the administration has endorsed the Roberts-Cochran amendment. After months of urging that we delay the process until next year, after months of opposing the additional farm money set aside in the budget resolution, and after issuing a policy report that indicts current policy for transferring the majority of farm dollars to a minority of large farmers, the administration has apparently done a double flip and has now endorsed the amendment before us that is a testimony to the status quo. The very thing the administration has opposed they now endorse. I guess one could ask: Are you surprised?

Well, after the administration's performance in the farm bill discussion, nothing would surprise me anymore. First of all, they came out and said: Don't do a farm bill this year. Don't use the money in the budget resolution. Just wait, the money will be there next year. Then they came out and endorsed Senator LUGAR's approach. And then the next week they took back that endorsement. Then they called the farm group leaders to the White House and said: Call the members of the Agriculture Committee and tell them not to write a farm bill this year. The money will be there next year.

Well, anybody with an ounce of common sense could look at our fiscal condition and see what is abundantly clear to anybody who cares to look: The expenses of the Federal Government are going up with the war, the income is going down with economic conditions. That means every part of the budget is going to be squeezed. And we have a Secretary of Agriculture calling members of the committee telling them don't act this year, wait until next year, the money will be there.

How is the money going to be there? How is the money going to be there, Madam Secretary? How can that be?

The Cochran-Roberts amendment also maintains the status quo with regard to loan rates. It freezes them in place rather than increasing them as the committee bill does. The amendment continues direct payments to farmers regardless of whether prices are high or low. It doesn't matter, send checks.

Let me just look at the differences commodity by commodity—the difference in the effective support level between the committee bill and Cochran-Roberts. Let's start with wheat. That is No. 1 in my State. You can see on this chart that the loan rate in the committee version is $3 a bushel. Cochran-Roberts keeps it at the current level of $2.58. On payments, the committee bill has 44 cents a bushel; Cochran-Roberts, 51 cents. The effective support level of the committee bill, $3.44; $3.09 under Cochran-Roberts.

On barley, the committee bill, which is before us, has a loan rate of $2; Cochran-Roberts has a loan rate of $1.65. The payments are 18 cents a bushel in the committee bill, for a total support level of $2.18. Cochran-Roberts has a loan rate of $1.65 and payments of 21 cents, for a total support level of $1.86.

On corn, the committee bill has a loan rate of $2.08, with payments of 25 cents, for a total of $2.33. Cochran-Roberts has a loan rate of $1.89, payments of 26 cents, for a total of $2.15.

On soybeans, the committee bill has a loan rate of $5.20, coupled with payments of 52 cents, for an effective support level of $5.72. Cochran-Roberts has a loan rate of $4.92, payments of 36 cents, and an effective support level of $5.28.

On rice, the committee bill has a loan rate of $6.85, payments of $2.40, an effective support level of $9.25. Cochran-Roberts has a loan rate of $6.50, payments of $2.19, and an effective support level of $8.69.

Finally, cotton. The committee bill has a loan rate of $55, payments of $12.81, and a total effective support level of $67.81. Cochran-Roberts has a loan rate of $51.92, payments of $11.38, an effective support level of $63.30.

On each and every commodity, the advantage goes to the underlying committee bill—the same amount of money, but it has been done in a different way in the committee bill. It gives a higher level of support for each of these major commodities than the amendment before us.

Let me address one other element of Cochran-Roberts that I think is particularly deficient—the so-called farm accounts. There has been a lot of talk here about targeting of benefits of the farm bill to family-size farmers. But in this area, Cochran-Roberts has targeting in reverse. They are targeting to the best-off farmers, those who have the highest incomes; they are targeting to those who have the biggest profit margins because they have set up a circumstance of matching funds that requires a farmer to have $10,000 to set aside. In my State, a significant majority of farmers don't have $10,000 to set aside to qualify for the matching funds, or to fully qualify for the matching funds.

So what you have here is Robin Hood in reverse. They are going to take from those who have the most need and give to those who have the most resources. I don't think that is a policy that can be sustained. I don't think that policy can be supported.

Madam President, I add that the previous discussions on this proposal have had the program administered by the IRS that has the information on the money that people have to put in the program. To avoid a jurisdictional problem, they have decided to convert USDA into the IRS. They have decided to make the USDA all of a sudden administer tens of thousands, perhaps hundreds of thousands, of these accounts, but they do not have the information upon which to make the judgment of whether somebody qualifies for these accounts.

This is big government writ large. This is an invitation to a massive, expansion of bureaucracy and a duplication of bureaucracy. These are the records that the IRS has, and all of a sudden we are going to duplicate these records at USDA. That is an administrative debacle that will cost taxpayers hundreds of millions of dollars.

How many tens of thousands of employees are they going to have to hire at USDA to administer these accounts? They do not have the information. They are going to have to gather the information. Can you imagine the potential for fraud? Talk about waste, fraud, and abuse. We will have everybody and their mother's uncle writing asking for their $10,000, and who is going to—I do not know how this ever got morphed into a program from IRS that has the information to administer such a program to one being run by USDA.

They have 100,000 employees at IRS. We are going to have to have 20,000 employees at USDA to run this program. We are going to have to hire 20,000 new Federal employees to run this program. Can you imagine the invitation to fraud when you say to any farmer out there if they put aside $10,000, they can get a matching amount from USDA and they do not have the information upon which to make these judgments? That alone ought to defeat this amendment because that is an invitation to a disaster. That is an invitation to an expansion of bureaucracy unlike one we have seen in the 15 years I have been in the Senate, and that is an invitation to waste and taxpayer abuse that I think in and of itself should defeat this amendment.

I end as I began. Although I have been tough and direct with respect to my criticisms of this amendment, I do have great respect and affection for the authors. Senator COCHRAN and Senator ROBERTS are very level-headed people who have done everything they can in the light of their philosophical leanings to support farmers across this Nation, and for that I respect them and I am grateful to them. But I very much hope this amendment, which I think is terribly flawed, will be rejected.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. I thank the Chair. Madam President, I guess we are nice guys; it is just that the program is not worth anything.

I want to set the record straight with regard to the payments. The distinguished Senator is very fond of charts, but in this particular case his chart is wrong. In regard to the direct payment rate for 2002, wheat is 76 cents. I believe the Senator indicated it was 51 cents or something like that. For corn, it is 43; grain sorghum, 52; barley, 36; for oats about 3.5; 14.9 for cotton seed; 3.39 for rice; and soybeans, 60 cents. That is not reflected in those charts. The charts are simply not accurate. Coming close to the truth is coming pretty close but it still is not the truth. I think we better get our facts and figures straight with regard to the payments.

I also point out that if the market price gets above $3.43 in regard to wheat—I will use wheat because I am familiar with that—the farmer does not get a payment from the Daschle bill. In addition, their target prices do not come into effect until 2004.

They were talking about a bridge. That is a mighty long bridge. The bridge is washed out, the farmer cannot swim, and the farmer cannot get to the other side.

In regard to the $3 loan rate, that is just going to encourage market distortion, but if you are really going to use the loan rate in regard to income protection, why not raise it to $5 or $4? Take out all direct payments and just go with the loan rate. Many of the constituencies my friend represents would find that more in keeping.

Yes, I know that Freedom to Farm in terms of restoring decisionmaking power to the producer was not as successful in regard to market prices worldwide, but we never passed the component parts to Freedom to Farm. There was a world glut of farm product. We lost our markets—the Asian market and the South American market. The value of the dollar hindered it. We did not get Presidential trade authority. We tried twice. We exported about $61 billion in agricultural commodities back during the first years of Freedom to Farm. That is down now to around $50 billion. Subtract the difference and that is what we have had to do with the emergency funding.

Every commodity-producing country has gone through the same travail that our farmers are going through, but yet none of those farmers passed Freedom to Farm. For those on the other side of the aisle, Freedom to Farm is to blame for virtually everything that goes wrong in farm country; or if your alma mater loses a football game or if your daughter has a pimple on her nose, it is somehow the fault of Freedom to Farm with a chart to prove it.

With regard to the safety net, our safety net is a safety net; it is not a hammock as indicated by the majority.

I yield 10 minutes to the distinguished Senator from Montana for whatever purpose he may like.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Madam President, I thank my good friend from Kansas. I was interested in the remarks of my good friend from North Dakota. Yellowstone River separates us, so we are northern tier farmers. I want to bring up a couple points. I probably will not use my 10 minutes because I think the principal sponsors of this amendment have explained it very well.

I also want to correct another thing that we do not want to overlook. If farm programs that contain target prices were going to save the family farm, we have 50 years of that experiment to study and still we are losing farmers from the land. If they were going to work in the last 50 years, surely we would have gone through some economic cycles where we would have found something that was successful for agriculture. Nothing more is going on in agriculture that is not going on in other sections of our economy.

I have heard a lot of farmers say there is nothing wrong on the farm except the price. Our share of the consumer dollar that should go back to the farm is not getting back to the farm. We used to live on 10 cents, 15 cents, 20 cents of the consumer dollar getting back to the farm. Now we are living with around 8 cents or 9 cents. Therein lies the problem.

I supported and had a little to do with—not very much—putting together the Cochran-Roberts amendment. The real design in Freedom to Farm was to transfer the decisionmaking of what they want to do on their farms and ranches back to the farmer and the rancher and also give them the tools to minimize their risk.

We failed to do two or three of those items during the life of Freedom to Farm. We never did get reform on crop insurance, and there were several other elements in this whole era when that legislation was in effect.

Nobody has to say, when there are four major economists on the Pacific rim, it does not impact us who live in the Northwest because just about all of our production goes to the Pacific rim. When Thailand, Malaysia, Indonesia, the Philippines, and South Korea, all of those economies went in the tank at the same time, and the value of our dollar went up, it tells me that was an element that was out of the control of anybody.

What we finally did was reform crop insurance so it would work, so that the farmer and rancher could go out and protect his investment against those natural elements. We are in basically the third, fourth year of drought in our part of the world. Last year was the worst we have ever had.

To give an example, we had no snowpack and that impacts our irrigated farmers. To give another example, the Yellowstone River, which is the longest river in this Nation, is unmarred by dams. That river could probably be crossed east of Billings to Williston, ND, and one's knees would never get wet.

Mr. ROBERTS. Will the Senator yield for a question?

Mr. BURNS. Yes.

Mr. ROBERTS. Montana has been going through some mighty bad weather. I have been to Montana with the Senator and looked at the drought conditions. My question is: If one does not have a crop, under their bill, one does not get a loan rate. And if one does not have a crop when they need it, the most—they do not get a target price, and the target price for wheat is capped anyway at $3.45. So at the time the farmer needs it the most—and the Senator has been through that big time in his State. We do that in Kansas a lot, and I know they do it in the Dakotas year after year—this bill does not help them. There is no countercyclical payment. There is no help. There is no safety payment.

Mr. BURNS. The committee bill?

Mr. ROBERTS. Yes, the committee bill, the Daschle bill. So exactly the conditions the Senator is describing, under this bill, one would not have any help.

I know what happened. The Senator from Montana knows what happened. They would be back to the Senate asking for emergency help, which we would have to provide, because the man whose job it is to feed the country needs to be provided for.

I thank the Senator for yielding.

Mr. BURNS. I thank the Senator for his question. That was a point I was going to get to, but the Senator got to it a lot quicker and maybe explained it a lot better than I would.

Mr. ROBERTS. I thank the Senator.

Mr. BURNS. Building on what the Senator from Kansas said, plus the fact we protect the integrity and improve insurance again, we add some more dollars to it so the farmer can deal with the risk of losing a crop. On the point made by the Senator from Kansas, should nothing be cut, nothing is gotten from the committee bill. That was not a correct approach.

I am someone who wants to change the CRP, the Conservation Reserve Program, to make it work as it was set up to work. I have a couple of amendments on file now that I think would do that. Conservation reserve was to accomplish a couple of things. It was to set aside the undesirable land and the highly erodable land that should never have been broken by the plow in the history of the land. It should have never been broken up, but it was because we had high prices and farmers had the freedom to plant from fence row to fence row. Of course, with the downturn of the economy, of foreign economies, and the high dollar, the timing could not have been worse.

Nonetheless, if I hear my farmers right, they still want the flexibility. They want to still make the decision and plant and sow for the market to make those decisions, especially new crops.

When we try to write a farm bill that pertains to all of America, in the northern tier of States our flexibility is limited to very few crops because of a short growing season. In some areas, we cannot grow winter wheat; we must grow spring wheat. So our decisions on what to plant are limited because of where we are and the kind of soil we have.

When we add up all the factors, small grain producers in the State of Montana will fair better under Cochran-Roberts—or Roberts-Cochran, whichever is preferred—than the committee bill. Plus the fact we also know what it is to lose a crop. We cut a lot of acres, by law. We cut a lot of one bushel to the acre crop this year. It is the worst I have ever seen.

Of course, we have all the elements that North Dakota has also. We could talk about normalization of farm chemicals, the labels on farm chemicals. We can talk about captive shippers. I have some report language I would like to offer later on, depending on whatever survives, to deal with normalization of those labels because we have great challenges in our free trade agreements.

Now the real risk is this: If the committee bill is not WTO compliant—one can argue about our trade agreements, our trade negotiations, and one might not like it, but basically we are tied to them by law. If we are not compliant, and we lose a WTO challenge, what do we do? The Secretary of Agriculture suspends the program until it is ironed out, and it could be suspended at a time when our agricultural producers need it most. That is risky, and I ask my colleagues to consider that.

I thank my good friend from Kansas, and I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, first I inquire of the Chair as to the amount of time remaining.

The PRESIDING OFFICER. The Senator from Michigan has 36½ minutes. The Senator from Kansas has 12 minutes.

Ms. STABENOW. Madam President, while I rise to oppose the Cochran-Roberts amendment, I want to congratulate my colleagues for their dedication as members of the Agriculture Committee. I have great respect for both Senator COCHRAN and Senator ROBERTS and realize they come to this from their respective States and how they view the needs of agriculture in our country. I come from the great State of Michigan. We have more diversity of crops than any other State, other than California. It is very heartening for me to have worked on a bill coming out of committee that for the first time addresses a number of crops and concerns of Michigan farmers that have not been addressed before.

Our farmers stock the kitchen tables of America and the world, as we know, but they have the right to put food on their own family's table as well. That is what we are debating, the best way to make that happen.

I was a member of the House Agriculture Committee for 4 years, and now I am honored to be on the Senate Agriculture Committee. Every year I have been in the Congress, we have had to pass an emergency supplemental because the Freedom to Farm Act was not enough to address the needs of American agriculture. I think now is the time to correct what was not working in the past farm bill.

In Michigan this year, we have had such an extensive drought that 82 of the 83 counties have been declared disaster areas.

We have seen 30 percent of our corn crop wiped out as a result of the drought. Everything from Christmas trees—and as a caveat, I indicate to my colleagues we are proud that the Capitol Christmas tree this year is from the Upper Peninsula in Michigan. We have had tough times for our Christmas tree farmers. Dry beans, potatoes, and hay all have been hurt by the drought. One farm official said there is no difference between what has happened to us and watching your house burn.

These are pretty dramatic times. Besides the drought, Fireblight has killed between 350,000 and 450,000 apple trees in Michigan at a cost of millions of dollars. It has just not been a good time for our farmers.

According to the Department of Agriculture, between 1992 and 1997 in Michigan we lost over 215,000 acres of productive farmland. As part of that loss, 500 family farms vanished and 2,400 full-time farmers literally left the fields.

We can do better than we have done for agriculture and the farmers of our country. I argue that the best approach is the bill before the Senate, as the committee reported it out, where every title we worked on in committee was reported out unanimously except the commodity title.

I will speak about the commodity title in a moment. For the first time, we address in the commodity title of the U.S. farm bill the issue of specialty crops through a commodity purchase. We have been able to put in place what I believe is a win-win situation: A commodity purchase every year of fresh fruits and vegetables for our School Lunch Program and for our other food programs. It is a win-win for our farmers. It supports our specialty crops, and it is a win-win for our children and for families and seniors who benefit by the nutritional programs.

Unfortunately, this substitute wipes out all the work that we did, putting together this commodity purchase program for the first time, with $780 million in commodity purchases for specialty crops. I very much want to see that continued in this legislation.

We know the bill that came out of committee is a four-pronged approach: Marketing loans, fixed payments, countercyclical payments, and conservation security payments. The Conservation Security Act, now, what everybody calls the innovative act of payments for all farmers on working lands, is another way we address specialty crops that have not been addressed before.

I was pleased as a Member of the House of Representatives to help fashion crop insurance to begin to move it in a direction to address specialty crops. But it has only been moving in a very small direction. The Conservation Security Act is a way to provide security again and focus on conservation and support for our specialty crops.

The farm program, unfortunately, under the Cochran-Roberts amendment does not include a countercyclical program that will help farmers in times of low prices. Without such a program, there is simply no way the program can provide an adequate safety net. That is what I believe ought to be the goal.

Under the substitute, when prices are high, farmers get large payments. In bad times, when prices are low, farmers will suffer, since there will not be a mechanism to respond to those conditions. That makes no sense to me. Fixed payments may seem attractive and bankers certainly want to know exactly what to expect each year, but we ought to be responding to the highs and lows of the marketplace and providing the help when it is needed. Fixed payments are not responsive to market conditions. They are not budget responsive. The taxpayers should save money when crop prices are higher. We should be paying less when they are higher and more when they are lower.

I believe the substitute is not balanced. It is weighted toward fixed payments. The loan rates are low and would be allowed to go even lower. The committee bill phases down fixed payments and phases in a countercyclical program that is market and budget sensitive.

Despite overwhelming calls for reforming Freedom to Farm, this substitute, in my opinion, is little more than a continuation of the existing program of marketing loans and fixed payments. In Michigan, this policy has left our farmers without income protection and necessitated over $30 billion of supplemental payments over the past few years. The substitute loan rates are low, as I indicated. The committee bill, on the other hand, sought to help farmers by making modest increases in the loan rates.

The other point I make is in the area of conservation. Conservation is the most significant problem with the amendment other than, in my mind, what is left out in terms of specialty crops which are so critical to Michigan. The committee bill includes the Conservation Security Program which is a new innovative program that provides payments to farmers who make the effort to practice good conservation on working farmlands. It has received growing enthusiasm. I hope that will be included in the final document.

The Cochran-Roberts amendment provides significantly less funding for conservation. Under the substitute, my own farmers in Michigan would receive $40 million less in conservation payments than under the committee bill.

I believe we have reported out a balanced bill that reflects the diversity of American agriculture and the diversity of Michigan agriculture. It addresses innovative new approaches in energy. It encourages a number of different new options and alternative energy sources that are not only good for farmers but are good for all Americans in terms of foreign energy dependence. It addresses conservation and nutrition and the commodity program in a way I think makes the most sense.

Despite my great respect for the authors of the amendment, and I do mean that sincerely, I rise to encourage my colleagues to support the bill reported from committee, to oppose the substitute, and to join in an approach that broadly supports agriculture and provides the safety net necessary for our farmers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I yield to the manager.

Mr. ROBERTS. I yield 5 minutes to the distinguished Senator from Virginia who has been an absolute champion of Virginia peanuts.

Mr. WARNER. I thank my dear friend and colleague. I have done my best over the 23 years I have been privileged to represent the Commonwealth of Virginia to look out for the interests of our peanut farmers. I remember so well Senator Howard Heflin of Alabama. I remember Senators from Georgia. We got together through the years and worked out a fair treatment of our peanut farmers.

The peanut program is such a small crop in the overall agricultural picture of the United States of America, but it is crucial to the economy of Virginia.

History will reflect in the marking up of these bills in committee that somehow the Virginia peanut grower did not fare as well as those in some other States. To correct this inequity, Senator HELMS and I sat down with our distinguished ranking member and we showed him what had occurred, largely through oversight. I believe this oversight occurred because Virginia's peanut farms are unique when compared with other peanut States. We have very small farms compared to other areas in the United States of America.

For family farmers, oftentimes peanuts are one of their principal sources of income, if not their only agricultural source of income. They take a lot of pride as their fathers and forefathers have taken for many, many years. Nevertheless, the committee bill—I say this with all respect to my good friend and chairman, Senator HARKIN, with whom I have worked with over these many years—somehow did not work out for Virginia.

After consulting—and Senator ALLEN joined me every step of the way on this—after consulting with Senators ROBERTS and COCHRAN, they agreed to incorporate the best provisions we could manage into this substitute amendment.

Consequently, we are ready to strongly support the Cochran-Roberts substitute because, for the time being, it gives us the best hope in Virginia to allow this industry to ride through this transition period of several years as the current quota program is phased out. But these individuals, unless they get a little bit of help, cannot survive through this transition. We have to help them.

I thank my good friends, both Senator COCHRAN and Senator ROBERTS, for helping.

We have achieved the following: For example, we will significantly raise the per ton target price. The current quota price per ton is $610. The House passed Farm Bill contains a target price of $480 and the Senate committee bill is currently $520. But under the Cochran-Roberts substitute we were able to raise the target price from $520 up to $550 which will enable our peanut growers to survive this period of transition. This will make a big difference to Virginia peanut farmers. It will enable them to simply survive.

This is not a big moneymaking business. While many people nationwide enjoy the specialty Virginia peanut, it is expensive to grow. These provisions will allow Virginians to continue to grow this peanut as they have for generations.

In addition to the increased target price, there are several technical provisions dealing with peanuts in Cochran-Roberts. For instance, producers will be allowed to re-assign their base for each of the 5 years of the farm bill. All edible peanuts will be inspected to maintain quality control. And the marketing associations will now be allowed to build their own warehouse facilities.

Each of these small incremental steps will enable this very small but crucial industry in Virginia and parts of North Carolina to survive.

I thank Senators COCHRAN, ROBERTS, HELMS, and others. I thank my colleague, Senator ALLEN, for helping me. I am hopeful that we can provide help to these farmers.

I see my good friend, the chairman of the committee. I remember very well when he joined the Senate and came to this committee.

All I am asking for is a little bit of help for these peanut farmers. All through the years—with Senator Heflin and others around here from the peanut States—we always got together. We didn't ask for much, only just enough to survive.

I hope the distinguished Chair will allow me to yield so the chairman may reply.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I thank my friend for yielding. I say to my friend from Virginia that the very issues he is talking about in peanuts is in the committee bill. He doesn't have to vote for Cochran-Roberts. The same provision is in our bill. It is the same thing for the peanut farmers of Virginia. We took care of that in our bill.

I know my friend from Virginia is also a strong conservationist. I know he believes in good conservation. I think my friend from Virginia, if he looks at the peanut program, will see what we do in our bill. They just copied the same thing that we already voted on unanimously, I think, in committee on the peanut provisions. That is in the bill.

I hope he will take a look at the other things that are in the amendment that Cochran-Roberts cut—such as conservation and some other things which they cut in the bill. I know my friend from Virginia is a strong conservationist. He is a good hunter. I know that. He believes in the right of hunters and sportsmen. That is what we have in our bill. Our bill is strongly supported by the sportsmen of America.

There is a lot of conservation that they took out. I wish the Senator would look at that.

Mr. WARNER. Mr. President, I thank the distinguished chairman. I remember Herman Talmadge. When I came to the Senate, he said: Young man. He didn't call me Senator. He said: Young man. You just stick with me and you will make it work.

So I hope your bill does reflect this higher $550 per ton and a few other things, including allowing the producers to be able to move their base.

I thank my friend, Senator ROBERTS.

Mr. HARKIN. Madam President, I will give him a couple more minutes.

Mr. WARNER. No. I am fine. I appreciate that courtesy. I thank the Chair for the indulgence.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. How much time remains on both sides?

The PRESIDING OFFICER. The Senator from Kansas has 6 minutes and the Senator from Iowa has 25 minutes.

Mr. ROBERTS. If I might, Senator CRAPO has asked for 5 minutes. I hope I might have a little time to sum up along with the distinguished chairman of the committee. It would take me hours to respond perhaps in some small way. That is why I asked the distinguished Senator from Iowa if he could lend 5 minutes to the distinguished Senator from Wyoming who is a member of the committee.

Mr. HARKIN. I would be more than honored to give my friend from Wyoming 5 minutes off our time to speak against my own bill.

Mr. ROBERTS. Bless your heart, sir.

Mr. HARKIN. Thank you very much.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. THOMAS. Thank you, Madam President. I thank the Senator from Iowa for sharing some of his time.

The Agriculture bill is a very complicated matter, of course. This is the first year I have served on the Agriculture Committee. I have been involved with agriculture all my life. In fact, of course, agriculture in different places means different things. But I am glad we are having this debate.

I hope we take enough time to really have a look at all the things that are involved in a farm bill. First, I think in many cases this bill has been pushed a little too quickly. I think it was pushed too hard by the committee. I have never been on a committee with a complicated bill such as this which was brought to the Members at midnight one night and expected to be voted on at 9:30 the next morning. We did that consistently through all the titles of this bill.

I have a sense that is what is happening. It is being pushed by our minority friends on the other side of the aisle with the political question. I think it is too important for that. It is something that is going to impact all of us a great deal over a good long time. I don't agree with the idea that if we don't get it done this week we will lose. I don't agree with that. I don't think that is the case at all.

I think if we had a chance to be here and deal with it in January and February, we would have the same opportunity, plus the advantage of knowing more about what we are doing and having a chance to go home and talk to our folks about how it works.

I continue to support a bill that moves more towards market-oriented policy, not one that is increasingly controlled by the Government, as has been the case over a period of time, but one that places more emphasis on all of agriculture as opposed to focusing on the so-called program crops as it has been in the past, one that recognizes the importance of our WTO obligations.

We have, of course, a great percentage of agricultural products that go into foreign trade. If we are not careful about how we do this, we may run into the so-called amber box and find problems. I think we want to recognize the value of keeping working lands in production and not setting aside land for production only to increase the production on that land.

In many cases, I believe the Harkin bill takes us in the wrong direction. It endorses higher rates. It encourages production of U.S. products that are already losing in the world market and which could even lose more. On the other hand, I think Cochran-Roberts is a really good option for us to consider.

The commodity title provides substantial support for crop producers. But it provides support in a non-market-distorting manner.

I think, as in most every issue—but maybe this one more than most—we ought to take a look at where we want agriculture to be 10 years from now, what directions we want agriculture to take. Do we want farmers to become more and more dependent on Government subsidies? Do we want all those decisions to be based on what the Federal Government is going to provide or, indeed, do we want to have a safety net so that we can keep family farmers in business, and help do that, but also that that production is reflected in the marketplace, and that those things that are marketable are the ones that are sold?

I think that is very important. That is what we try to do in the Cochran-Roberts amendment.

The payments are considered to be WTO "green box" payments, so that important foreign trade will be there without being impeded or challenged by other countries.

The Cochran-Roberts amendment allows producers who have never received Government assistance to obtain support through the farm savings account. Producers are able to be matched by Federal funds, but they are able to set aside for a rainy day. That is a market-oriented, private-property oriented type of approach.

The conservation title boosts programs that keep our working lands in production. It recognizes the value of keeping people on the land in operation versus land retirement. Keeping working lands in production benefits open space and wildlife. Those are aspects that are terribly important to my State where much of agriculture, of course, is livestock, with the idea of keeping open space. The EQIP program helps give technical help to conservation programs and financial assistance for improving environmental quality. I think those are so important.

It provides a bonus incentive for producers who have adopted long-term conservation programs. It creates a new program for the protection of Native grasslands. The loss of open space and crop land is a severe problem, particularly, I suppose, in the West.

There are some important distinctions between the Harkin bill and the Cochran-Roberts substitute.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. THOMAS. I hope my colleagues will give great consideration to the amendment and I urge my colleagues to support it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Madam President, how much time do we have on our side?

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. HARKIN. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator has 18 minutes.

Mr. HARKIN. I have 18 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Madam President, I yield myself 10 minutes, and ask the Chair to remind me when my 10 minutes are up.

The PRESIDING OFFICER. The Chair will do so.

Mr. HARKIN. Madam President, I want the talk, literally, about five things that I think Senators should consider before they vote on the pending Cochran-Roberts amendment: direct payments, loan rates, the issue of WTO and our trade agreements, conservation, and then I want to mention a little bit about total spending in the bill itself.

There seems to be some confusion that somehow the Cochran-Roberts proposal is bigger in direct payments than what we have. But I would point to this chart which shows why looks can be deceiving.

Under the Cochran-Roberts amendment, for example, on soybeans—I just used one crop; it could be any of them—the payment rate on direct payments is 60 cents a bushel. Actually, it is 60.68 cents per bushel. Under our bill, it is 55 cents a bushel. So to the casual observer, looking at this, you would say: Well, of course, Cochran-Roberts is better; it gives more in direct payments than what you do, Harkin, in the committee bill.

But here is the catch. Under our bill, we pay for the whole base. We have 100 acres of soybeans. So we take 100 acres, and we just took an average of 38.25 bushels per acre, times 55 cents a bushel; that is a direct payment of $2,104 for that 100 acres of soybean base.

Under Cochran-Roberts, take the same 100 acres, and they use the old triple base back. That is a 15-percent reduction. Actually, that came in the 1990 budget reconciliation bill, if I am not mistaken. It was that triple base rule, and they put it in there. So now it is not paid on 100 acres, but it is paid on 85 acres.

They have the same 38.25 bushels an acre, just like we have—the same yield—and they pay on 85 acres. And then they only pay 78.4 percent of that. Where did that 78.4 percent come from? That is comparing the yield during the base period from 1981 to 1985 to the yield from 1998 to 2001. And it comes out to 78.4 percent.

So when you get through all the convoluted workings of the Cochran-Roberts amendment, the same 100 acres of soybeans that a farmer would raise next year, they would pay $1,547 for that 100 acres under Cochran-Roberts. We pay $2,104, even though our payment rate is 55 cents a bushel. Theirs is more than 60 cents a bushel. But we do it honestly, openly. Update your base and update your yield: 100 acres times your yield, times 55 cents.

They say, oh, they are paying 60 cents a bushel, but it is on 85 acres—15 percent less than the 100 acres—times your yield, times 78.4 percent.

So I hope no one is going to be fooled that somehow Cochran-Roberts has more direct payments out there than we do. It is just not so. It may be higher, but it is on fewer acres, and it is on 78.4 percent of the yield of that field.

So, again, when it comes to direct payments, Cochran-Roberts is convoluted. They go back to all these old payment acres and outdated yields. But we actually pay more.

Next, I would like to cover loan rates. Under Cochran-Roberts, they continue current law, which establishes maximum loan rates and allows the Secretary to lower the loan rates according to a formula of 85 percent of the 5-year average price for grains and oilseeds. You drop high and low-price years. So we can look at this. This will be the loan rates shown right here on this chart.

Let's just take wheat. I know the Senator from Kansas likes wheat. It is a big crop in his area. It is a good crop for the country.

Under our bill, the loan rate for wheat, right now, is $3 per bushel. Now, Cochran and Roberts might tell you that really their loan rate is going to be $2—what is it?—$2.53.

Mr. ROBERTS. It is $2.58.

Mr. HARKIN. I am sorry. It is $2.58. That is what they are saying, $2.58 per bushel. But that is the highest they can go. It is not the lowest they can go. Under their loan rates, because they use this old formula, it can go down from $2.58 to $2.30. If we have a high stocks-to-use ratio, which we do right now in wheat, the Secretary has the authority to lower that another 10 percent, down to $2.07 a bushel. So, again, under Cochran-Roberts, the loan rate can go to $2.07 a bushel for wheat. Under our bill, it can go no lower than $3 a bushel.

On corn, it is the same thing. Under corn, Cochran-Roberts caps it at $1.89, as shown right here on the chart. We are at $2.08. They say: Hey, cap it at $1.89. That is all the higher it can go, but it can go a lot lower. It can go down to, I think, $1.56 a bushel, as shown on this chart right here.

So don't think that this is the Cochran-Roberts loan rate, as shown on this chart right here, not by a minute. It is down in here someplace, down around in here, as shown on this chart.

This is our loan rate: $2.08. The same is true of all the other grains—sorghum, barley, and oats.

So when it comes to loan rates, Cochran-Roberts, again, is trying to fool you. They are trying to say: Their loan rate is less than ours, but it is pretty high. That is not so. Because under the formula, it can be reduced down, and then the Secretary has the authority to reduce it even lower.

We do not give the Secretary that authority. We take that authority away from the Secretary. Our loan rates are honest. It is $3 for wheat. You cannot go a nickel lower than that. The Secretary does not have the authority to lower it.

On WTO, there have been some questions raised about WTO compliance, whether or not we are going to be okay on the WTO. Under WTO, we have what is called an amber box. This is product specific, what we spend on our crops. Under the WTO provisions, we are allowed to spend $19.1 billion a year. I understand some people over here have said that under the committee bill we might exceed that; then we will be not in compliance with WTO.

Well, we used CBO estimates to determine how much we might spend. Right now under the current levels of spending, we are spending about $11 billion. We are allowed 19.1, but we are spending about 11. Under 1731, using CBO estimates we will be spending about $13.6 billion. The maximum that we would spend under 1731 would be $16.6 billion, a far cry from $19.1 billion. Again, if we are allowed to spend $19.1 billion to support farm income and to support family farmers and get them a better price for their grains, why should we be down here at $11.1 billion? Why don't we get closer to $19.1 billion?

Again, even under the worst case scenario, using CBO estimates we are going to be almost $3 billion less than what we are allowed. Why should we handcuff ourselves? I ask—I hope my friend will respond—why do we have to be down here at such low levels? We might as well take advantage of what WTO has given us, $19.1 billion, and use as much as we can without exceeding this.

Under the WTO rules and under our bill, if it looks as though we ever are going to exceed this, the Secretary has the authority to cut payments. So there is an escape hatch. If the worst possible case scenario happened—worst case happened—it would have to be about like it was in 1985. If we had a year like 1985, we might get close to 19.1. But that was 16 years ago. We haven't had a year like that since, and I don't think it is likely we ever will. Again, under WTO we are in full compliance. That is a red herring.

The PRESIDING OFFICER (Mr. DURBIN). The Senator has used 10 minutes.

Mr. HARKIN. I yield myself another 5 minutes.

If anybody tells you we are going to violate WTO, that is nonsense; absolute, utter poppycock.

Then under the amber box, we also have nonproduct specific. This is what we spend on crop insurance and conservation, things such as that. Under this nonproduct specific, right now, I believe, again, we are allowed $10 billion. This is 5 percent. We are allowed 5 percent of the value of our total agricultural production that we can use here for things such as for countercyclical and for crop insurance, we are allowed to spend 5 percent. We are right now, I believe, at about $7 billion. Under 1731, we will be even lower than that. We will never even get close to that 5 percent, or $10 billion cap.

I also draw your attention to the green box. This is conservation, rural development. We are allowed to spend anything we want, anything without violating WTO. So what does Cochran-Roberts do? They take money out of this. They cut funding for conservation. They cut funding for rural development. They even cut some money out of research, when we have no limits on how much we can spend there. So don't let anybody fool you to think that somehow we are not compliant with WTO. We are.

The last thing I will discuss—and this is not specific—is to show what they were cutting in conservation. Under the wildlife incentives program, wildlife habitat, we put in $1.25 billion. They put in only $350 million. This is for 5 years. Under the farmland protection program, where we buy up farmland and keep it from going into urban development, we put in $1.75 billion. They only put in $432 million. The conservation security program, $387 million, we put in 5 years; they zeroed it out.

The Secretary of Agriculture earlier put out a book. It is called "Food and Agriculture Policy, Taking Stock for the New Century." Here it is on page 10, conservation and the environment. They say, the principles for conservation: Sustained past environmental gains.

Then on page 81—if I remember this book right, on page 81 it says "the new approach." They are talking about incentives for stewardship on working farmlands.

> The new approach is broader. It may be the best option for compensating farmers for the environmental amenities they provide as well as recognizing the past efforts of "good actors" who already practice enhanced stewardship. The Department of Agriculture and the administration have supported conservation on working lands, helping farmers who have been good stewards in the past.

That is what we do. We put the money in there, $387 million, just what the administration said they wanted.

Cochran-Roberts zeroes it out. And guess what. I am told the administration supports Cochran-Roberts. They zero it out.

Something is not adding up here. Something is not adding up here on this because the administration now is saying they support Cochran-Roberts. I don't know if they do. Does the administration support your amendment?

Mr. ROBERTS. Yes, sir.

Mr. HARKIN. The administration is supporting the Cochran-Roberts amendment even though earlier this year they wanted money in a program like this to pay farmers on working lands. They zero it out. I guess this administration doesn't give a hoot about conservation. That is exactly it. They want to talk about it. They want to put it in a nice, fancy book. But they don't want to pay for it. They don't want to pay farmers for being good conservationists. They want to support Cochran-Roberts.

This is why I talked about conservation, maintaining and paying farmers for what they are already doing.

This is the one chart on which I think even Mr. ROBERTS will agree with me. Last week we had an editorial in the newspaper saying this is a piggy farm bill, we are spending too much money. I mentioned this last Friday. I asked my staff to make up a chart.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HARKIN. How much time do I have left?

The PRESIDING OFFICER. Three minutes remaining in total.

Mr. HARKIN. I will reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Kansas is recognized.

Mr. ROBERTS. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 6 minutes.

Mr. ROBERTS. I thought I had 7 minutes. I can't squeeze 1 more minute out of—didn't we say 7 minutes before we got into the colloquy on Senator HARKIN's time, the distinguished Senator from Virginia who was extolling great virtue and compliments to the distinguished Senator on his time?

The PRESIDING OFFICER. The Chair would like to give wide latitude to the Senator from Kansas, but the Senator from Virginia exceeded his time.

Mr. ROBERTS. I thought the Senator from Iowa had yielded his time to hear all the accolades directed toward his personage.

The PRESIDING OFFICER. That part of the Senator's statement was charged to the Senator from Iowa.

Mr. ROBERTS. So then I have 7 minutes remaining?

The PRESIDING OFFICER. Six minutes, and not counting the time just used by the Senator from Kansas.

Mr. ROBERTS. I was just making an inquiry to the Chair about the timing.

The PRESIDING OFFICER. Understood. The Senator may proceed.

Mr. ROBERTS. I am delighted to yield to the Senator from Idaho who has been a champion for State water rights in an amendment introduced on the committee bill. There is an option there for the State to opt out. This is a very important issue to the entire West—for that matter, any State. I am delighted to yield 3 minutes to the leader with regard to this issue.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CAPO. Mr. President, I rise today in support of the amendment proposed by Senators COCHRAN and ROBERTS, not only because of the reasons that have been discussed already but because of important provisions contained in the underlying bill that are unnecessary.

We have already spent a tremendous amount of time in this Chamber debating the dairy provisions that were not removed from the legislation. For that reason alone, we ought to substitute the Cochran-Roberts provisions.

Moreover, as Senator ROBERTS has indicated, the underlying bill contains very dangerous provisions relating to water rights that represent a new intrusion of the Federal Government into the domain of State-controlled sovereignty over water rights. We will be debating that later if we are not successful at this point in substituting the Cochran-Roberts amendment. For those two reasons alone, we ought to substitute the Cochran-Roberts provisions for the amendments in the underlying legislation to prevent unfortunate and inappropriate farm policy from proceeding in the Senate farm bill.

I also congratulate Senator ROBERTS and Senator COCHRAN on their innovative farm countercyclical payments account. This farm savings account allows farmers to deposit money into an account and receive a match from the Federal Government. This assistance is nonmarket distorting and, importantly, available to all agricultural producers, including specialty crops and ranchers.

I also thank our Senators for not weakening the planting restrictions in their proposal. These, too, help specialty crop farmers in America. I realize our time is short, so I will cut short my remarks.

I will conclude on this point. Comment has been made that the Cochran-Roberts amendment is not sufficient in the area of conservation. I differ with that. I commend Senators ROBERTS and COCHRAN for the strong commitment in their provision to protect conservation. Our farm bill, as many people in America don't realize, is one of the strongest protections of the environment that we have and that we consider in Congress on a regular basis. The provisions in the Cochran-Roberts proposal are strong commitments to continuing and strengthening our conservation programs across this country.

Some of the charts show differences in numbers that look dramatic. But one must remember that there is a numbers game being played. The numbers used in the Cochran-Roberts proposal utilize the farm budget over a 10-year cycle, which is the way that our budget is established to appropriate it. The numbers utilized in the underlying bill squeeze all of that into 5 years and say nothing about what happens in the outlying 5 years, appearing that they are spending more money when, in reality, they are squeezing it into a front-loaded proposal. We have to compare apples and apples. When we do, we will see that the Cochran-Roberts proposal has strong protections for farmers and commodity dealers, and protections and improvements in our conservation programs, and it doesn't contain the unfortunate attacks on State water sovereignty and unfortunate dairy provisions that the underlying provision contains.

For those reasons, I strongly encourage the Senate to support the Cochran-Roberts proposal.

I yield back the remainder of my time.

Mr. BROWNBACK. Mr. President, I rise today for two purposes: first, to support the amendment from my friend and colleague from Kansas, and second to briefly discuss an important priority of mine, carbon sequestration.

Shortly, we will vote on the Cochran-Roberts amendment, which is in essence, a substitute farm bill, with the main difference lying in the commodity title. I urge my colleagues to support this amendment for a variety of reasons: this proposal helps farmers during hard times by retaining loan rates and increasing the fixed, decoupled payments that farmers now get, but in place of the target price programs, Cochran-Roberts adds a farm savings account. These savings accounts will be available to all producers to help with the risks of production and market risks. These savings accounts give farmers the tools they need to manage their finances and provides up to $1.2 billion in matching funds annually.

The Cochran-Roberts proposal provides market-oriented loan rates and promotes dependable policy. This proposal provides farmers a consistent, predictable income safety net and maintains flexibility in market-oriented planting.

The current Marketing Loan Program is continued for traditional program crops under this legislation. Overproduction is minimized by ensuring more market-oriented loan rates. In times of low prices farmers are protected through counter-cyclical income protection.

The reason these changes are so important is that we must guard against locking into place policies that guarantee overproduction and low prices while also providing adequate protection against market lows. This is a very difficult balance to achieve, but it is curious that the same opponents of freedom to farm, who chided the policy as guaranteeing overproduction, are now advocating policies which will do far more to increase overproduction because they distort the market forces that would otherwise instruct farmers to pull back.

I understand the desire to complete action on a farm bill before the end of this year, of the concern that there won't be as much money available in next year's farm bill. But I say to my colleagues, this bill is too important to rush through and do poorly merely for the sake of time.

I am pleased to join my colleague from Kansas, Mr. ROBERTS, in supporting this legislation. This is responsible farm legislation that will help the hard working farmers of my State. The President and Secretary Veneman have stated their support for this legislation and I encourage my colleagues in Senate to pass this responsible farm legislation.

Last week, this body adopted an amendment from Senator WYDEN and my self to establish a carbon trading pilot program through farmer owned cooperatives. This will allow our farmers an opportunity to explore the market realities of this promising process that reduces carbon dioxide, a greenhouse gas linked to climate change, while also improving water and soil quality. Co-ops will now be able to aggregate sequestered soil carbon into tons and market it to utilities and other industries eager to offset their emissions. This is all still an experimental idea, which is exactly why we need to pilot program to explore the numerous questions surrounding this issue. This pilot program will help us measure both the environmental gain and the economic potential for a carbon market farmers can participate in.

Although I have concerns about much of the existing farm bill, I applaud the leadership of Senator HARKIN and Senator LUGAR on the subject of conservation in this farm bill and specifically, the research and grant money for carbon sequestration contained in their bill. This is a critically important new market opportunity for farmers and the energy title of Senator HARKIN's bill moves us to great deal forward on a number of important fronts.

I am pleased that the Cochran-Roberts amendment recognizes this strength and keeps this title largely in tact.

In closing, I urge my colleague to vote for the Cochran-Roberts amendment.

Mr. ALLARD. Mr. President, I would like to speak on behalf of the farm bill legislation and, specifically, the substitute being offered by Senators COCHRAN and ROBERTS. This is important legislation. Farm policy is always important, not only to farmers but to America. This legislation is also important to the State of Colorado because farming is important to the State of Colorado.

As a member of the House Agriculture Committee I participated in the drafting of the current farm legislation and, as a member of the Senate Agricultural Committee, I participated in the drafting of the farm bill we are about to consider. The drafting of farm policy is an interesting procedure and I am happy that I have twice had the opportunity to be a part of it.

Many of the provisions in the Committee-passed version of the farm bill were bipartisan and have remained virtually the same in the Cochran-Roberts substitute. The provisions in the Nutrition, Rural Development, Credit, Energy, Research and Forestry titles have remained largely unchanged. There are, however, some provisions in Cochran-Roberts that I believe will be very helpful to our farmers.

This bill allows for the implementation of a farm savings account program. Farmers can, in good times, contribute their own funds, which can be matched dollar-for-dollar up to certain amounts, by the USDA. I think that this is a wonderful way to help our farmers help themselves. It is not unlike the Thrift Savings Plan that we offer our own staffers here in the Senate. By putting back their own money for harder years of improvements like new farm equipment farmers can begin to set themselves back on their own feet and decrease their reliance on the U.S. Government.

Cochran-Roberts also maintains the integrity of the crop insurance program reforms. Specifically this legislation provides farmers with essential risk management if there is a crop failure. And, according to an analysis by the Food and Agricultural Policy Research Institute the Cochran-Roberts bill will result in higher market prices for farmers than the committee-passed version. This is because the high loan rates in the committee-passed bill will provide incentives for over-production of crops. This, obviously, will result in lower market prices and increase the need for additional agricultural assistance. That is not what we want for America's farms.

Cochran-Roberts will also provide for reasonable conservation funding. Under this legislation, funding for conservation programs would increase. Let me give you a few examples. Funding for EQIP, the Environmental Quality Incentives Program, would ramp up to $1.65 billion by 2006. The conservation on Working Lands program is a new program that is included in EQIP and would receive funding in the amount of $100 million in 2002. This funding would increase to $300 million by 2006. EQIP is a program which I strongly support. The essence of this program came from legislation I introduced while in the House and serving on the House Agriculture Committee to provide money for cost share practices to reduce soil erosion and protect water quality. It is an important program that has tremendous environmental benefits in rural and urban areas. The acreage cap in the Wetlands Reserve Program would be increased so that up to 250,000 acres could be enrolled annually. Funding for the Wildlife Habitat Incentive Program would increase from $50 million in 2002 to $100 million in 2006.

I want to spend a little time on the Farmland Protection Program. When this program was established in the 1996 farm bill, funding was limited to $35 million over the life of the bill. Now, due to the immense popularity and success of the program we are funding at its highest level ever, $435 million over the course of the bill. The funding for the program ramps up from $65 million in fiscal year 02 to $100 million in fiscal year 06. This voluntary program provides funds to help purchase development rights to keep productive farmland in agricultural uses. In Colorado, the program has been successfully used to leverage additional State and private funding to help farmers and ranchers stay on the land. In addition, Farmland Protection Program would be clarified to provide that agricultural lands include ranch-lands and allows participation by non-profits and would require conservation plans for lands under easement.

Forty million dollars would also be provided for conservation on private grazing lands and the Natural Resources Conservation Service would be funded to provide coordinated technical, educational and other related assistance programs to conserve and enhance private grazing land resources, and related benefits, to all citizens of the United States.

In addition to providing increased funding to many conservation programs this legislation would establish a new program, the Grasslands Reserve program, that would aid in preserving native grasslands. Enrollment in this program would be 30-year, permanent easements and total enrollment would be capped at 2 million acres. Technical assistance and cost-sharing would be provided for the restoration of grasslands.

I would also like to point out that this bill sticks to the trade obligations that we have made. I believe it is very important that we provide responsible assistance to our farmers. However, I believe it is equally important that we adhere to the responsibilities that we have as a result of WTO agreements. In addition, this Farm Bill substitute comes in under the budget allocation of

$73.5 billion that was agreed to in the budget resolution. While many think that we can buy our way out of hard times, as a member of the Budget Committee, I believe that it is very important that we stick to the numbers outlined for in the budget resolution.

Finally, equally important to getting a farm bill passed, is passing a farm bill that can be signed into law. Secretary Veneman and the administration are behind this bill. Secretary Veneman sent a letter indicating her strong support for this legislation and the White House has also expressed their support for the provisions contained in Cochran-Roberts.

Now I would like to talk to something that is very important to me. I think that it is very important we focus on in the farm bill is research. As a veterinarian, this is an area that I believe in strongly. In order for our nation to continue to have one of the most abundant and safest food supplies in the world we must continue funding our research priorities. Our world is one that has continued to become more integrated. We can no longer assume that because a disease does not occur naturally in our country we need not worry about it. We must also be aware of the potential impact of diseases that are not naturally occurring.

To this end, I worked to include several provisions in the research and forestry titles. The first allows for research and extension grants on infectious animal diseases. This will assist in developing programs for prevention and control methodologies for infectious animal diseases that impact trade, including vesicular stomatitis, bovine tuberculosis, transmissible spongiform encephalopathy, brucellosis and E. coli 0157:H7 infection, which is the pathogenic form of E. coli infections. It also set aside laboratory tests for quicker detection of infected animals and the presence of diseases among herds; and prevention strategies, including vaccination programs.

The second research provision that I included in the Research Title establishes research and extension grants for beef cattle genetics evaluation research. It provides that the USDA shall give priority to proposals to establish and coordinate priorities for the genetic evaluation of domestic beef cattle. It consolidates research efforts in order to reduce duplication of efforts and maximize the return to the beef industry and streamlines the process between the development and adoption of new genetic evaluation methodologies by the industries. The research will also identify new traits and technologies for inclusion in genetic programs in order to reduce the cost of beef production and provide consumers with a healthy and affordable protein source.

The Forestry Title includes a provision which I sponsored to establish Forest Fire Research Centers. There is an increasing threat to fire in millions of acres of forestlands and rangelands throughout the United States. This threat is especially great in the interior States of the western United States, where the Forest Service estimates that 39,000,000 acres of National Forest System lands are at high risk of catastrophic wildfire.

Today's forestlands and rangelands are the consequences of land management practices that emphasized the control and prevention of fires, and such practices disrupted the occurrence of frequent low-intensity fires that had periodically removed flammable undergrowth. As a result of these management practices, forestlands and rangelands in the United States are no longer naturally functioning ecosystems, and drought cycles and the invasion of insects and disease have resulted in vast areas of dead or dying trees, overstocked stands and the invasion of undesirable species.

Population movement into wildland/urban interface areas exacerbate the fire danger, and the increasing number of larger, more intense fires pose grave hazards to human health, safety, property and infrastructure in these areas. In addition smoke from wildfires, which contain fine particulate matter and other hazardous pollutants, pose substantial health risks to people living in the wildland/urban interface.

The budgets and resources of local, State, and Federal entities supporting firefighting efforts have been stretched to their limits. In addition, diminishing Federal resources (including personnel) have limited the ability of Federal fire researchers to respond to management needs, and to utilize technological advancements for analyzing fire management costs.

This legislation will require the Secretary of Agriculture shall establish at least two forest fire research centers at institutions of higher education that have expertise in natural resource development and are located in close proximity to other Federal natural resource, forest management and land management agencies. The two forest fire research centers shall be located in—A. California, Idaho, Montana, Oregon, or Washington and B. Arizona, Colorado, New Mexico, Nevada, or Wyoming.

The purpose of the Research Center is to conduct integrative, interdisciplinary research into the ecological, socio-economic, and environmental impacts of fire control and use managing ecosystems and landscapes; and develop mechanisms to rapidly transfer new fire control and management technologies to fire and land managers.

Lastly, the Secretary of Agriculture, in consultation with the Secretary of Interior, shall establish an advisory committee composed of fire and land managers and fire researchers to determine the areas of emphasis and establish priorities for research projects conducted at forest fire research centers.

Again, I believe that research of all kinds is fundamental. Which is why I am pleased that the committee-passed legislation also contains several provisions that allow for the enhancement and expansion of research in the area of renewable energy. A number of grants were created to help increase the use of renewable resources. These grants will provide funds for biorefineries to convert biomass into fuel and assistance for rural electric co-ops to develop renewable energy sources to help serve their area's energy needs. These grants will also provide education and technical assistance to help farmers develop and market renewable energy resources and programs to educate the public about the benefits of biodiesel fuel use.

Before I close I want to talk again about the need for the inclusion of the language that would include fighting birds in the interstate shipment ban that exists in the Animal Welfare Act. I would like to point out that the need for this stems largely from the need to give individual states the ability to enforce their laws. When a state legislature passes a law they expect to be able to enforce it. But when a loophole in Federal law allows for that law to be "ducked" there is a problem. The current provisions in the interstate shipment section of the Animal Welfare Act provides just such a loophole. Because live birds are specifically excluded from inclusion in the interstate transport ban they are the only animal that can legally be taken across state lines for the purpose of fighting. There is absolutely no need for this exclusion. When a person is caught in a State where cockfighting is illegal they can simply claim that they are transporting the birds to one of the 3 States where cockfighting is legal. And, law enforcement has to let them go. There is no way for law enforcement officers to determine if they really are transporting the birds or if the cockfight will be held right down the road. States should not have to trip over Federal law in the pursuit of enforcing their own laws.

As I and many of my colleagues have previously stated, this is an important issue and I hope that we can do what makes the most sense, and will be best for, all of America's farmers.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. There are 2 minutes 13 seconds for the Senator from Kansas, and 2 minutes 39 seconds for the Senator from Iowa.

Mr. HARKIN. Mr. President, I will let the Senator from Kansas, my good friend, close. It is his amendment.

Senator ROBERTS is a great friend of mine. We have worked together for many years. We have a different philosophy and a different policy on agriculture. Senator ROBERTS believes very strongly in Freedom to Farm. I understand and respect that. Quite frankly, there were some good things I said earlier in committee that shocked him to death about Freedom to Farm. Planning flexibility, for example, we keep that in there.

But what I have heard from my farmers in Iowa, and all over this country, is that we need to modify Freedom to Farm. We don't need to throw it all out the window, but we need to modify it because what has been lacking is a decent income farm safety net. That is why we are here every year, year after year, with billions of dollars to help bail out farmers.

So what we have done in our bill is kept the best of the old Freedom to Farm, but we put in a good safety net. We have four legs to our chair, or stool, of support: Direct payments, good loan rates, conservation payments, and a countercyclical payment when prices are low. Cochran-Roberts has two legs; that is all. They have direct payments, and they have some modest lower loan rates, and that is all.

Our farmers are saying they need a better safety net. That is what we did. We modified Freedom to Farm. Farmers want more conservation. We have the money for conservation in that, which Cochran-Roberts takes out.

Energy: We put in a new title on energy. Our farmers are saying that is the market for the future. They say: We are going to make ethanol, soy diesel, and we will create biomass energy. That is going to be our market for the future.

Mr. President, they gut that program.

Rural development: Every farmer I have ever spoken to says: It doesn't do anything good if you save my farm and our small towns go down the drain. We need better job opportunities in rural communities.

That is what we have in our bill. That is what Cochran-Roberts takes away. If all you want to do is continue what we have been doing for the past 5 years on Freedom to Farm, then you will want to support Cochran-Roberts. But if you want to modify Freedom to Farm, not throw it all out, but have a good safety net, good conservation programs, and energy programs so we will have more ethanol in the country and develop more soy diesel and other things, and if you want a strong rural development program that will provide for jobs and economic opportunity for off-farm income in rural America, that is in the committee bill.

That is why Cochran-Roberts should be defeated. We don't need to continue down the road just with Freedom to Farm as we have in the past 5 years. Let's modify it.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Kansas is recognized.

Mr. ROBERTS. Mr. President, there are several basic reasons I urge colleagues to support the Cochran-Roberts amendment.

No. 1, there has been a great deal of discussion about which bill serves small farmers versus big farmers—most especially from the Senator from North Dakota. Under Cochran-Roberts, the payment limitation is $165,000 total for direct payments for the farm accounts that are in the bill, and then also the loan deficiency payments.

Second, truth in budgeting: The committee bill spends $46 billion over the first 5 years, allotted over a 10-year part of the bill, only leaving $28 billion. We are robbing the future to pay for the current bill.

Then we have the issue of the guaranteed payments. Again, again, and again I say if the farmer loses a crop, he is not eligible for the loan rate at the target price. The target price is capped. It only goes to about $3.45. There is more protection under our bill. Under the WTO, let me quote from the Food and Agriculture Policy Research Institute:

> Given the structure of the changes, we calculate a 30 percent chance that the U.S. will exceed this limit in the 2000 marketing year.

And they also go ahead and say:

> The countercyclical program begins payments in the 2004 marketing year essentially replacing green box expenditures with amber box expenditures.

I think it is too dangerous a road to go down. The President and the administration support this amendment, and we can conference it more quickly with the House. This is not a stalling bill. This is an amendment to get this farm bill done.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The Senator from Iowa.

Mr. HARKIN. I assume all time has expired.

The PRESIDING OFFICER. Yes.

Mr. HARKIN. Mr. President, I move to table the Cochran-Roberts amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Mississippi (Mr. LOTT), and the Senator from Texas (Mr. GRAMM) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 40, as follows:

[Rollcall Vote No. 374 Leg.]

YEAS—55

Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Miller
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Smith (OR)
Snowe
Specter
Stabenow
Torricelli
Wellstone
Wyden

NAYS—40

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Cochran
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Fitzgerald
Frist
Grassley
Gregg
Hagel
Hatch
Hutchinson
Hutchison
Inhofe
Kyl
Lugar
McCain
McConnell
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—5

Akaka
Gramm
Helms
Lott
Murkowski

The motion was agreed to.

Mr. HARKIN. I move to reconsider the vote by which the motion was agreed to.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, we are making progress. We had a good debate on the Cochran-Roberts amendment. Two good friends and two very valuable members of the Agriculture Committee have had a good debate on this. It was the substantive vote on whether or not we were going to stick with the committee bill. There are other amendments that will be offered that might change things on the edges, but this was the substantive vote on whether or not we would go with the committee bill.

I hope now that we can begin to dispose of some amendments in a timely fashion. Right now, if I am not mistaken, one of the underlying amendments is the amendment offered by Senator SMITH, and there was a second degree offered by Senator TORRICELLI. I would like to move to table that amendment, but obviously they want to speak a little bit longer on it. I checked with them and Senator SMITH and Senator TORRICELLI and Senator DORGAN agreed on 3 minutes each on that.

I ask unanimous consent the author of the amendment, Senator SMITH, be allowed to speak for 3 minutes; following him, Senator TORRICELLI for 3 minutes, and Senator DORGAN for 3 minutes, and at the end of that time, all time end and I be recognized for a motion to table the underlying Smith amendment.

I call for the regular order.

AMENDMENT NO. 2596

The PRESIDING OFFICER. The Smith amendment numbered 2596 is now pending.

Mr. HARKIN. I ask unanimous consent that the Senator from New Hampshire be allowed to speak for 3 minutes, Senator TORRICELLI for 3 minutes, and Senator DORGAN for 3 minutes, and at the end of that time I be recognized to move to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire is recognized for 3 minutes.

Mr. SMITH of New Hampshire. Mr. President, I thank my colleague, Senator TORRICELLI, for his cooperation in working together on two amendments which are slightly different but share the same goals. I am pleased to work with him.

Cuba is currently one of the nations listed by the State Department as a state sponsor of terrorism. They are in good company: Iraq, North Korea, Iran, Syria, Libya, and the Sudan.

Until the State Department removes Cuba from this list of state sponsors of terrorism, the U.S. Government should not permit the private financing of agricultural sales to prop up that regime. That is essentially what Senator TORRICELLI and I are talking about.

The administration is opposed to the language in the bill and Senator TORRICELLI and I modify that language. If the President certifies that Cuba has stopped sponsoring terrorism or that American fugitives who are hiding in Cuba who committed atrocious crimes—some of the crimes in the home State of Senator TORRICELLI from New Jersey—they ought to be returned.

That is the gist of the amendments. I remind my colleagues what President Bush said: Every nation in every region has a decision to make. Either you are with us or you are with the terrorists. From this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime.

It seems to me reasonable that if there are murderers who Fidel Castro is hiding in Cuba, he could easily return them so they could be prosecuted in New Jersey or other States where they committed the terrible crimes. If Cuba is on the State Department list of terrorist nations, it seems reasonable they ought to be removed before we give them help. I rest my case.

I hope my colleagues will support the Torricelli-Smith amendment.

I yield the floor.

The PRESIDING OFFICER. Under the unanimous consent request, the Senator from New Jersey is recognized for 3 minutes.

Mr. TORRICELLI. I thank Senators SMITH, HELMS, ENSIGN, GRAHAM, and NELSON for being part of this effort.

The administration supports these amendments and opposes the provision in the bill. It would be shocking if the President of the United States did not support us. President Bush has made very clear, in this world, you are with us in the fight against terrorism or you are against us.

We are in the middle of a worldwide fight against terrorism and almost unbelievably in this Senate this bill contains a provision that the United States would allow private banks, guaranteed by the U.S. Government, to sell products to Fidel Castro's Cuba while the State Department has listed Cuba as harboring terrorists—not one terrorist group but four terrorist groups.

Further, it is amending the bill to say to Fidel Castro: If you want the privilege of our finance, get yourself off the terrorist list; if you want the privilege of our finance, return the 77 fugitives living in Cuba wanted for murder, hijacking, and terrorist activities.

I ask my colleagues to think about what we are doing, what kind of a message we are sending. We send troops halfway around the world to fight terrorists. But now on the floor of the Senate, before our troops even come home, we are authorizing the financing of exports to a country we have identified as harboring terrorists. It doesn't make sense. Of course; the President is opposed to it. Of course, we should be opposed to it. But it will be argued that we need this for business, that we need this to help our farmers. I don't believe there is a farmer in America who wants to make a buck selling products to people who harbor fugitives from justice. But even if they did, what kind of a business proposition is this?

Fidel Castro owes $11 billion to financial institutions, he has not paid it back; $20 billion to former Soviet Union; he hasn't paid it back. His current account deficit is $700 million. He can't meet the bills. Even if you loaned him the money, he couldn't pay it back.

Don't let anybody tell you that in doing this we are not being a generous people. Fidel Castro can buy American food. He has to pay for it. The United States has given more food and medicine to Cuba in the last 10 years than any one nation has given to any other nation in modern history. He is getting donations. He can buy our food. We just should not finance it because he can't bay it back and he doesn't deserve it.

Consistency in America foreign policy: financing sales to a nation on our terrorist list, never.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, does anyone in the Senate Chamber think Fidel Castro has ever missed a meal because for 40 years we have said to family farmers in America: You can't sell food to Cuba? What meal has he missed? You know and I know this 40-year failed policy is a policy that takes a swing at Fidel Castro and it hits poor people, and sick people, and hungry people in Cuba. And it hurts American farmers here at home. We know that.

Let me ask the question about consistency. We hear these discussions about Cuba. Is there a sanction against private financing to send food to Communist China? No, there is not. Is there a prohibition against private financing to send food to Vietnam, which is a Communist country? No, there is not. Is there a prohibition against sending food to North Korea, a Communist country? No. Is there a prohibition of private financing to send food to Libya or Iran? The answer is no. No.

So we are told that somehow there needs to be a sanction, or a continued sanction for the past 40 years, to prohibit private financing to send food to Cuba. It is a foolish failed public policy, and everyone knows it.

How long does it take to understand that a policy doesn't work? Ten years? Twenty years? With Cuba, it has been 40 years.

American farmers are told they should pay the price for this foreign policy. What is the price? The price is your Canadian neighbors can sell food to Cuba. The French can sell, the English can sell, and all of the European countries can sell. It is just the United States farmers who are told: You can't sell food to Cuba.

That is a foolish public policy. It is time to stop it, this notion about a Communist country. This is the only country in the world which employs this policy, and it doesn't work.

As I said when I started, Fidel Castro has not missed a meal because of this policy. But hungry people, sick people, and poor people have been severely disadvantaged for a long while. That is not what this country ought to be doing in foreign policy.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Iowa.

Mr. HARKIN. Mr. President, I move to table the Smith amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr.

HELMS), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Mississippi (Mr. LOTT), the Senator from Ohio (Mr. VOINOVICH), and the Senator from Texas (Mr. GRAMM) are necessarily absent.

The PRESIDING OFFICER (Mr. MILLER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 33, as follows:

[Rollcall Vote No. 375 Leg.]

YEAS—61

Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Burns
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Fitzgerald
Grassley
Hagel
Harkin
Hutchinson
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lincoln
Lugar
Mikulski
Miller
Murray
Nelson (NE)
Nickles
Reed
Roberts
Rockefeller
Sarbanes
Stabenow
Thomas
Warner
Wellstone
Wyden

NAYS—33

Allard
Allen
Bennett
Bunning
Byrd
Corzine
Domenici
Ensign
Frist
Graham
Gregg
Hatch
Hollings
Hutchison
Inhofe
Kyl
Lieberman
McCain
McConnell
Nelson (FL)
Reid
Santorum
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thompson
Thurmond
Torricelli

NOT VOTING—6

Akaka
Gramm
Helms
Lott
Murkowski
Voinovich

The motion was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business with Senators allowed to speak therein for a period not to exceed 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST

Mr. HUTCHINSON. Mr. President, parliamentary inquiry: What is the pending business?

The PRESIDING OFFICER. The Senate is now in a period of morning business with Senators permitted to speak for up to 10 minutes each.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent to go back to the farm bill to offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. REID. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MILLER). Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. There is an objection.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PASSING A FARM BILL

Mr. HUTCHINSON. Mr. President, I filed an amendment. I know I cannot call it up tonight. I hoped to be able to lay down this amendment this evening. At this point, I can't. But hopefully we will be able to work out a means by which I can lay that amendment down tomorrow morning before the cloture vote tomorrow afternoon.

The amendment I filed this evening is the bipartisan farm bill that had been filed earlier by Senator LINCOLN, myself, Senator HELMS, Senator MILLER, Senator SESSIONS, Senator Landrieu, and Senator BREAUX. It is truly the only bipartisan farm bill we have had out here, with four Democrats and three Republicans. It is basically the House bill that was passed by the House of Representatives.

At this late date, I have done everything I can to move a farm bill forward. I again reiterate my strong support for passing and completing a farm bill this year.

Farmers in the State of Arkansas have been very clear with me on this issue, just as I think they have been clear with most Members of the Senate. They want to see a farm bill completed before we leave for Christmas.

When the farm bill debate seemed to be dragging, I urged my colleagues to move forward. We introduced a bipartisan bill closely resembling that which was passed in the House in hopes that it would start the Agriculture Committee moving forward. I commend Senator HARKIN, the chairman, for pushing a markup late in this session. After all of the time and energy that was spent on a lot of issues important to this country—the war on terror—Senator HARKIN was determined that we get the bill out of committee. I supported that. I supported the Cochran-Roberts proposal and turned around and supported the chairman's proposal. I thought we had to get something out this year. If it took compromise on my part, I was willing to make it.

I was not the only Republican member of the Agriculture Committee to support the Harkin commodity title. I don't think it is necessarily the best policy, but it is far better than what our farmers are dealing with right now.

When the farm bill came to the floor, I was assured that now was the time we would seek the final compromise to get this farm bill passed. However, the process has broken down along partisan lines. We have not been able to come to a consensus.

I am deeply disappointed that we are at risk of now leaving without a farm bill. I don't blame my colleagues on the Republican side of the aisle. I don't blame my colleagues on the Democrat side of the aisle. But it is time we achieve a compromise. We must not dig in our heels at this point.

I believe the House bill is the best possible chance we have of getting a bill to the President. Again, this bill is sponsored by four Democrats and three Republicans. It was one about which I talked with the chairman of the House Agriculture Committee. It could be conferenced very quickly—in a matter of probably an hour's time—and we could have a bill to the President. While all of us may have our preferences, this is our chance to get something to the President this year.

I voted for cloture repeatedly, and I am going to continue to vote for cloture. I have crossed the lines to do so many times. Some have suggested where that line is right now.

I know my farmers want a farm bill. In an effort to move that process forward, I offered this bipartisan alternative. I filed it tonight. It is cosponsored by Senator LOTT and Senator SESSIONS. I am hopeful the cosponsors of the legislation when it was first introduced will join in support of this bill and that we will be able to get a bill signed into law.

Even if we were able to get cloture tomorrow and get it passed at this late date, there is no possible way the differences between the Harkin bill and the House-passed bill could be reconciled in time to help our farmers.

This past weekend I heard the farmers in Arkansas saying if we don't get it done before the new year, it is too late—in effect, that they are now going to their bankers and making the loans. They are making their preparations for crops next year. To wait until after we come back on January 23 before we put together a conference to begin to try to work out differences in the House and Senate bill is not good news for the farmers of this country. The best chance we have of getting this bill signed into law this year is to adopt this House bill, the substitute, and send it to a quick conference, and on to the President for his signature.

I hope we will have the opportunity in the morning to get this laid down. Depending on the outcome of that cloture vote, we will have a full and thorough debate. An opportunity to vote on this substitute is really our last chance to get a bill signed into law before we leave for Christmas.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, farm-related issues are very important to the people of Nevada. We raise cattle. We have dairies. We grow a lot of garlic. We have one place in the State of Nevada which raises the largest amount of white onions than any place in the United States. Even though it is not a great contributor to our economy, it is a very important contributor to our economy.

For someone who is not involved in the nitty-gritty of the farm bill, I know there is one section I worked on which is extremely important to the people of our country—especially the western part of the United States—dealing with conservation.

It is too bad there is a concerted effort to kill this legislation. This bill is extremely important to our country. Farm bills have been part of this country since we became a country. I hope that tomorrow when we vote again to invoke cloture, people will understand that it may be the last attempt to get a farm bill this year.

With all the plaintive cry, Well, I think we should pass the bill that the House passed some time ago—I am familiar, generally speaking, with the House bill. I am also familiar with what has happened in the Senate. I may not know every line and verse of the Senate bill, but I know, because I have been involved in putting together that bill procedurally, how difficult it has been to arrive at this point where there is general agreement. More than 50 Senators want this bill to pass. I will bet, if the truth were known, it would be a lot more than 50 Senators. People want this legislation to pass.

This is an effort maybe to try to embarrass Senators, I guess. There is no other reason I can think of. I have never said this publicly, but the fact of matter is the chairman of this committee is up for reelection this year. There is nothing more important to the majority leader's State than farm issues. Maybe it is an attempt to embarrass the majority leader.

I could go on with reasons for attempting to kill this bill. But the fact of the matter is the only people being hurt—this is not about Democrats and Republicans being hurt in this stalling procedure—are the people of this country who need this bill. This bill is important to more than agricultural producers in this country. It is important to people who consume these agricultural products.

This is a delicately balanced bill that the majority of the Senate supports. It is a shame—it is a shame, as I see it—there is an attempt being made to kill this legislation.

How many more times, with Christmas Eve being next Monday, can the leader call upon the Senate to vote on cloture? They think there is always going to be another opportunity. Tomorrow may be the last opportunity.

I say to those Senators who are voting against cloture, the responsibility is on their shoulders. This should not be a partisan political issue. This bill was reported out of the Agriculture Committee on a bipartisan vote. So I think it is too bad we are at the point where we are now.

I would hope that tomorrow, when we vote, there would be a sense of how important this bill is to the country.

Tomorrow afternoon, we are going to vote. We are going to vote on invoking cloture on this bill. If cloture were invoked on this bill, we would finish this bill before Christmas. But if we do not, I think it is going to be very difficult to get a bill. I think that would be really, really too bad.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the assistant majority leader for his kind words and his observations on this farm bill.

It is obvious now to all—those in the press, any objective observer—what has been going on here in the Senate, that there is a stall tactic going on. There is no doubt in my mind anymore. Earlier I thought we were just going to have our votes and have our debate and move on. Now it looks as though, for whatever reason, there is politics being played here. It is just a darn shame that our farmers and our ranchers and our people in rural America and in our small towns are being held hostage to a game of politics this late in the year on this farm bill.

I have been through a lot of farm bills in 27 years. I have been through three in the Senate in 17 years. Again, I believe this bill came out of committee with more bipartisan votes than any bill that has ever come out of the Agriculture Committee to the Senate floor.

Every single title of this bill was voted on by Republicans and Democrats in the Senate Agriculture Committee unanimously, except for one title, the commodities title. That got bipartisan support. The Senator from Arkansas voted for that.

I knew we were going to have to come on the floor and probably have debate and amendments on the commodities title. I understood that. I said that when the bill was reported out of committee. But I congratulated the Agriculture Committee for acting in a bipartisan fashion on the bill.

As the Presiding Officer knows, we had tough negotiations. This is a big country. There is a lot of different agriculture. My agriculture in Iowa is different than the agriculture in Georgia or in Arkansas or in California or in Oregon or in Maine. So we had to try to keep this in balance. We had to try to balance all these interests. It was hard work, but we did it. I did not do it. We did it. Republicans and Democrats did it on the Agriculture Committee. We did it together.

I cannot say enough about the working relationship that we had with Senator LUGAR and his staff in working out all these different titles on research, on trade, on conservation, on nutrition, and all these things. Maybe we did not always agree, but we recognized that you cannot always agree on everything. We worked it out. We worked it out to the point where we had a comprehensive, well-balanced bill passed out of committee.

Again, I knew we were going to have some votes on the floor on commodities. That is fair game. But now I see all this other stuff happening now. Now it is becoming clear to me, as we go toward the end of the year, that, for whatever reason, the leadership on the Republican side of the aisle does not want a farm bill out of the Senate before we leave here.

Now, hope springs eternal. If we could get cloture tomorrow, and if we could wrap up the farm bill tomorrow night, on Wednesday—I talked to Congressman COMBEST, who is the chairman of the Agriculture Committee on the House side. I said: If we get it done, can we go to conference? He said he is ready. As soon as we get it done, we go to conference. Can we finish it before we get out of here? I assume we are going to get out of here this weekend. I hope. It is probably unlikely now, but at least we would start. And the farmers and ranchers of this country, and the people in rural America, would know we were committed, we passed the bill, we got it out of here, and we are in conference.

Even if we couldn't finish the conference by Friday or Saturday, it would mean, I say to my friend from Nevada, that our staffs in the Senate and the House—Republican staff and Democratic staff—in early January, before we come back here, could begin to work all these things out before we have to go to conference. When we come back on the 23rd of January, we could have it just about wrapped up. Maybe there would be a few final things in conference. But we could get the bill passed and get it to the President by the end of January.

If we do not pass the bill in the Senate before we leave, it will not be on the President's desk before the end of January. I will tell you something else.

It will not be on the President's desk before the end of February, if we do not finish this bill in the Senate this week.

So for those who talk all the time about certainty for our farmers and for our bankers and for our lenders, and people who have to come in and get the money they need, I say to my friend from the South, you need it before we need it in the Midwest. Your farmers are in the field before ours. And their lenders and their bankers want to know, with certainty, what is out there.

I say to my friend from Nevada, if we do not finish the bill in the Senate before we leave here, and our staffs cannot work on it to get to conference, and work out all these things so that when we come back on the 23rd, the President will not have this bill, that means we will still be on the farm bill when we come back here on the 23rd, and then it is "Katie bar the door." You think you have amendments now? You wait until we come back here on the 23rd. We will have 200 amendments or more.

I will say it one more time so I am absolutely clear. If this bill is not passed in the Senate before we leave here, the President will not have it on his desk before the end of February. We will be lucky to have it by March.

Then, if that is not enough, we are going to have January estimates coming out of OMB. It is going to show that we are going to slide even further into deficit spending. And then guess what has happened to our $73.5 billion that we have over the next 10 years. Kiss it good-bye.

Now go home and tell your farmers how you stopped this bill in the Senate, and now we have less money for our farmers and people in rural America because it was stopped before we could get out of here at the end of the year. That is what is at stake.

So I say to my friends on the other side of the aisle, who are slowing this down: You are playing a dangerous game. You may think you are getting me. You may think you are getting Majority Leader DASCHLE. But you are getting the farmers. You may be shooting at us, but the bullets are hitting the farmers and ranchers of America. They are not hitting us, not at all.

We have done our job. We pulled this bill together. This is a good bill. It is a good bill for America. It is a balanced bill. Am I saying it is perfect? Of course it is not perfect. If I could write the farm bill by myself, I would put it all in Iowa. Then it would be perfect.

It is a balanced bill.

I understand that my friend from Arkansas has just filed an amendment which is the House-passed farm bill. The House passed its bill. He wants to offer the House bill. That way we don't even need to have a conference. It just goes to the President. Of course, that is the bill the President said was unsatisfactory. If the House bill were to pass, it means we don't have a conference. That is the end of it. It undoes all the hard work we did, all of the hours that the occupant of the Chair and I and Republicans working together, Senator LUGAR, his staff, all of us working together to bring a balanced bill together.

Why are we Senators? If all we want is what the House does, why are we Senators? Why do we spend this time?

As a Senate and as Senators, we do tend to look at things in a broader perspective. We have been Members of the House, most of us here. We tend to take a broader perspective. That is what this bill does, it is broader based. It is for all of the country.

The House bill doesn't do enough for conservation. There is no energy title in it. This is a bill we ought to be proud of. We have an energy title for the first time ever in a farm bill, we have an energy title to promote ethanol and soy diesel and biomass and wind, all of the different forms of energy—methane. That is in this bill. It is not in the House bill. So we just throw that out the window, too.

Farmers want different markets. They want an energy provision. They want to know that we are going to start promoting ethanol more than we ever have in the past. If you vote for the House bill, kiss it goodbye.

I say to my friends who are thinking of voting for the House bill, they ought to think again. Take a look—I say to every Senator here—add up, look at it first economically. Add up what happens to your State in the next 5 years under the committee-passed bill and under the House bill. I will wager that every single State represented in this Chamber will do better overall under the committee bill than under the House-passed bill economically, in terms of commodities and everything else. Add them all up, conservation payments, energy payments, all those things, add them all up.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. HARKIN. Hope springs eternal. I will not give up. I will not quit. I will never give up in trying to get the best deal possible for all the farmers of this country. I don't care how long we have to stay here, how late we have to stay here. I will fight to the last day, to the last breath to get this bill out of here and get it out of the Senate because it is best for America and it is best for our farmers.

The PRESIDING OFFICER. The Senator from Nevada.

ORDER OF BUSINESS

Mr. REID. Mr. President, if I could say to Senators here assembled, we have some matters we need to take care of to wrap up for tonight. I see Senator GRASSLEY is here, Senator HUTCHINSON, and Senator SESSIONS. If I could ask through the Chair to each of them, if they wish to speak in morning business before we adjourn tonight, I will try to get some time for each of them to do that.

Mr. GRASSLEY. Mr. President, will the Senator yield for a question?

Mr. REID. I am happy to yield for a question.

Mr. GRASSLEY. I have to assume that after listening to you and after listening to Senator HARKIN, you don't want to hear another point of view on this issue in conformity.

Mr. REID. I didn't say that.

Mr. GRASSLEY. I would like to speak before you speak.

Mr. REID. What I would do, to inform the Senator, I will go through the wrap-up and then just indicate how much time each of you wish to speak tonight.

Mr. GRASSLEY. Then let's leave it this way. You are doing exactly what I said. I won't say anything, but I resent your saying that we are stalling on this side when I was here to offer an amendment even at this late date. You told me less than an hour ago, no more amendments. So have the record show that the Senator from Iowa, the senior Senator from Iowa, was ready to offer an amendment and go through a time.

Mr. REID. Mr. President, I say to my friend, who is the senior Senator from Iowa—and I have the greatest respect for him—we have been on this bill for a long time. People can go through all the machinations they want, saying they were ready to offer amendments. The fact is, we voted on cloture on two separate occasions. It has been opposed. We are going to do it again tomorrow. The fact is, we had other votes to do tonight.

I actually was contacted by the assistant minority leader, and he asked that we not have another vote. I agreed with that. I felt it was time to wrap things up. It was about 22-to-9 then.

As I told the Senator from Iowa, when we were not speaking publicly, but I will say this publicly, no one has ever questioned the work ethic of the Senator from Iowa. He has been, since I have been here, one of the first to get here and always one of the last to leave. No one questions the work ethic of the Senator from Iowa. I want to make sure the record is clear in that regard.

Does the Senator from Arkansas wish to speak tonight?

Mr. HUTCHINSON. If I could have 5 minutes.

Mr. REID. And the Senator from Alabama?

Mr. SESSIONS. Ten minutes.

SMALL BUSINESS PAPERWORK RELIEF ACT

Mr. KERRY. Mr. President, I speak today in support of Senator

VOINOVICH's legislation, S. 1271, the Small Business Paperwork Relief Act of 2001, as well as my amendment to improve the legislation for the benefit of America's small businesses.

While legislation such as the Regulatory Flexibility Act, and the Small Business Regulatory Enforcement Fairness Act have made great strides in helping to ease the regulatory burden on our small businesses, more work remains to be done.

In the report prepared by the Small Business Administration's Office of Advocacy on the recommendations of the White House Conference on Small Business in 1995, the Office of Advocacy stated that, "Federal, State and local governments impose numerous requirements on the operation of businesses. The burdens associated with these requirements are often exacerbated by substantial paperwork and recordkeeping requirements. In addition to the cost and administrative burdens, small and growing businesses have difficulty simply keeping abreast of the various regulatory and paperwork requirements." Six years later, this statement is still true.

While I support the Small Business Paperwork Relief Act, I think it is important to point out that I objected to an original request to pass this legislation by unanimous consent because the Committee on Small Business and Entrepreneurship, which I Chair, has jurisdiction over some of the issues included in this legislation. Additionally, the expertise of the Committee on issues of importance to small businesses can only serve to enhance any legislation designed to help our nation's small businesses. That being said, Senator VOINOVICH and I have addressed my questions about the legislation and agreed to an amendment. I believe the bill is better because of our work.

The legislation originally called for the Director of the Office of Management and Budget, OMB, to appoint members to the "Task Force" created in the legislation from the various agencies listed in the bill. Although I had no objection to the Task Force being led by the OMB Director, I did have reservations about the OMB Director selecting the participants, a function that should be vested with each agency head. The amendment makes this change.

Additionally, my amendment has a provision stating that in any report issued by the Task Force, minority views must be included. This provision has been added as a result of my consultations with SBA's Office of Advocacy, who were concerned that reports issued on small business issues may not reflect the views of small business advocates. By allowing minority opinions, any report issued by the Task Force will at the very least contain concerns raised by the small business community.

My amendment also adds the National Ombudsman to the list of recipients receiving bi-annual reporting on the number of enforcement actions taken by agencies. The National Ombudsman, located at the SBA, serves as a confidential resource to field complaints and comments from small businesses about the regulatory process and actions taken by regulatory agencies. Additionally, the National Ombudsman rates Federal regulatory agencies on their treatment of small businesses and issues a report card. Therefore, I felt it appropriate that agency information regarding regulatory enforcement be shared with the National Ombudsman.

Finally, my amendment makes a technical change in the legislation to reflect the name change of the Senate Committee on Small Business to the Committee on Small Business and Entrepreneurship, which occurred on June 29 of this year.

I would just like to state that I believe the changes my amendment makes will provide additional support for our small businesses suffering from paperwork burdens.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred in November 1996 in Charlottesville, VA. Three men abducted, robbed, and beat a gay man. One of the assailants, Billy Ray McKethan, 19, pleaded guilty to charges brought against him in connection with the incident, and was sentenced to 20 years in prison without parole.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

TRIBUTE TO JAMES KEVIN O'CONNELL

• Mr. DODD. Mr. President, I rise today to recognize and submit for the RECORD the eulogy delivered by my colleague from Connecticut, Senator JOE LIEBERMAN, at the December 5 funeral mass for his beloved friend, James Kevin O'Connell. I urge all my colleagues to take the time to read this heartfelt tribute to a man who so touched Senator LIEBERMAN, as well as anyone else who had the pleasure to have known him, as did I.

Jimmy O'Connell was best known as Senator LIEBERMAN's driver for 30 years, but as Senator LIEBERMAN makes clear in his beautiful tribute, Jimmy was much, much more than that. One could not have known Jimmy without thinking him a friend, someone to whom you could turn for a quick joke, or a deep philosophical insight.

Jimmy, born and raised in New Haven, was truly a great Nutmegger, and a fine American. He spent his life caring for his family, his friends, and his community. Jimmy served for 3 decades as a proud member of the New Haven Police force.

Senator LIEBERMAN's tribute reminds us of the value of life, the value of relationships, and the special place in our hearts for Jimmy O'Connell.

The eulogy follows:

I want to thank Mrs. Agnes O'Connell, Brother Kevin O'Connell and the rest of Jimmy's family for giving me the honor of speaking at this funeral mass for him. And, I also want to thank the O'Connell family for all they did to make James Kevin the wonderful man he was.

When a newspaper reporter called on Sunday and asked how I would describe what Jimmy did for me, the words that came out of my mouth were that Jimmy's friendship was one of God's greatest gifts to me. That is how I would describe what he did for me. Jimmy was my friend.

For more than three decades, 31 years, I benefitted from Jimmy's wise counsel, his extraordinary intelligence, his warm wit, and his absolute loyalty. I didn't like it when someone referred to Jimmy as my driver because he was so much more than that. But he did drive, and together we had quite a ride over these three decades and met quite a variety of people along the way. We extended each other's reach. From his original political hero Dick Lee to Donald Trump, from Arthur Barbieri to Ariel Sharon, from Vinnie Mauro to Teddy Kennedy. From Hank Parker to Hosni Mubarak, from Jose Cabranes in his Federal Court Chambers in New Haven to Joe Dougherty at his Federal prison cell in New York. Before I left for Washington to become a U.S. Senator in 1989, Jimmy took me for blessings from Archbishop Whalen in Hartford to Rabbi Schneerson in Brooklyn. Together we went from Ridgefield to Riverdale, Westville to Washington, from Legion Avenue to Los Angeles, from Fairhaven to Florida. Now, I can hear Jimmy saying, "if there were a few more Fairhaveners counting votes in Florida, you would have flown up here this morning on Air Force Two."

Every now and then during our travels, I would ask Jimmy whether he was following the right directions, and he would quickly and decisively instruct me as to my role in our relationship. "You take care of war and peace, and I'll get us safely to our next stop."

And he always did. In all our years and thousands of miles on the road together, Jimmy never had an accident. Now, when one considers how rapidly James drove and how often he drove with one hand at most on the wheel, that safety record is just one more proof of the existence of a caring God.

Yes, God watched out for Jimmy O'Connell, and Jimmy O'Connell watched out for God.

His faith anchored his life. It gave him perspective, and purpose, and humor and the courage and strength to face and overcome the troubles and challenges he faced, as he did so successfully and inspiringly. Jimmy didn't just go to church faithfully; he lived a life of faith. You could see it in this strength and in his selflessness, in the way he treated everyone he met with the respect and interest and joy due to each of God's children. He loved people. He particularly loved talking to people. Part of that, of course, was the Irish gift with language. But talking was also Jimmy's way of connecting with people, of engaging them, of sharing what he knew and learning what others had to teach him. And, in that, he taught us all a lot about life.

In the days since Jimmy's death, I have been impressed and touched by how many people he knew and how many people knew Jimmy, and by how many of them remember how interested he was in them, and how much he cared about them.

Jimmy was a devoted and loving son and brother, a good and trustworthy friend, and a generous and involved uncle, to his own nieces and nephews, of whom he was so proud, and to so many others he adopted, including my own children and grandchildren for whom he became "Uncle Jimmy." Warm, caring, fun, I cannot remember an important event in the lives of any of them or us, happy or sad, when Jimmy was not there.

Jimmy's faith also helped to shape his politics. Of course, he loved politics as process and got much pleasure from the rich mix of people in it. But Jimmy also had a philosophy, a point of view that I believe came from the social ethics of his Church, and I learned it well in the thousands of conversations we had in the car over the years. He respected people of wealth, particularly those who made it on their own, but Jimmy's heart was with the working men and women, with people in need, particularly children, with poor people trying hard to move up and build a better life for their children. As our mutual friend, Jim Kennedy said, "Some politicians pay consultants to tell them what people are thinking. Jimmy O'Connell was the voice of the people." He wanted government to be there for them when they needed it, as Jimmy himself was there for them when they needed him. He was a doer of good deeds and was so proud of the work his elementary school, St. Francis in Fairhaven, was doing to educate the next generation of America's children who are working their way up.

Jimmy was devoted to the Roman Catholic Church, as he liked to call it, but he also had the greatest respect for, and interest in other people's faith. I often said that James Kevin O'Connell knew more about Judaism than most Jews. Over the years he also taught me a lot about Catholicism, its rituals and rules, and its history and heroes. In fact, Jimmy's love of this church and love of his politics came together in a great fascination with movements within the church hierarchy.

For instance, when Edward Egan became the Bishop of Bridgeport, Jimmy wryly prohesized to me that Bishop Egan would not be buried in Bridgeport. In other words, that Bridgeport would not be his last stop. And, of course, this is the very same Edward Egan who is now Cardinal Egan of New York.

Jimmy's love for politics was joined naturally with his belief in public service and civil service. For almost three decades he served the city of his birth with skill and honor as a proud member of its police department, rising to the rank of Lieutenant at his death. He loved his New Haven Police colleagues and greatly enjoyed our meetings with police around the state, and throughout the country, who were members of what he thought of as a great fraternity.

Jimmy's passing early Sunday morning came much too soon. But I can assure you, as a matter of faith, that he was more prepared for his death than we were. The loss of Jimmy is very painful to me. I will miss him deeply as will so many others who are here today. But as we experience our grief, we should remember Jimmy's faith and Jimmy's words.

He said to me more than once, "Remember none of us is getting out of here alive." And he believed with a perfect faith that this life, as enjoyable as he found it, was just a bridge to an even better place, and so he did not fear death.

Jimmy often asked me to do something for somebody else, but he never asked me to do much of anything for himself. Years ago a mutual friend told me that he had asked Jimmy what he really wanted from me, and Jimmy said, "I want to be there to turn the lights off when he leaves the office for the last time." That was Jimmy.

Well, if the good Lord gives me the privilege of exiting the office on my own for the last time, I'm going to leave the lights on, for Jimmy.

Once in the car we were talking about our visions of the world to come, and I thought I would end the conversation when I said that I would probably go first because I was older, and so I would send him a report on what it was like up there. But Jimmy, as usual, had the last word.

"You never know," he said, "I might go first. And if I do, when you get to the gates, just give me a call, and I'll drive over and pick you up."

I will do that, James, and I know we'll have a lot to talk about.

The Lord giveth and the Lord taketh. Blessed be the Name of the Lord.●

HONORING OUR NATION

● Mr. LUGAR. Mr. President, I ask to print into the CONGRESSIONAL RECORD a prayer delivered by Mr. Clarence Hodges, President of the North American Religious Liberty Association, on November 21, 2001, on the grounds of the United States Capitol in honor of our Nation.

The prayer follows.

AMERICA, MAY GOD SHED HIS GRACE ON THEE.

(By Clarence E. Hodges)

God bless America, land that we love. Please stand beside her and guide her with your light from above.

Ye shall keep my sabbaths, and reverence my sanctuary: I am the LORD. If ye walk in my statutes, and keep my commandments, and do them; Then I will give you rain in due season, and the land shall yield her increase, and the trees of the field shall yield their fruit. . . And ye shall eat your bread to the full, and dwell in your land safely. And I will give peace in the land, and ye shall lie down, and none shall make you afraid: and I will rid evil beasts out of the land, neither shall the sword go through your land. And ye shall chase your enemies, and they shall fall before you . . . And five of you shall chase an hundred, and an hundred of you shall put ten thousand to flight: and your enemies shall fall before you . . . For I will have respect unto you, and make you fruitful, and multiply you, and establish my covenant with you. (Lev 26:2–9)

And if ye shall despise my statutes, or if your soul abhor my judgments, so that ye will not do all my commandments, but that ye break my covenant: I also will do this unto you; I will even appoint over you terror . . . and cause sorrow of heart: and ye shall sow your seed in vain, for your enemies shall eat it. And I will set my face against you, and ye shall be slain before your enemies: they that hate you shall reign over you; and ye shall flee when none pursueth you. (Lev 26:15–17)

I will also send wild beasts among you, which shall rob you of your children, and destroy your cattle, and make you few in number; and your highways shall be desolate. (Lev 26:22)

If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land. (2 Chr 7:14) (King James Version)

With an attitude of gratitude, we will come closer to each other as we come closer to God. With love, we will save our children from destructive attractions. Love will serve as our motivator as we serve mankind and our Creator. Faith will overwhelm our doubts and fears. The spirit of humility will balance our competitiveness. Patience will fortify our discipline. Excellence and a desire to serve others will be intertwined in our ambitions. Tolerance will replace our prejudice and opinionation. We will stand strong for religious freedom with accommodation in the workplace. And the best America possible will be our dream of dreams. We will rid the land of those who are dedicated to evil acts against mankind. We will not tire. We will not falter. And we will not fail. Now let's roll, with liberty and justice for all.●

COMMENDING DURAND MIDDLE SCHOOL'S INVEST IN AMERICA PLAN

● Ms. STABENOW. Mr. President, I rise today to commend the students of Durand Middle School in Durand, MI, for showing the kind of spirit that will get our nation through the economic aftershocks of September 11.

When the attack of September 11 sent our airline industry into an economic tailspin, the students of Durand Middle School created the Invest in America Project to show their faith in the travel and transportation industries.

Under the Invest in America project, families across the Nation were encouraged to buy at least one share of stock in the transportation or travel company of their choice.

The students believed this would show the world that we have faith in our economy and that Americans are ready to travel again.

Given the fact that the travel and tourism industry is worth about $93 billion to our economy, renewed confidence in the industry by both investors and consumers is important.

This project will also give the students and their families valuable firsthand experience in how the stock market works.

I hope you will all join me in wishing these students good luck with their investments and thank them for their show of confidence in our economy.●

HONORING TERESA POOLE

● Mr. BOND. Mr. President, I rise today to honor the service of one of my staff members, Teresa Poole, who works in my Springfield District Office in Missouri. On January 3, 2002, Teresa will celebrate her 25th anniversary of working for the Senate. When Teresa started her career, Senator STROM THURMOND was a mere 74 years old. Teresa has worked for three U.S. Senators during her career. She began working for Senator John Danforth's office in 1977 until he retired in 1993. In 1987 she started working with my office and continues that service today. When John Ashcroft came to the Senate in 1995, Teresa worked for both of our offices until 2001 when Aschroft became Attorney General of the United States.

When I look back at Teresa's career two words come to mind, commitment and loyalty.

For the past 25 years Teresa has been committed to handling the entire military academy nomination process for this office. Teresa has set a high standard for this process and fields numerous calls from other congressional offices throughout the State and country when they have questions about academy nominations. Teresa is committed to helping students who are interested in military careers receive all the information they need to complete their applications, and spends hours each week answering questions from parents and applicants about their files. Teresa loves to make those phone calls informing individuals of their acceptance into the various service academies.

For the past 25 years Teresa has been loyal to the Senators she has served and the constituents they represent. Teresa has worked tirelessly on behalf of each of us ensuring that our positions are known and communicated in an accurate and precise manner. Teresa is a true public servant and a faithful and constant part of this Senate office. Attorney General John Ashcroft said, "Congratulations are in order for Teresa Poole, who has served 25 years as staff in the U.S. Senate. Mrs. Poole was a great help to me during my 6 years in the Senate. My wife, Janet and I wish her all the best as she celebrates this milestone in her life."

It is an honor for me to join with my staff in Washington, DC, and in the great State of Missouri to recognize Teresa Poole for the 25 years of distinguished service to the people of Missouri and three U.S. Senators.●

HONORING JOHN O'CONNOR

● Mr. KERRY. Mr. President, all of us in Massachusetts continue to mourn the loss of one of our State's most passionate, committed, and effective activists, John O'Connor, who died on Friday, December 7. John brought an enthusiasm and commitment to civic life that inspired everyone around him. His legendary appetite for life was bound by a steady moral compass, one that envisioned a world where water, air and land are free of pollution and every individual, from all walks of life, has access to the full measure of the American Dream.

After John disclosed the fact that a small baseball field in his neighborhood of Stratford, CT, was actually built on the waste site of asbestos manufacturer Raybestos, he embarked on a journey that spanned from the fight to clean up sites like it all across the country to advocating for universal health care. That early spark of environmental awareness proved to be a model for all the struggles he engaged in throughout his life. As a young graduate of Clark University, he organized the poor neighborhoods of Worcester so that they could have a stronger voice in their community's policies, and joined up with Massachusetts Fair Share, a grassroots group that was pursuing the same goal statewide. His humor and enthusiasm gained traction in the group's newsletter, The Squeaky Wheel, as well as the street organizing and guerilla theater strategy that helped illuminate the organization and its mission.

These community and State-wide efforts led to larger pursuits on the national stage. One of John's crowning achievements, one that will reach generations into the future, was his work on the National Toxics Campaign. This watershed moment in the environmental movement resulted in the $8 billion Superfund legislation that turned the tide in cleaning up industrial waste sites, and it echoed back to the ballfield that ushered John into the activism that defined his life. His campaign for environmental protection inspired him to write two books, "Getting the Lead Out," and "Who Owns The Sun," both of which elevated the dialogue surrounding the environmental issues that impact communities across the country. Throughout all of this he realized the potent force the market could be in the struggle to protect the environment, and towards that end he founded Greenworks in 1991, which provided financial backing for fledgling environmental businesses.

John's national focus never took his attention far away from the communities he came to love. Along with his wife, Carolyn Mugar, he reached out to countless organizations in Watertown, Cambridge and Greater Boston, nourishing them with resources and copious amounts of his own time and energy. He served on boards and fund-raising committees for shelters, after-school programs and local youth programs, and was a fixture at City Year events. He helped start the Irish Famine Memorial Committee, which honored the victims of the Irish famine with a statue in Cambridge Common that was unveiled by former President of Ireland Mary Robinson. This work, as well as his commitment to other organizations like the Irish Immigration Center, reflected a deep love of his own history, but for John it was larger than an effort just for the Irish. His commitment to immigrant advocacy evidenced a deep belief in this country's ability to improve and re-create itself through the welcoming of people from all over the world.

Nothing carries more grief than the loss of a young man of such talent, full of life, brimming with the truly American notion that everyone can and must improve life for themselves and their community. Surely John O'Connor accomplished this and more—and that legacy, the fact that he filled 46 years with more than many achieve in many lifetimes will, I hope, make his family's sorrow today a little lighter and leave them knowing that his work lives on in the countless acts of goodwill John performed before he was taken from us.

Even though John was taken from us long before nature intended, I think an activist of his deep commitment would know that he leaves us with more than just his record of good work—he leaves us with a challenge, one that was presented to us over the course of his 46 years. John's challenge to all of us is to expand our world and expand the circle of people we care for and love. The compass that pointed him in the direction of taking on polluters and fighting for access to health care is with us still, pointing to the world he envisioned and began to realize through his work. Our mission now is to follow that compass, take up those battles, and complete the work that John challenged us with in his life and inspires us with in his death. We are better people for his time here, but, as he surely would remind us, there is much work to be done. Now, we will set about doing it with John O'Connor as guide and inspiration.●

MAINTAINING HOLIDAY TRADITIONS

● Mr. DURBIN. Mr. President, during these troubled times, our need to connect and communicate with family and friends becomes all the more important. The tragic events of the last four months and questions about the security of mail may cause some hesitation about continuing long-held traditions in which we typically participate at this time of the year. But now more than ever, renewing and maintaining ties to others is vital.

One such holiday tradition is the mailing of seasonal greetings and gifts to friends and family far and wide. Did you know that the history of holiday greeting cards in America dates back as long ago as 1875 when Louis Prang, a German immigrant in Boston, produced the first line of printed Christmas cards? He even held contests across the country offering prizes for card designs, which helped popularize the practice.

The images and messages that have decorated cards typically reflect political trends and moods of the times. World War II era holiday cards depicted Santa Claus and Uncle Sam holding American flags with messages such as "missing you" for servicemen fighting overseas. This year, holiday cards not only convey sentiments of peace and happiness, but feelings of pride and patriotism in our Nation's heritage of faith and freedom.

It is not surprising to note that around 1880, the post office began urging to "post early for Christmas." The first U.S. Christmas stamp, which portrayed wreaths and trees, debuted in 1962. Since then various designs have graced holiday envelopes. This year, the Postal Service offers a variety of holiday postage stamps, commemorating Hanukkah; Kwanzaa; Eid, for the two most important festivals in the Islamic calendar, Eid al-Fitr and Eid al-Adha, and Christmas, including stamps depicting old-fashioned Santas and traditional Madonna and Child artwork.

This holiday season the United States Postal Service and the greeting card industry have been working hard to assure customers that despite the recent anthrax scare printed cards are completely safe to send through the mail. The Postal Service has distributed information to every postal address and post offices around the country have implemented extra screening procedures. The more than 800,000 postal employees nationwide have received extensive training on proper mail handling. In recent speeches, Postmaster General Jack Potter has encouraged the sending of holiday cards, emphasizing that they would be "especially meaningful this year."

Written greetings are a special way of making and maintaining personal connections across the miles. Cards and letters with personal messages can be read and reread, shared and displayed, and preserved for posterity. I encourage you to take time to continue this holiday ritual by sending holiday cards to family and friends this season and by supporting the work of the United States Postal Service.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 2:30 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 483. An act regarding the use of the trust land and resources of the Confederated Tribes of the Warm Springs Reservation of Oregon.

H.R. 1291. An act to amend title 38, United States Code, to modify and improve authorities relating to education benefits, compensation and pension benefits, burial benefits, and vocational rehabilitation benefits for veterans, to modify certain authorities relating to the United States Court of Appeals for Veterans Claims, and for other purposes.

H.R. 2559. An act to amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance.

H.R. 2883. An act to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

H.R. 3323. An act to ensure that covered entities comply with the standards for electronic health care transactions and code sets adopted under part C of title XI of the Social Security Act, and for other purposes.

H.R. 3442. An act to establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C., and for other purposes.

At 6:20 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3448. An act to improve the ability of the United States to prevent, prepare for, and respond to bioterrorism and other public health emergencies.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4903. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on appropriations legislation relative to sec. 251(a)(7) of the Balanced Budget and Emergency Deficit Control Act of 1985; to the Committee on the Budget.

EC–4904. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report entitled "Report to the Nation 2001" relative to the Office for Victims of Crime during Fiscal Years 1999 and 2000; to the Committee on the Judiciary.

EC–4905. A communication from the Senior Attorney Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Delivery of Checks and Warrants to Address Outside the United States, Its Territories and Possessions" (31 CFR Part 211); to the Committee on Finance.

EC–4906. A communication from the Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, transmitting, pursuant to law, the Panel's third annual report for 2001; to the Committee on Armed Services.

EC–4907. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Pesticides Labeling and Other Regulatory Revisions" (FRL6752–1) received on December 12, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4908. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Sethoxydim; Pesticide Tolerance Technical Correction" (FRL6814–4) received on December 12, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4909. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Extension of Tolerances for Emergency Exemptions; Multiple Chemicals" (FRL6814–2) received on December 12, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4910. A communication from the Associate General Counsel, Central Intelligence Agency, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of General Counsel, received on December 12, 2001; to the Committee on Intelligence.

EC–4911. A communication from the Associate General Counsel, Central Intelligence Agency, transmitting, pursuant to law, the report of the discontinuation of service in acting role for the position of Acting Inspector General, received on December 12, 2001; to the Committee on Intelligence.

EC–4912. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Landfill Gas Emissions from Existing Municipal Solid Waste Landfills; State of Iowa" (FRL7117–7) received on December 12, 2001; to the Committee on Environment and Public Works.

EC–4913. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Wisconsin;

Automobile Refinishing Operations" (FRL7115-7) received on December 12 , 2001; to the Committee on Environment and Public Works.

EC-4914. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions from Hospital/Medical/Infectious Waste Incinerators; State of Iowa" (FRL7117-5) received on December 12, 2001; to the Committee on Environment and Public Works.

EC-4915. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; State of Colorado; Denver Carbon Monoxide Redesignation to Attainment, Designation of Areas for Air Quality Planning Purposes, and Approval of Related Revisions" (FRL7117-4) received on December 12, 2001; to the Committee on Environment and Public Works.

EC-4916. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants from Phosphoric Acid Manufacturing Plants and Phosphate Fertilizers Production Plants" (FRL7118-7) received on December 12, 2001; to the Committee on Environment and Public Works.

EC-4917. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation Z: Amendments to Address Concerns Related to Predatory Practices in Mortgage Lending" (R-1090) received on December 17, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-4918. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report of a rule entitled "Flood Insurance" (RIN2550-AA21) received on December 13, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-4919. A communication from the Vice President of Congressional and External Affairs, Export-Import Bank of the United States, transmitting, the Annual Report on Operations for Fiscal Year 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-4920. A communication from the Senior Paralegal, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Capital Treatment of Recourse, Direct Credit Substitutes and Residual Interests in Asset Securitizations" (RIN1550-AB11) received on December 14, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-4921. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-4922. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-4923. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles and services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-4924. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles and services in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-4925. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Australia; to the Committee on Foreign Relations.

EC-4926. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to France, the United Kingdom, Germany, Switzerland, Sweden, and Spain; to the Committee on Foreign Relations.

EC-4927. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, Presidential Determination Number 2002-05, relative to Jerusalem Embassy Act; to the Committee on Foreign Relations.

EC-4928. A communication from the Assistant Administrator of the Bureau for Legislative and Public Affairs, Agency for International Development, transmitting, pursuant to law, a report relative to the implementation of the support for Overseas Cooperative Development Act; to the Committee on Foreign Relations.

EC-4929. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Airbus Model A300 B4-600, B4-600R, and F4-600R Series Airplanes; and Model A310 Series Airplanes" ((RIN2120-AA64)(2001-0576)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4930. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 767 Series Airplanes" ((RIN2120-AA64)(2001-0588)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4931. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Eurocopter France Model EC 155 Helicopters" ((RIN2120-AA64)(2001-0587)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4932. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Overland Aviation Services Fire Extinguishing System Bottle Cartridges" ((RIN2120-AA64)(2001-0586)) received on December 14 , 2001; to the Committee on Commerce, Science, and Transportation.

EC-4933. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 737-100, 200, 300, 400, and 500 Series Airplanes; and Model 747, 757, 767, and 777 Series Airplanes" ((RIN2120-AA64)(2001-0585)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4934. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 747 Series Airplanes" ((RIN2120-AA64)(2001-0584)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4935. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Raytheon Aircraft Company 33, T-34, 35, 36, 55, 56, 58, and 95 Series Airplanes" ((RIN2120-AA64)(200-0582)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4936. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bombardier Model DHC 8-102, 103, 106, 201, 202, 301, 311, and 315 Series Airplanes" ((RIN2120-AA64)(2001-0583)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4937. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bell Helicopter Textron Canada Model 222, 222B, 222U and 230 Helicopters" ((RIN2120-AA64)(2001-0579)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4938. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Eurocopter France Model SA341G, S-342J, and SA-360C Helicopters" ((RIN2120-AA64)(2000-0580)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LIEBERMAN, from the Committee on Governmental Affairs:

Report to accompany H.R. 2559, a bill to amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance. (Rept. No. 107-128).

By Mr. KENNEDY, from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute:

S. 1379: A bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes. (Rept. No. 107-129).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEVIN for the Committee on Armed Services.

*Everet Beckner, of New Mexico, to be Deputy Administrator for Defense Programs, National Nuclear Security Administration.

Air Force nominations beginning Colonel Larry D. New and ending Colonel Michael F. Planert, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 5, 2001.

Mr. LEVIN. Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORDS on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Army nomination of Robert W. Siegert.

Army nominations beginning CATHERINE M. BANFIELD and ending JACK M. WEDAM, which nominations were received by the Senate and appeared in the Congressional Record on December 5, 2001.

Army nominations beginning MARY CARSTENSEN and ending WILLIAM L. TOZIER, which nominations were received by the Senate and appeared in the Congressional Record on December 5, 2001.

Air Force nominations beginning GERARD W. STALNAKER and ending EVERETT G. WILLARD JR., which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Air Force nominations beginning JAMES A. BARLOW and ending GLENN S. ROBERTS, which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Air Force nominations beginning CYNTHIA M. CADET and ending DAVID G. YOUNG III, which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Army nominations beginning JOSEPH L. CULVER and ending CHARLES R. JAMES JR., which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Army nominations beginning BARRY D. KEELING and ending ERNESTO E. MARRA, which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Army nomination of James J. Waldeck III.

By Mr. BAUCUS for the Committee on Finance.

*B. John Williams, Jr., of Virginia, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury.

*Janet Hale, of Virginia, to be an Assistant Secretary of Health and Human Services.

*Joan E. Ohl, of West Virginia, to be Commissioner on Children, Youth, and Families, Department of Health and Human Services.

*James B. Lockhart, III, of Connecticut, to be Deputy Commissioner of Social Security for a term of six years.

*Harold Daub, of Nebraska, to be a Member of the Social Security Advisory Board for the remainder of the term expiring September 30, 2006.

*Richard Clarida, of Connecticut, to be an Assistant Secretary of the Treasury.

*Kenneth Lawson, of Florida, to be an Assistant Secretary of the Treasury.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. LINCOLN:

S. 1835. A bill to amend the Federal Deposit Insurance Act to clarify what lending entities are subject to section 44(f) of that Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COCHRAN:

S. 1836. A bill to amend the Public Health Service Act to establish scholarship and loan repayment programs regarding the provision of veterinary services in veterinarian shortage areas; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TORRICELLI (for himself, Mr. GRASSLEY, Mr. NELSON of Nebraska, and Mr. HARKIN):

S. 1837. A bill to establish a board of inquiry to review the activities of United States intelligence, law enforcement, and other agencies leading up to the terrorist attacks of September 11, 2001; to the Committee on the Judiciary.

By Mrs. BOXER (for herself and Mr. CORZINE):

S. 1838. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to ensure that individual account plans protect workers by limiting the amount of employer stock each worker may hold and encouraging diversification of investment of plan assets, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ALLARD (for himself, Mrs. CLINTON, Mr. SHELBY, and Mr. FEINGOLD):

S. 1839. A bill to amend the Bank Holding Company Act of 1956, and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging, directly or indirectly, in real estate brokerage or real estate management activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COCHRAN:

S. 1840. A bill to amend title XVIII of the Social Security Act to remove the 20 percent inpatient limitation under the medicare program on the proportion of hospice care that certain rural hospice programs may provide; to the Committee on Finance.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1841. A bill to award congressional gold medals on behalf of the officers, emergency workers, and other employees of the Federal Government and any State or local government, including any interstate government entity, who responded to the attacks on the World Trade Center in New York City and perished in the tragic events of September 11, 2001; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CLELAND:

S. 1842. A bill to modify the project for beach erosion control, Tybee Island, Georgia; to the Committee on Environment and Public Works.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1843. A bill to extend hydro-elecrtic licenses in the State of Alaska; to the Committee on Energy and Natural Resources.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1844. A bill to authorize a pilot program for purchasing buses by public transit authorities that are recipients of assistance or grants from the Federal Transit Administration; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERRY:

S. 1845. A bill to amend title 5, United States Code, to create a presumption that disability of a Federal employee in fire protection activities caused by certain conditions is presumed to result from the performance of such employee's duty; to the Committee on Governmental Affairs.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1846. A bill to prohibit oil and gas drilling in Finger Lakes National Forest in the State of New York; to the Committee on Energy and Natural Resources.

By Mr. CRAPO (for himself and Mr. CRAIG):

S. 1847. A bill to increase the Government's share of development project costs at certain qualifying airports; to the Committee on Commerce, Science, and Transportation.

ADDITIONAL COSPONSORS

S. 847

At the request of Mr. DAYTON, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 847, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates.

S. 917

At the request of Ms. COLLINS, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 917, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes.

S. 990

At the request of Mr. SMITH of New Hampshire, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 990, a bill to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes.

S. 1140

At the request of Mr. HATCH, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1140, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1500

At the request of Mr. KYL, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1500, a bill to amend the Internal Revenue Code of 1986 to provide tax and other incentives to maintain a vibrant travel and tourism industry, to keep working people working, and to stimulate economic growth, and for other purposes.

S. 1707

At the request of Mr. JEFFORDS, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Tennessee (Mr. THOMPSON) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1712

At the request of Mr. GRASSLEY, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 1712, a bill to amend the procedures that apply to consideration of interstate class actions to assure fairer outcomes for class members and defendants, and for other purposes.

S. 1752

At the request of Mr. CORZINE, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1752, a bill to amend the Public Health Service Act with respect to facilitating the development of microbicides for preventing transmission of HIV and other sexually transmitted diseases.

S. 1761

At the request of Mr. CAMPBELL, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1761, a bill to amend title XVIII of the Social Security Act to provide for coverage of cholesterol and blood lipid screening under the medicare program.

S. 1765

At the request of Mr. FRIST, the names of the Senator from Nevada (Mr. ENSIGN) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. 1765, a bill to improve the ability of the United States to prepare for and respond to a biological threat or attack.

S. 1767

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1767, a bill to amend title 38, United States Code, to provide that certain service in the American Field Service ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veteran's Affairs, and for other purposes.

S. 1799

At the request of Mr. COCHRAN, his name was added as a cosponsor of S. 1799, a bill to strengthen the national security by encouraging and assisting in the expansion and improvement of educational programs to meet critical needs at the elementary, secondary, and higher education levels.

S. 1800

At the request of Mr. COCHRAN, his name was added as a cosponsor of S. 1800, a bill to strengthen and improve the management of national security, encourage Government service in areas of critical national security, and to assist government agencies in addressing deficiencies in personnel possessing specialized skills important to national security and incorporating the goals and strategies for recruitment and retention for such skilled personnel into the strategic and performance management systems of Federal agencies.

S. CON. RES. 72

At the request of Ms. LANDRIEU, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. Con. Res. 72, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued honoring Martha Matilda Harper, and that the Citizens' Stamp Advisory Committee should recommend to the Postmaster General that such a stamp be issued.

AMENDMENT NO. 2597

At the request of Mr. TORRICELLI, the names of the Senator from New Hampshire (Mr. SMITH), the Senator from North Carolina (Mr. HELMS), the Senator from Florida (Mr. GRAHAM), the Senator from Nevada (Mr. ENSIGN), and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of amendment No. 2597.

AMENDMENT NO. 2603

At the request of Mr. MCCAIN, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of amendment No. 2603.

At the request of Mr. ROBERTS, his name was added as a cosponsor of amendment No. 2603 supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. BOXER (for herself and Mr. CORZINE):

S. 1838. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to ensure that individual account plans protect workers by limiting the amount of empoloyer stock each worker may hold and encouraging diversification of investment of plan assets, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mrs. BOXER. Mr. President, today Senator CORZINE and I are introducing the Pension Protection and Diversification Act of 2001, PPDA.

I authored and Congress passed a bill in 1997 amending ERISA. That law bars employers from forcing employees to invest employee voluntary contributions to their 401(k) in the employer's real estate or equities with a couple of exceptions. I believe that what Enron did violated the law I authored. Enron "locked down" its pension fund for a period of time during which the company's stock plummeted. That lockdown effectively forced Enron employees to have their voluntary contributions and earnings on those contributions invested in Enron's plunging stock. That said, we are introducing the PPDA today in order to protect employees from losing their retirement savings in the future the way that Enron employees lost theirs.

Enron employees were naturally drawn to Enron stock because of its meteoric rise. But when the stock crashed, it took many Enron employees' savings down with it. There are two lessons we should learn from this situation. First, Enron workers had far too much of their individual 401(k) account plans invested in Enron stock. And second, Enron forced its employees to hold its matching contribution in Enron stock to the employee's 401(k) account for far too long.

Unfortunately, Enron employees are not alone in their 401(k) investment habits. There are far too many workers in far too many companies disproportionately investing their retirement savings in employer stock.

The "Pension Protection and Diversification Act of 2001", PPDA, will encourage workers to diversify their retirement savings and to encourage employers to give workers the power to diversify their retirement plans.

Toward that end, the bill limits to 20 percent the investment an employee can have in any one stock across their individual account plans with an employer. Studies show that employees do not diversify their investments sufficiently even when they have the power to diversify. In the Enron case, too many workers followed their employer's lead and invested too much of their own money in Enron stock. This provision, based on the opinions that financial management experts have expressed in numerous articles over the last few years, is designed to discourage that gamble.

The PPDA also limits to 90 days the time that an employer can force an employee to hold a matching employer stock contribution. Too often, the current holding period on stock ownership in a retirement plan is prohibitive because it requires participants to keep their shares far longer than might suit their needs.

There are typically two types of structures. Either the participant is required to hold the stock until a certain age, for example, at Enron they had to hold it until they were at least 50 years old or older, or the participant is required to hold the stock for a certain period of time, for example, for 5 years or longer. These mandatory holding periods require investors to hang on to their company stock for 5 to 25 years or more before they can properly divest themselves to a more diversified portfolio. This bill will put an end to that practice.

To encourage cash matching contributions rather than matching contributions in stock, the PPDA limits to 50 percent, instead of 100 percent, the tax deduction that an employer can take on a matching contribution if that contribution is made in stock. Employees often report that the employer match in employer stock to their 401(k) plans is seen as a tacit recommendation to put their voluntary contributions in employer stock as well. By encouraging cash over stock contributions, this bill gives employees the power to determine where their funds are invested.

And, last, the PPDA lowers to 35 years of age and 5 years of service the triggers that allow an employee to diversify his or her investments in an Employee Stock Ownership Plan, ESOP. The current diversification rules are too restrictive and leave employees too exposed.

ESOPs currently are required to allow employees to diversify only a portion of their employer stock; they can diversify only during limited window periods; and they can diversify only after they reach age 55 with 10 years of plan participation. So, most employees most of the time don't have current diversification rights in ESOPs. By the time they are eligible to diversify, it may be too late.

There is another factor to bear in mind. A 401(k) or other defined contribution plan that holds enough employer stock can readily be converted to an ESOP. New worker protections enacted to apply to 401(k) plans could be circumvented by converting the portion of the 401(k) plan that is investing in company stock to an ESOP or by setting up an ESOP from the outset. Allowing divestiture at an earlier date will help avoid the situation.

We exempt ESOPs from the rest of this bill because there are other factors at play, such as the basic purpose of ESOPs. I think there is justification for having 401(k) diversification rights that are far broader then ESOP diversification rights; but I am including ESOP diversification requirements in this bill because in their current form, those requirements are too narrow.

Whether or not Enron broke the law in the management of its pension plan is being determined in the courts. I believe that they did, but we must make sure all workers are protected from losing their savings before an employer's stock collapses.

I encourage my colleagues to cosponsor this legislation.

By Mr. ALLARD (for himself, Mrs. CLINTON, Mr. SHELBY, and Mr. FEINGOLD):

S. 1839. A bill to amend the Bank Holding Company Act of 1956, and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging, directly or indirectly, in real estate brokerage or real estate management activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. ALLARD. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Choice in Real Estate Act".

SEC. 2. CLARIFICATION THAT REAL ESTATE BROKERAGE AND MANAGEMENT ACTIVITIES ARE NOT BANKING OR FINANCIAL ACTIVITIES.

(a) BANK HOLDING COMPANY ACT OF 1956.—Section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)) is amended by adding at the end the following new paragraph:

"(8) REAL ESTATE BROKERAGE AND REAL ESTATE MANAGEMENT ACTIVITIES.—

"(A) IN GENERAL.—The Board may not determine that real estate brokerage activity or real estate management activity is an activity that is financial in nature, is incidental to any financial activity, or is complementary to a financial activity.

"(B) REAL ESTATE BROKERAGE ACTIVITY DEFINED.—For purposes of this paragraph, the term 'real estate brokerage activity' means any activity that involves offering or providing real estate brokerage services to the public, including—

"(i) acting as an agent for a buyer, seller, lessor, or lessee of real property;

"(ii) listing or advertising real property for sale, purchase, lease, rental, or exchange;

"(iii) providing advice in connection with sale, purchase, lease, rental, or exchange of real property;

"(iv) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

"(v) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property (other than in connection with providing financing with respect to any such transaction);

"(vi) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or broker under any applicable law; and

"(vii) offering to engage in any activity, or act in any capacity, described in clause (i), (ii), (iii), (iv), (v), or (vi).

"(C) REAL ESTATE MANAGEMENT ACTIVITY DEFINED.—For purposes of this paragraph, the term 'real estate management activity' means any activity that involves offering or providing real estate management services to the public, including—

"(i) procuring any tenant or lessee for any real property;

"(ii) negotiating leases of real property;

"(iii) maintaining security deposits on behalf of any tenant or lessor of real property (other than as a depository institution for any person providing real estate management services for any tenant or lessor of real property);

"(iv) billing and collecting rental payments with respect to real property or providing periodic accounting for such payments;

"(v) making principal, interest, insurance, tax, or utility payments with respect to real property (other than as a depository institution or other financial institution on behalf of, and at the direction of, an account holder at the institution);

"(vi) overseeing the inspection, maintenance, and upkeep of real property, generally; and

"(vii) offering to engage in any activity, or act in any capacity, described in clause (i), (ii), (iii), (iv), (v), or (vi).

"(D) EXCEPTION FOR COMPANY PROPERTY.—This paragraph shall not apply to an activity of a bank holding company or any affiliate of such company that directly relates to managing any real property owned by such company or affiliate, or the purchase, sale, or lease of property owned, or to be used or occupied, by such company or affiliate.".

(b) REVISED STATUTES OF THE UNITED STATES.—Section 5136A(b) of the Revised Statutes of the United States (12 U.S.C. 24a(b)) is amended by adding at the end the following new paragraph:

"(4) REAL ESTATE BROKERAGE AND REAL ESTATE MANAGEMENT ACTIVITIES.—

"(A) IN GENERAL.—The Secretary may not determine that real estate brokerage activity or real estate management activity is an activity that is financial in nature, is incidental to any financial activity, or is complementary to a financial activity.

"(B) DEFINITIONS.—For purposes of this paragraph, the terms 'real estate brokerage activity' and 'real estate management activity' have the same meanings as in section 4(k)(8) of the Bank Holding Company Act of 1956.

"(C) EYCEPTION FOR COMPANY PROPERTY.—This paragraph shall not apply to an activity of a national bank, or a subsidiary of a national bank, that directly relates to managing any real property owned by such bank or subsidiary, or the purchase, sale, or lease of property owned, or to be owned, by such bank or subsidiary.".

By Mr. COCHRAN:

S. 1840. A bill to amend title XVIII of the Social Security Act to remove the 20 percent inpatient limitation under the medicare program on the proportion of hospice care that certain rural hospice programs may provide; to the Committee on Finance.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Communities Hospice Care Access Improvement Act of 2001".

SEC. 2. EXCEPTION TO MEDICARE 20 PERCENT INPATIENT CARE LIMITATION FOR CERTAIN RURAL HOSPICE PROGRAMS.

(a) IN GENERAL.—Section 1861(dd) of the Social Security Act (42 U.S.C. 1395x(dd)) is amended—

(1) in paragraph (2)(A)(iii), by inserting "subject to paragraph (6)," after "(iii)"; and

(2) by adding at the end the following new paragraph:

"(6) The requirement of paragraph (2)(A)(iii) (relating to a limitation on the proportion of hospice care provided in an inpatient setting) shall not apply in the case of a hospice program that meets the following requirements:

"(A) The hospice program is a non-profit organization, provides a residence for individuals who do not have a primary caregiver available at home, is located in a rural area (as defined in section 1886(d)(2)(D)), is not certified for purposes of this title to provide other than hospice care, and is not affiliated with any organization that provides a type of care other than hospice care.

"(B) The residence has not more than 20 beds.

"(C) The residence offers all other categories of hospice care, including continuous home care, respite care, and general patient care, for individuals who qualify to receive such care.".

(b) MAINTAINING PAYMENT RATES FOR ROUTINE CARE.—Section 1814(a) of such Act (42 U.S.C. 1395f(a)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3)(A) With respect to a care provided under a hospice program described in section 1861(dd)(6) that meets the requirements of that section, payment for routine care and other services included in hospice care furnished under such program shall be made at the rate applicable under this subsection for routine home care and other services included in hospice care.

"(B) For purposes of determining payment amounts under subparagraph (A) with respect to routine and continuous care, the residence described in section 1861(dd)(6) is deemed to be the home of the individual receiving hospice care.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to hospice care provided on or after the date of the enactment of this Act.

By Mr. CLELAND:

S. 1842. A bill to modify the project for beach erosion control, Tybee Island, Georgia; to the Committee on Environment and Public Works.

Mr. CLELAND. Mr. President, today I am introducing legislation to expand the existing Federal shoreline protection project on Tybee Island, GA to include the North Beach area of the island. This project, which originally began as an effort to protect the oceanfront beach, has previously been expanded to include the southern tip of the island as well as a portion of the Back River. On November 8, 2001, at my request, the Senate Committee on Environment and Public Works passed a Study Resolution asking the Army Corps of Engineers to conduct a reconnaissance study to determine whether it is advisable to expand the project to include North Beach. The legislation I am introducing today will provide the necessary authorization to expand the project once the required studies are completed. Erosion of the dunes on North Beach is endangering one of my State's natural treasurers and this legislation will help to preserve a truly beautiful beachfront for those who reside on and visit Tybee Island.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1844. A bill to authorize a pilot program for purchasing buses by public transit authorities that are recipients of assistance or grants from the Federal Transit Administration; to the Committee on Banking, Housing, and Urban Affairs.

Mr. BINGAMAN. Mr. President, I rise today to introduce legislation that will benefit every public transit agency in America by streamlining their purchasing of buses with Federal funding. I am pleased to be joined in introducing this bill by my colleague, Senator DOMENICI, who has worked with me on developing this important legislation.

Our bill is very simple. It authorizes a 5-year pilot program to allow State and local transit authorities that receive Federal transit assistance the option to purchase transit buses through the General Services Administration.

Allowing public transit agencies the option to purchase buses through the GSA could result in substantial cost savings to the Federal Government. In addition, GSA's standardized options and prices would help streamline the procurement process for buses, which could be especially valuable to smaller communities. I do believe our bill will help stretch each dollar of Federal transit funding a little bit farther.

Currently only the Washington Metropolitan Area Transit Authority has the option to purchase buses through the General Services Administration. WMATA is today using this authority to purchase buses. The pilot program authorized in our bill would open up the option to all public transit agencies around the country that receive Federal transit assistance. However, as a pilot program, it is limited only to heavy-duty transit buses and intercity coaches. Because of GSA's limited experience with transit buses, the bill provides for the pilot program to be managed by the Federal Transit Administration.

The General Services Administration currently offers three heavy-duty transit buses and two intercity coaches. GSA selected these suppliers in full and open competitive solicitations, and the companies had to bid attractive terms and prices in order to win those 5-year contracts. However, to ensure that all bus suppliers have an equal opportunity to provide buses through the GSA, our bill requires GSA to reopen immediately the original solicitation to provide a full and open competition for all bus manufacturers interested in selling buses through GSA contracts. In addition, bus suppliers that already have GSA contracts would be permitted to modify their proposals.

Finally, to ensure future fairness to all bus suppliers, the GSA will expand the bus program to a full multiple-award schedule with a larger variety of vehicles and choices of optional equipment. GSA indicates this process will take 12 to 18 months. Therefore, our bill directs GSA to complete the multiple-award schedule by December 31, 2003, and authorizes state and local transit authorities that receive Federal transit assistance to purchase heavy-duty transit buses and intercity coaches off these new GSA schedules. The pilot program ends after 5 years on December 31, 2006.

I believe it is very important to point out that as a pilot program, our bill is limited only to transit buses and intercity coaches. It has no effect on companies that supply other types of vehicles, pharmaceuticals, or any other product that currently can be purchased through the General Services Administration.

I believe transit buses are a unique situation. Public transit agencies should be allowed to use their Federal funding to purchase buses through the GSA. There are only a few bus manufacturers in America today and most buses are purchased using Federal funds provided by the Federal Transit Administration. In fact, our bill requires that a majority of the cost of all buses purchased through the GSA be from Federal funds. We also believe that the pilot program authorized in our bill could provide valuable information on bus purchasing that Congress may want to consider when the 6-year transportation bill is reauthorized in 2003.

Our bus manufacturers are not having an easy time in this recession. Our bill will help expedite bus companies by eliminating the cost of responding to myriad requests for proposals from public transit agencies. That's why bus manufacturers, through the American Public Transportation Association, support our proposal. Our bill will also help the public transit agencies by reducing the cost of preparing the requests for proposals and assessing the responses.

I ask unanimous consent that a letter of support for our bill from the

American Public Transportation Association be included in the RECORD at the conclusion of my remarks.

I do believe this is a meritorious proposal and hope it will be enacted as soon as possible. I look forward to working with Senator SARBANES, chairman of the Banking Committee, and the members of his committee to see if prompt action can be taken on this bill.

The pilot program has the support of the Federal Transit Administration, bus manufacturers, and public transit agencies across the Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1844

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Transit Authority Pilot Procurement Authorization Act of 2001".

SEC. 2. DEFINITIONS.

(a) HEAVY-DUTY TRANSIT BUS.—The term "heavy-duty transit bus" has the same meaning given that term in the American Public Transportation Association Standard Procurement Guideline Specifications, dated March 25, 1999 and July 3, 2001, and as contained in the General Services Administration Solicitation FFAH-B1-002272-N.

(b) INTERCITY COACH.—The term "intercity coach" has the meaning given that term in the General Services Administration Solicitation FFAH-B1-002272-N, section 1-4B, Amendment number 2, dated June 6, 2000.

SEC. 3. PILOT PROGRAM FOR SALE TO PUBLIC TRANSIT AUTHORITIES.

(a) IN GENERAL.—The Federal Transit Administration of the Department of Transportation shall carry out a pilot program to facilitate and accelerate the procurement of heavy-duty transit buses and intercity coaches by State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement, through existing or new or modified contracts with the General Services Administration. The transit authorities shall obtain Federal Transit Administration approval prior to placement of orders.

(b) REOPENING OF SOLICITATION FOR HEAVY-DUTY TRANSIT AND INTERCITY COACHES.—Notwithstanding any other provision of law or Federal regulation, the General Services Administration Solicitation FFAH-B1-002272-N shall be reopened to all qualified heavy-duty transit bus and intercity coach manufacturing companies to bid for contracts to sell such buses and coaches to State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement.

(c) MODIFICATIONS OF EXISTING GSA CONTRACTS.—Notwithstanding any other provision of law or Federal regulation, heavy-duty transit bus manufacturing companies and intercity coach manufacturing companies who have existing contracts awarded by the General Services Administration under Solicitation FFAH-B1-002272-N prior to the date of enactment of this Act, shall be allowed to modify or restructure their bids incorporated in such contracts to respond to prospective sales of heavy-duty transit buses and intercity coaches to State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement.

(d) AUTHORITY TO PURCHASE FROM EXISTING AND NEW CONTRACTS.—Notwithstanding any other provision of law or Federal regulation, State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement are authorized to purchase heavy-duty transit buses and intercity coaches from—

(1) existing contracts;

(2) existing contracts as modified pursuant to subsection (c); and

(3) new contracts awarded by the General Services Administration under the original or reopened Solicitation FFAH-B1-002272-N.

(e) TERMINATION.—The pilot program carried out under this Act shall terminate on December 31, 2006.

SEC. 4. ESTABLISHMENT OF MULTIPLE AWARD SCHEDULE BY GSA.

Not later than December 31, 2003, the General Services Administration, with assistance from and consultation with, the Federal Transit Administration, shall establish and publish a multiple award schedule for heavy-duty transit buses and intercity coaches which shall permit Federal agencies and State, regional, or local transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement, or other ordering entities, to acquire heavy-duty transit buses and intercity motor coaches under those schedules.

SEC. 5. REPORTING REQUIREMENTS.

(a) IN GENERAL.—The Administrator of the Federal Transit Administration and the Administrator of General Services shall submit a joint report quarterly, in writing, to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives.

(b) CONTENTS.—The report required to be submitted under subsection (a) shall describe, with specificity—

(1) all measures being taken to accelerate the processes authorized under this Act, including estimates on the effect of this Act on job retention in the bus and intercity coach manufacturing industry;

(2) job creation in the bus and intercity coach manufacturing industry as a result of the authorities provided under this Act; and

(3) bus and intercity coach manufacturing economic growth in those States and localities that have participated in the pilot program to be carried out under this Act.

SEC. 6. COMPLIANCE WITH OTHER LAW.

Except as otherwise specifically provided in this Act, this Act shall be carried out in accordance with all applicable Federal transit laws and requirements.

AMERICAN PUBLIC TRANSPORTATION
ASSOCIATION,
Washington, DC, December 18, 2001.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I write regarding a bill I understand you intend to introduce this session, the "Public Transit Authority Pilot Procurement Authorization Act of 2001", that would allow recipients of funds under the federal transit program to purchase heavy-duty and intercity buses from the General Services Administration schedule of contracts.

The Business Member Board of Governors of the American Public Transportation Association (APTA) considered a similar provision in a meeting on Sunday, September 30, 2001. They voted in support of the measure.

Further, on December 7, 2001, APTA's Legislative Committee considered a proposal similar to the provisions of your bill and unanimously agreed to support it. While APTA's governing body has not had an opportunity formally to consider your bill, our public transit members are supportive of measures that would simplify and standardize the federal procurement process, as this provision would do. We are particularly pleased to note that under the provision GSA, with assistance from the Federal Transit Administration, would be required to establish and publish a multiple award schedule for heavy-duty buses, which means that any heavy-duty or intercity bus manufacturer would be provided an opportunity to participate in the program.

Please have your staff contact Daniel Duff, APTA's Chief Counsel & Vice President, Government Affairs, should you have any questions about this matter. He may be reached at (202) 496-4860 or internet e-mail dduff@apta.com.

Sincerely yours,

WILLIAM W. MILLAR,
President.

By Mr. KERRY:

S. 1845. A bill to amend title 5, United States Code, to create a presumption that disability of a Federal employee in fire protection activities caused by certain conditions is presumed to result from the performance of such employee's duty; to the Committee on Governmental Affairs.

Mr. KERRY. Mr. President, today I am introducing legislation on behalf of thousands of Federal fire fighters and emergency response personnel worldwide who, at great risk to their own personal health and safety, protect America's defense, our veterans, Federal wildlands, and national treasures. Although the majority of these important Federal employees work for the Department of Defense, Federal fire fighters are also employed by the Department of Veterans Affairs, and the United States Park Service. From first-response emergency care services on military installations around the world to front-line defense against raging forest fires here at home, we call on these brave men and women to protect our national interests.

Yet under Federal law, compensation and retirement benefits are not provided to Federal employees who suffer from occupational illnesses unless they can specify the conditions of employment which caused their disease. This onerous requirement makes it nearly impossible for Federal fire fighters, who suffer from occupational diseases, to receive fair and just compensation or retirement benefits. The bureaucratic nightmare they must endure is burdensome, unnecessary, and in many cases, overwhelming. It is ironic and unjust that the very people we call on to protect our Federal interests are not afforded the very best health care and retirement benefits our Federal Government has to offer.

Today, I introduced legislation, the Federal Fire Fighters Fairness Act of 2001, which amends the Federal Employees Compensation Act to create a presumptive disability for fire fighters who become disabled by heart and lung disease, cancers such as leukemia and lymphoma, and infectious diseases like tuberculosis and hepatitis. Disabilities related to the cancers, heart, lung, and infectious diseases enumerated in this important legislation would be considered job related for purposes of workers compensation and disability retirement, entitling those affected to the health care coverage and retirement benefits that they deserve.

Too frequently, the poisonous gases, toxic byproducts, asbestos, and other hazardous substances with which Federal fire fighters and emergency response personnel come in contact, rob them of their health livelihood, and professional careers. The Federal Government should not rob them of necessary benefits. Thirty-eight States have already enacted a similar disability presumption law for Federal fire fighters' counterparts working in similar capacities on the State and local levels.

The effort behind the Federal Fire Fighters Fairness Act of 2001 marks a significant advancement for fire fighter health and safety. Since September 11, there has been an enhanced appreciation for the risks that fire fighters and emergency response personnel face everyday. Federal fire fighters deserve our highest commendation and it is time to do the right thing for these important Federal employees.

The job of fire fighting continues to be complex and dangerous. The nationwide increase in the use of hazardous materials, the recent rise in both natural and manmade disasters, and the threat of terrorism pose new threats to fire fighter health and safety. The Federal Fire Fighters Fairness Act of 2001 will help protect the lives of our fire fighters and it will provide them with a vehicle to secure their health and safety.

I urge my colleagues to embrace this bipartisan effort and support the Federal Fire Fighters Fairness Act of 2001 on behalf of our Nation's Federal fire fighters and emergency response personnel.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2614. Mr. McCAIN (for himself, Mr. Gramm, Mr. Kerry, Mrs. Murray, and Mr. Smith of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2615. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2616. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2617. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2618. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2619. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2620. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2621. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2622. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2623. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2624. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2625. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2626. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2627. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2628. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2629. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2630. Mr. CRAPO submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2631. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2632. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2602 submitted by Mr. Wellstone and intended to be proposed to the amendment SA 2471 proposed by Mr. Daschle to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2633. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2634. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2635. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2636. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2637. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2638. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2639. Mr. SANTORUM (for himself, Mr. Durbin, Mr. Feingold, Mr. DeWine, Mr. Kohl, Mr. Hatch, Mrs. Clinton, and Mr. Jeffords) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2640. Mr. DASCHLE (for Mr. Kennedy (for himself and Mr. Gregg)) proposed an amendment to the concurrent resolution H. Con. Res. 289, directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1.

SA 2641. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2642. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2643. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2644. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2645. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2516 submitted by Mr. Fitzgerald and intended to be proposed to the amendment SA 2471 proposed by Mr. Daschle to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2646. Mr. McCAIN (for himself, Mr. Gramm, Mr. Kerry, Mrs. Murray, and Mr. Smith of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2647. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2648. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2649. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2650. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2651. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2652. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2653. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2654. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2655. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2656. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2657. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2658. Mr. TORRICELLI (for himself and Mr. Smith, of New Hampshire) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2659. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2660. Mr. SMITH of Oregon (for himself, Mr. Craig, and Mr. Crapo) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2661. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2662. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2663. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2664. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2665. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2666. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2667. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2668. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2669. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2670. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2671. Mr. COCHRAN (for himself and Mr. Roberts) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra.

SA 2672. Mr. HOLLINGS proposed an amendment to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 2673. Mr. SMITH of New Hampshire (for himself and Mr. Crapo) submitted an amendment intended to be proposed by him to the bill S. 990, to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes; which was ordered to lie on the table.

SA 2674. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2675. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2676. Mr. HUTCHINSON (for himself, Mr. Lott, Mr. Sessions, and Mr. Helms) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2677. Mr. DORGAN (for himself, Mr. Grassley, Mr. Hagel, Mr. Lugar, Mr. Johnson, Mr. Nelson of Nebraska, Mr. Torricelli, and Mr. Wellstone) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2614. Mr. McCAIN (for himself, Mr. Gramm, Mr. Kerry, Mrs. Murray, and Mr. Smith of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, in the amendment insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SA 2615. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 648, strike line 17 and all that follows through page 649, line 5, and insert the following:

"(h) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.".

SA 2616. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 820, strike line 23 and all that follows through page 821, line 11, and insert the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.".

SA 2617. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 811, strike line 15 and all that follows through page 812, line 3, and insert the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.".

SA 2618. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 809, strike line 15 and all that follows through page 810, line 10, and insert the following:

(ii) be available to the Secretary to carry out the purposes of the account, subject to the availability of appropriations;

(iii) remain available until expended; and

(iv) be in addition to any funds made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

SA 2619. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 793.

SA 2620. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 762, strike line 23 and all that follows through page 763, line 13 and insert the following:

"(b) FUNDING.—On October 1, 2001, and each October 1 thereafter through October 1, 2005, of funds of the Commodity Credit Corporation, the Secretary shall transfer to the Account to carry out this section $145,000,000."; and".

SA 2621. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 837, strike lines 1 through 14 and insert the following:

"(k) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.".

SA 2622. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 882, strike line 15 and all that follows through page 883, line 3, and insert the following:

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006."

SA 2623. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 917, strike line 15 and all that follows through page 918, line 13, and insert the following:

(a) AUTHORIZATION OF APPROPRIATIONS.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106-224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this title $15,000,000 for each of fiscal years 2002 through 2006.".

SA 2624. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 903, strike lines 9 through 22 and insert the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006."

SA 2625. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 900, strike line 21 and all that follows through page 901, line 14, and insert the following:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $33,000,000 for each of fiscal years 2002 through 2006."

SA 2626. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 896, strike line 21 and all that follows through page 897, line 9, and insert the following:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006."

SA 2627. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 892, strike lines 6 through 24 and insert the following:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $16,000,000 for each of fiscal years 2002 through 2006."

SA 2628. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 887, strike lines 15 through 20 and insert the following:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006."

SA 2629. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 919, strike line 20 and all that follows through page 920, line 13, and insert the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $9,000,000 for each of fiscal years 2002 through 2006."

SA 2630. Mr. CRAPO submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 247, strike line 22 and all that follows through page 254, line 14, and insert the following:

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Effective for each of the 2003 through 2006 calendar years, the Secretary may establish, and enter into cooperative agreements with States to carry out in accordance with State law, a program described in paragraph (2) for the acquisition, transfer, and lease of water or water rights, to achieve the purposes of 1 or more Federal, State, tribal, and local fish, wildlife, and plant conservation plans.

"(2) COMPONENTS OF PROGRAM.—In each State that enters into an agreement described in paragraph (1), the Secretary may establish, and carry out the enrollment of eligible land described in subsection (b) through the use of contracts in, a water conservation program to provide for the acquisition and temporary transfer of water or water rights, or permanent acquisition of water or water rights, from willing sellers that would otherwise be entitled to use the water in accordance with a State-approved water right or a contract with the Secretary, or by other lawful means (including willing sellers in the San Francisco Bay-Delta, the Truckee-Carson Basin, and the Walker River Basin).

"(b) ENROLLMENT OF ELIGIBLE LAND.—

"(1) CRP ACREAGE LIMIT.—The Secretary shall enroll in the program not more than 1,100,000 acres, which acreage shall count against the number of acres authorized to be enrolled in the conservation reserve program under section 1231(d).

"(2) TIMING.—To the maximum extent practicable, an enrollment under paragraph (1) shall occur during the enrollment period for the conservation reserve program.

"(3) PRIORITY IN ENROLLMENT.—In enrolling eligible land in the program, the Secretary shall give priority to land with associated water or water rights that—

"(A) could be used to significantly advance the goals of Federal, State, Tribal and local fish, wildlife, and plant conservation plans, including—

"(i) plans that address multiple endangered species, sensitive species, or threatened species; or

"(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A) of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)), respectively; or

"(B) would benefit fish, wildlife, or plants of 1 or more refuges within the National Wildlife Refuge System.

"(4) NONPARTICIPATING STATES.—In the case of a State that elects not to participate in the program—

"(A) the Secretary shall give, to applications from landowners in the State to enroll land in the conservation reserve program under subchapter B of chapter 1, priority that is equal to the priority given under paragraph (3) to applications from landowners in States participating in the program; and

"(B) notwithstanding paragraph (1), landowners in the State may enroll in the conservation reserve program under subchapter B of chapter 1 such acreage as the landowners in the State would have enrolled in the program if the State had elected to participate in the program.

"(5) ENROLLMENT AUTHORITY.—The priority".

SA 2631. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, which was ordered to lie on the table, as follows:

Beginning on page 226, strike line 1 and all that follows through page 235, line 6 and insert the following:

"(4) LARGE CONFINED LIVESTOCK FEEDING OPERATIONS.—

(A) DEFINITION OF LARGE CONFINED LIVESTOCK FEEDING OPERATION.—In this paragraph:

(i) IN GENERAL.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equivalent units (as defined by the Secretary).

(I) WAIVER.—The Secretary may on a case by case basis grant states a waiver from the requirement in (4)(A)(i), of this section, in accordance with Volume 62, No. 99 of the Federal Register.

(ii) MULTIPLE LOCATIONS.—In determining the number of animal unit equivalents of the operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

(B) NEW OR EXPANDED OPERATIONS.—Subject to (4)(A)(i)(1) of this section, a producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or treatment device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operations that—

(i) is established as a large confined livestock operation after the date of enactment of this paragraph; or

(ii) becomes a large confined livestock operation after the date of enactment of this paragraph by expanding the capacity of the operation to confine livestock.

(C) MODIFICATION OF OPERATION.—A modification of a large confined livestock operation shall not be considered an expansion under subparagraph (B)(ii) of this section, if as determined by the Secretary, the modification involves—

(i) adoption of new technology;

(ii) improved efficiency in the functioning of the operation; or

(iii) reorganization of the status of the entity; and

(iv) the capacity of the operation to confine livestock is not increase.

(D) MULTIPLE OPERATIONS.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

(E) Flood plain siting.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure, process wastewater, or other animal waste generated by a confined livestock operation if

(i) the structural practices are located in a 100-year flood plain; and

(ii) the confined livestock operation is a confined livestock operation that is established after the date of enactment of this paragraph.

(e) Incentive Payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

(f) Technical Assistance.—

(1) In general.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

(2) Amount.—The allocated amount may vary according to—

(A) the type of expertise required;

(B) the quantity of time involved; and

(C) other factors as determined appropriate by the Secretary.

(3) Limitation.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

(4) Other authorities.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

(5) Incentive payments for technical assistance.—

(A) In general.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

(B) Purpose.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

(C) Payment.—The incentive payment shall be—

(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

(iii) in an amount determined appropriate by the Secretary, taking into account—

(I) the extent and complexity of the technical assistance provided;

(II) the costs that the Secretary would have incurred in providing the technical assistance; and

(III) the costs incurred by the private provider in providing the technical assistance.

(D) Eligible practices.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

(E) Certification by secretary.—

(i) In general.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

(ii) Quality assurance.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

(F) Advance payment.—On the determination of the Secretary that the proposed comprehensive nutrient managmenet of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

(G) Final payment.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(g) Modification or Termination of Contracts.—

(1) Voluntary modification or termination.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

(2) Involuntary termination.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

(a) In General.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payment that—

(1) maximize environmental benefits per dollar expended; and

(2)(A) address national conservation priorities, including—

(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality, including assistance to production systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems;

(ii) applications from livestock producers using managed grazing systems and other pasture and forage based systems;

(iii) comprehensive nutrient management;

(iv) water quality, particularly in impaired watersheds;

(v) soil erosion;

(vi) air quality; or

(vii) pesticide and herbicide management or reduction;

(B) are provided in conservation priority areas established under section 1230(c);

(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

(D) an innovative technology in connection with a structural practice or land management practice.

SEC. 1240D. DUTIES OR PRODUCERS.

(a) To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

(1) to implement an environmental quality incentives program plan that describes conservation and environmental purpose to be achieved through 1 or more practices that are approved by the Secretary;

(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

(A) if the Secretary determines that the violation warrants termination of the contract—

(i) to forfeit all rights to receive payments under the contract; and

(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

(a) In General.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan, and in the case of confined livestock feeding operations, development and implementation of a comprehensive nutrient management plan.

(b) Avoidance of Duplication.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

SEC. 1240F. DUTIES OF THE SECRETARY.

(a) To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

(1) providing technical assistance in developing and implementing the plan;

(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

(3) providing the producer with information, education, and training to aid in implementation of the plan; and

(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) In General.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year;

(2) $90,000 for a contract with a term of 3 years;

(3) $120,000 for a contract with a term of 4 years; or

(4) $150,000 for a contract with a term of more than 4 years.

(b) Attribution.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) Exception to Annual Limit.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

(d) Verification.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

SA 2632. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2602 submitted by Mr. Wellstone and intended to be proposed to the amendment SA 2471 proposed by Mr. Daschle to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, which was ordered to lie on the table; as follows:

Beginning on page 1, strike line 3 and all that follows through page 15, line 2 and insert the following:

"(4) Large confined livestock feeding operations.—

(A) Definition of large confined livestock feeding operation.—In this paragraph:

(i) In general.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equipment units (as defined by the Secretary).

(I) Waiver.—The Secretary may on a case by case basis grant states a waiver from the requirement in (4)(A)(i), of this section, in accordance with Volume 62, No. 99 of the Federal Register.

(ii) Multiple locations.—In determining the number of animal unit equivalents of the operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

(B) New or expanded operations.—Subject to (r)(A)(i)(I) of this section a producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or treatment device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operations that—

(i) is established as a large confined livestock operation after the date of enactment of this paragraph; or

(ii) becomes a large confined livestock operation after the date of enactment of this paragraph by expanding the capacity of the operation to confine livestock.

(C) Modification of operation.—A modification of a large confined livestock operation shall not be considered an expansion under subparagraph (B)(ii) of this section, if as determined by the Secretary, the modification involves—

(i) adoption of a new technology;

(ii) improved efficiency in the functioning of the operation or;

(iii) reorganization of the status of the entity; and

(iv) the capacity of the operation to confine livestock is not increased.

(D) Multiple operations.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

(E) Flood plain siting.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure, process wastewater, or other animal waste generated by a confined livestock operation if

(i) the structural practices are located in a 100-year flood plain; and

(ii) the confined livestock operation is a confined livestock operation that is established after the date of enactment of this paragraph.

(e) Incentive Payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

(f) Technical Assistance.—

(1) In general.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

(2) Amount.—The allocated amount may vary according to—

(A) the type of expertise required;

(B) the quantity of time involved; and

(C) other factors as determined appropriate by the Secretary.

(3) Limitation.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

(4) Other authorities.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

(5) Incentive payments for technical assistance.—

(A) In general.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

(B) Purpose.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

(C) Payment.—The incentive payment shall be—

(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

(iii) in an amount determined appropriate by the Secretary, taking into account—

(I) the extent and complexity of the technical assistance provided;

(II) the costs that the Secretary would have incurred in providing the technical assistance; and

(III) the costs incurred by the private provider in providing the technical assistance.

(D) Eligible practices.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

(E) Certification by secretary.—

(i) In general.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

(ii) Quality assurance.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets' the needs of producers under the program.

(F) Advance payment.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

(G) Final payment.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(g) Modification or Termination of Contracts.—

(1) Voluntary modification or termination.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

(2) Involuntary termination.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

(a) In General.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

(1) maximize environmental benefits per dollar expended; and

(2)(A) address national conservation priorities, including—

(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality, including assistance to production systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems;

(ii) applications from livestock producers using managed grazing systems and other pasture and forage base systems;

(iii) comprehensive nutrient management;

(iv) water quality, particularly in impaired watersheds;

(v) soil erosion;

(vi) air quality; or

(vii) pesticide and herbicide management or reduction;

(B) are provided in conservation priority areas established under section 1230(c);

(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

(D) an innovative technology in connection with a structural practice or land management practice.

SEC. 1240D. DUTIES OF PRODUCERS.

(a) To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

(A) if the Secretary determines that the violation warrants termination of the contract—

(i) to forfeit all rights to receive payments under the contract; and

(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments, and incentive payments received under the program, as determined by the Secretary;

(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan, and in the case of confined livestock feeding operations, development and implementation of a comprehensive nutrient management plan.

(b) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

SEC. 1240F. DUTIES OF THE SECRETARY.

(a) To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

(1) providing technical assistance in developing and implementing the plan;

(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

(3) providing the producer with information, education, and training to aid in implementation of the plan; and

(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year;

(2) $90,000 for a contract with a term of 3 years;

(3) $120,000 for a contract with a term of 4 years;

(4) $150,000 for a contract with a term of more than 4 years.

(b) ATTRIBUTION.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

(d) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

SA 2633. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to be lie on the table; as follows:

On page 761, strike line 12 and insert the following:

SEC. 798E. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended by adding at the end the following:

"SEC. 410. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) an institution of higher education;

"(B) a nonprofit organization; or

"(C) a consortium of for-profit institutions and agricultural research institutions.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means—

"(A) a historically black land-grant college or university;

"(B) a Hispanic-serving institution (as defined in section 1404 of the National. Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

"(C) a tribal college or university that offers a curriculum in agriculture or the biosciences.

"(b) GRANT PROGRAM.—

"(1) IN GENERAL.—The Secretary (acting through the Foreign Agricultural Service) shall establish and administer a program to make competitive grants to eligible entities to develop agricultural biotechnology for developing countries.

"(2) USE OF FUNDS.—Funds provided to an eligible entity under this section may be used for projects that use biotechnology to—

"(A) enhance the nutritional content of agricultural products that can be grown in developing countries;

"(B) increase the yield and safety of agricultural products that can be grown in developing countries;

"(C) increase the yield of agricultural products that are drought- and stress-resistant and that can be grown in developing countries;

"(D) extend the growing range of crops that can be grown in developing countries;

"(E) enhance the shelf-life of fruits and vegetables grown in developing countries;

"(F) develop environmentally sustainable agricultural products that can be grown in developing countries; and

"(G) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically-engineered agricultural products.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006."

TITLE VIII—FORESTRY

SA 2634. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended—

(1) in subsection (c), paragraph (2)—

(A) after sub-paragraph (F), by adding at the end the following: "(G) agricultural biotechnology research and development for developing countries in cooperation with a qualified institution in the developing country.";

(B) in sub-paragraph (E), by striking "and"; and

(C) in sub-paragraph (F), by striking the period at the end and inserting "; and".

SA 2635. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

SEC. 798E. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended by adding at the end the following:

"SEC. 410. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) an institution of higher education;

"(B) a nonprofit organization; or

"(C) a consortium of for-profit institutions and agricultural research institutions.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means—

"(A) a historically black land-grant college or university;

"(B) a Hispanic-serving institution (as defined in section 1404 of the National, Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

"(C) a tribal college or university that offers a curriculum in agriculture or the biosciences.

"(b) GRANT PROGRAM.—

"(1) IN GENERAL.—The Secretary (acting through the Foreign Agricultural Service) shall establish and administer a program to make competitive grants to eligible entities to develop agricultural biotechnology for developing countries.

"(2) USE OF FUNDS.—Funds provided to an eligible entity under this section may be used for projects that use biotechnology to—

"(A) enhance the nutritional content of agricultural products that can be grown in developing countries;

"(B) increase the yield and safety of agricultural products that can be grown in developing countries;

"(C) increase the yield of agricultural products that are drought- and stress-resistant and that can be grown in developing countries;

"(D) extend the growing range of crops that can be grown in developing countries;

"(E) enhance the shelf-life of fruits and vegetables grown in developing countries;

"(F) develop environmentally sustainable agricultural products that can be grown in developing countries; and

"(G) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically-engineered agricultural products.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006."

TITLE VIII—FORESTRY

SA 2636. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

"(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

"(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

"(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

"(b) COMMODITIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year.

"(2) CROP ROTATION.—Paragraph '(1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

"(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

"(1) has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

"(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.".

(b) FOOD STAMP PROGRAM.—

(1) STANDARD DEDUCTION.—Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) (as amended by section 413) is amended by striking subparagraph (D) and inserting the following:

"(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for each of fiscal years 2002 through 2006;

"(ii) 8.5 percent for each of fiscal years 2007 and 2008;

"(iii) 9 percent for fiscal year 2009;

"(iv) 9.5 percent for fiscal year 2010; and

"(v) 10 percent for fiscal year 2011 and each fiscal year thereafter.".

(2) WORK REQUIREMENT.—Section 6(o)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(2)) (as amended by section 421(a)(2)(A)) is amended by striking "24-month period" and inserting "12-month period (but in the case of each of fiscal years 2002 and 2003, 24-month period)".

SA 2637. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

"(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

"(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

"(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

"(b) COMMODITIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year.

"(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

"(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

"(1) has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

"(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.".

(b) FOOD STAMP PROGRAM.—

(1) EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.—

(A) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking subparagraph (C) and inserting the following:

"(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

"(i) 1 licensed vehicle per household; and

"(ii) a vehicle (and any other property, real or personal, to the extent that the property is directly related to the maintenance or use of the vehicle) if the vehicle is—

"(I) used to produce earned income;

"(II) necessary for the transportation of a physically disabled household member; or

"(III) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

(2) NUTRITION ASSISTANCE FOR ELDERLY INDIVIDUALS.—

(A) RESTORATION OF ELIGIBILITY.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(I)) is amended by striking "who" and all that follows and inserting the following: "who—

"(i) is lawfully residing in the United States; and

"(ii) is 65 years of age or older.".

(B) CONFORMING AMENDMENTS.—

(i) Section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)(3)) (as added by section 452(a)(2)(B)) is amended by striking "section 402(a)(2)(J)" and inserting "subparagraph (I) or (J) of section 402(a)(2)".

(ii) Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104–193) is amended by adding at the end the following:

"(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).".

(iii) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) (as amended by section 452(a)(2)(C)) is amended by inserting before the period at the end the following: "or is 65 years of age or older".

(C) APPLICABILITY.—The amendments made by this paragraph shall apply to fiscal year 2004 and each fiscal year thereafter.

SA 2638. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

"(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

"(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

"(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

"(b) COMMODITIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year.

"(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

"(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

"(1) has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

"(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.".

SA 2639. Mr. SANTORUM (for himself, Mr. DURBIN, Mr. FEINGOLD, Mr. DEWINE, Mr. KOHL, Mr. HATCH, Mrs. CLINTON, and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 2, strike line 11 and all that follows through page 4, line 21, and insert the following:

"(C) for the socialization of dogs intended for sale as pets with other dogs and people, through compliance with a standard developed by the Secretary based on the recommendations of veterinarians and animal welfare and behavior experts that—

"(i) identifies actions that dealers and inspectors shall take to ensure adequate socialization; and "(ii) identifies a set of behavioral measures that inspectors shall use to evaluate adequate socialization; and

"(D) for addressing the initiation and frequency of breeding of female dogs so that a female dog is not—

"(i) bred before the female dog has reached at least 1 year of age; and

"(ii) whelped more frequently than 3 times in any 24-month period.".

(b) Suspension or Revocation of License, Civil Penalties, Judicial Review, and Criminal Penalties.—Section 19 of the Animal Welfare Act (7 U.S.C. 2149) is amended—

(1) by striking "Sec. 19. (a) If the Secretary" and inserting the following:

"SEC. 19. SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.

"(a) Suspension or Revocation of License.—

"(1) In general.—If the Secretary";

(2) in subsection (a)—

(A) in paragraph (1) (as designated by paragraph (1)), by striking "if such violation" and all that follows and inserting "if the Secretary determines that 1 or more violations have occurred."; and

(B) by adding at the end the following:

"(2) License revocation.—If the Secretary finds that any person licensed as a dealer, exhibitor, or operator of an auction sale subject to section 12, has committed a serious violation (as determined by the Secretary) of any rule, regulation, or standard governing the humane handling, transportation, veterinary care, housing, breeding, socialization, feeding, watering, or other humane treatment of dogs under section 12 or 13 on 3 or more separate inspections within any 8-year period, the Secretary shall—

"(A) suspend the license of the person for 21 days; and

"(B) after providing notice and a hearing not more than 30 days after the third violation is noted on an inspection report, revoke the license of the person unless the Secretary makes a written finding that revocation is unwarranted because of extraordinary extenuating circumstances.";

SA 2640. Mr. DASCHLE (for Mr. KENNEDY (for himself and Mr. GREGG)) proposed an amendment to the concurrent resolution H. Con. Res. 289, directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1; as follows:

Strike all after the resolving clause and insert the following: "That in the enrollment of the bill (H.R. I) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, the Clerk of the House of Representatives shall make the following corrections:

On page 1, in section 2 of the bill, insert the following after the item for section 5:

"Sec. 6. Table of contents of Elementary and Secondary Education Act of 1965.".

On page 1, in the item for section 401 of the bill, strike "century" and insert the following: "Century".

On page 1, strike the item for section 701 of the bill and insert the following:

Sec. 701. Indians, Native Hawaiians, and Alaska Natives.

On page 2, in the item for section 1044 of the bill, strike "school" and insert the following: "School".

On page 4, in the item for section 1121, strike "secretary" and "interior" and insert the following: "Secretary" and "Interior".

On page 5, in the item for section 1222, strike "early reading first" and insert the following: "Early Reading First".

On page 6, in the item for section 1504, strike "Close up" and insert the following: "Close Up".

On page 6, strike the item for section 1708.

On page 12, in the item for section 5441, strike "Learning Communities" and insert the following: "learning communities".

On page 14, in the item for section 5596, strike "mination" and insert the following: "Termination".

On page 25, line 31, strike "Any" and insert the following: "For any".

On page 25, line 32, after "part" insert the following: ", the State educational agency".

On page 25, line 33, after "developed" insert the following: "by the State educational agency,".

On page 30, line 3, after "students" insert the following: "(defined as the percentage of students who graduate from secondary school with a regular diploma in the standard number of years)".

On page 33, after line 35, insert the following:

"(K) Accountability for charter schools.—The accountability provisions under this Act shall be overseen for charter schools in accordance with State charter school law.

On page 34, lines 2, 15, and 31, strike "State" and insert the following: "State educational agency".

On page 38, line 29, strike "section 6204(c)" and insert the following: "section 6113(a)(2)".

On page 39, line 11, strike "(2)(i)(I)" and insert the following "(2)(I)(i)".

On page 40, line 22, strike "State" and insert the following: "State educational agency".

On page 41, lines 28, 33 (the 2d place it appears), and 35 strike "State" and insert the following: "State educational agency".

On page 42, lines 8, 19, 23 (each place it appears), and 27, strike "State" and insert the following: "State educational agency".

On page 44, lines 24 and 35, strike "State" and insert the following: "State educational agency".

On page 46, lines 6 and 7, strike "A State shall revise its State plan if" and insert the following: "A State plan shall be revised by the State educational agency if it is".

On page 46, lines 12 and 13, strike "by the State, as necessary," and insert the following: "as necessary by the State educational agency".

On page 46, lines 15 and 16, strike "If the State makes significant changes to its State plan" and insert the following: "If significant changes are made to a State's plan".

On page 46, lines 19 and 20, strike "the State shall submit such information" and insert the following: "such information shall be submitted".

On page 48, line 23, strike "(b)(2)(B)(vii)" and insert the following: "(b)(2)(C)(vi)".

On page 50, lines 2, 12, and 18, strike "State" and insert the following: "State educational agency".

On page 52, line 9, strike "State" and insert the following: "State educational agency".

On page 62, lines 3 and 4, strike "baseline year described in section 1111(b)(2)(E)(ii)" and insert the following: "the end of the 2001-2002 school year".

On page 90, line 10, strike "defined by the State" and insert the following: "set out in the State's plan".

On page 94, line 32, strike "State" the first place it appears and insert the following: "State educational agency".

On page 104, line 25, insert the following: "identify the local educational agency for improvement or" before "subject the local".

On page 120, line 28, after "teachers" insert the following: "in those schools".

On page 130, line 34, strike "subsection (b)" and insert the following: "subsection (c)".

On page 185, lines 24 and 25, strike "fully qualified" and insert the following: "highly qualified".

On page 227, line 16, strike "subsection (c)(1)(F)" and insert the following: "subsection (c)(1)".

On page 227, line 17, strike "9302" and insert the following: "9305".

On page 274, line 23, strike "States" and insert the following: "State".

On page 274, line 33, strike "1111(b)" and insert the following: "1111(h)(2)".

On page 275, line 19, insert a period after "school year".

On page 276, lines 20 and 25, strike "supplemental services" and insert the following: "supplemental educational services".

On page 283, line 25, strike "and" after the semicolon.

On page 283, line 31, strike "(d)" and insert the following: "(e)".

On page 284, line 1, strike "Congress".

On page 284, line 6, strike "(e)" and insert the following: "(f)".

On page 290, lines 14 and 22, strike "section" and insert the following: "part".

On page 293, line 4, strike "section" and insert the following: "part".

On page 556, line 1, strike "Definitions" and insert the following: "Definition".

On page 599, line 23, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 600, line 12, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 601, line 4, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 601, line 9, strike "Definitions" and insert the following: "Definition".

On page 601, line 10, strike "terms 'firearm' and 'school' have" and insert the following: "term 'school' has".

On page 620, line 22, strike "the No Child Left Behind Act of 2001" and insert the following: "under any title of this Act".

On page 635, line 14, strike "(b)" and insert the following: "(c)".

On page 635, line 20, strike "(c)" and insert the following: "(d)".

On page 781, line 32, insert closing quotation marks and a period after the period.

On page 873, line 25, amend the heading for section 701 to read as follows:

SEC. 701 INDIANS, NATIVE HAWAIIANS, AND ALASKA NATIVES.

On page 955, after line 6, insert the following:

TITLE IX—GENERAL PROVISIONS

SEC. 901. GENERAL PROVISIONS.

Title IX (20 U.S.C. 7801 et seq.) is amended to read as follows:

On page 1004, at the end of line 2, insert closed quotation marks and a period.

SA 2641. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike title IV and insert the following:

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the "Food Stamp Simplification Act of 2001".

Subtitle A—Food Stamp Program

SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF CASH ASSISTANCE.

Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended—

(1) in the second sentence, by striking "receives benefits" and inserting "receives cash assistance"; and

(2) in the third sentence, by striking "receives benefits" and inserting "receives cash assistance".

SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICIPATED INCOME.

Section 5(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(2)) is amended by striking "$30" and inserting "$100".

SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) Exclusion.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: "including child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,".

(b) Simplified Procedure.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

"(4) Deduction for child support payments.—

"(A) In general.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

"(B) Order of determining deductions.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6)."; and

(2) by adding at the end the following:

"(n) State Options To Simplify Determination of Child Support Payments Made by Household Members.—

"(1) In general.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

"(2) Duration of determination of amount of support payments.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).".

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting "(15)"; and

(2) by inserting before the period at the end the following: ", (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for, (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels".

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 414(2)) is amended by inserting before the period at the end the following: ", and (19) any interest or dividend income received by a member of the household".

SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) Standard deduction.—

"(A) In general.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibilfty established under subsection (c)(1); but

"(ii) not less than the minimum deduction specified in subparagraph (E).

"(B) Guam.—The Secretary shall allow a standard deduction for each household in Guam that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

"(C) Households of 6 or more members.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) Applicable percentage.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for fiscal year 2002;

"(ii) 8.5 percent for each of fiscal years 2003 through 2005;

"(iii) 9 percent for each of fiscal years 2006 through 2008;

"(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

"(v) 10 percent for each fiscal year thereafter.

"(E) Minimum deduction.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.".

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

"(C) Standard dependent care allowances.—

"(i) Establishment of allowances.—

"(I) In general.—In determining the dependent care deduction under this paragraph, in lieu of requiring the household to establish the actual dependent care costs of the household, a State agency may use standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

"(II) Amendment to state plan.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the State plan of operation under section 11(d) that—

"(aa) describes the allowances that the State agency will use; and

"(bb) includes supporting documentation.

"(ii) Household election.—

"(I) In general.—Except as provided in clause (iii), a household may elect to have the dependent care deduction of the household based on actual dependent care costs rather that the allowances established under clause (i).

"(II) Frequency.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

"(iii) Mandatory dependent care allowances.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.".

SEC. 418. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) In General.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking "A household" and inserting the following:

"(i) In general.—A household"; and

(B) by adding at the end the following:

"(ii) Inclusion of certain payments.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges."; and

(2) by adding at the end the following:

"(D) Homeless households.—

"(i) Alternative deduction.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

"(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).".

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking "subsection (e)(7)" and inserting "subsection (e)(6)".

SEC. 419. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 418(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting "(without regard to subclause (III))" after "Secretary finds"; and

(2) by adding at the end the following:

"(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).".

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

"(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

"(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

"(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.".

SEC. 421. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 420) is amended by adding at the end the following:

"(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

"(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

"(I) any reported change of residence; or

"(II) under standards prescribed by the Secretary, any change in earned income.".

SEC. 422. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking "a member who is 60 years of age or older" and inserting "an elderly or disabled member".

SEC. 423. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding "and" at the end;

(B) by striking clause (iv); and

(C) by redesignating clause (v) as clause (iv);

(2) by striking subparagraph (C) and inserting the following:

"(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation."; and

(3) by striking subparagraph (D).

(b) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 424. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) (as amended by section 423(a)(1)) is amended by striking clause (iv) and inserting the following:

"(iv) any savings account (other than a retirement account (including an individual account)).".

SEC. 425. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

"(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

"(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

"(i) cash;

"(ii) amounts in any account in a financial institution that are readily available to the household; or

"(iii) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.".

SEC. 426. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting "issuance methods and" after "shall adjust"; and

(2) in the second sentence, by inserting ", any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable," after "personnel".

SEC. 427. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking "on a monthly basis"; and

(2) by adding at the end the following:

"(D) FREQUENCY OF REPORTING.—

"(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

"(I) not less often than once each 6 months; but

"(II) not more often than once each month.

"(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).".

SEC. 428. SIMPLIFIED TIME LIMIT.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking "36-month" and inserting "12-month";

(B) by striking "3" and inserting "6"; and

(C) in subparagraph (D), by striking "(4), (5), or (6)" and inserting "(4), or (5)";

(2) by striking paragraph (5);

(3) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding "and" at the end;

(B) in subclause (IV), by striking "; and" and inserting a period; and

(C) by striking subclause (V); and

(4) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 429. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977. (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

"(E) ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

"(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

"(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

"(I) explains how to reactivate the benefits; and

"(II) offers assistance if the household is having difficulty accessing the benefits of the household.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 430. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 431. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

"(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

"(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

"(3) ISSUANCE OF ALLOTMENT.—

"(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

"(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

"(4) DEPARTURES OF COVERED RESIDENTS.—

"(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

"(i) notify the State agency promptly on the departure of the resident; and

"(ii) notify the resident, before the departure of the resident, that the resident—

"(I) is eligible for continued benefits under the food stamp program; and

"(II) should contact the State agency concerning continuation of the benefits.

"(B) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

"(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

"(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

"(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

"(D) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking "(i) 'Household' means (1) an" and inserting the following:

"(i)(1) 'Household' means—

"(A) an";

(B) in the first sentence, by striking "others, or (2) a group" and inserting the following: "others; or

"(B) a group";

(C) in the second sentence, by striking "Spouses" and inserting the following:

"(2) Spouses";

(D) in the third sentence, by striking "Notwithstanding" and inserting the following:

"(3) Notwithstanding";

(E) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentences" and inserting "paragraphs (1) and (2)";

(F) in the fourth sentence, by striking "In no event" and inserting the following:

"(4) In no event";

(G) in the fifth sentence, by striking "For the purposes of this subsection, residents" and inserting the following:

"(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

"(A) Residents"; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking "Act, or are individuals" and inserting the following: "Act.

"(B) Individuals";

(ii) by striking "such section, temporary" and inserting the following: "that section.

"(C) Temporary";

(iii) by striking "children, residents" and inserting the following: "children.

"(D) Residents";

(iv) by striking "coupons, and narcotics" and inserting the following: "coupons.

"(E) Narcotics"; and

(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" each place it appears and inserting "section 3(i)(4)".

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)(5)".

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking "the last 2 sentences of section 3(i)" and inserting "paragraphs (4) and (5) of section 3(i)".

SEC. 432. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: "Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.".

SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

"(B) A redetermination under subparagraph (A) shall—

"(i) be based on information supplied by the household; and

"(ii) conform to standards established by the Secretary.

"(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;" and

(2) in paragraph (10)—

(A) by striking "within the household's certification period"; and

(B) by striking "or until" and all that follows through "occurs earlier".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking "Certification period" and inserting "Eligibility review period"; and

(B) by striking "certification period" each place it appears and inserting "eligibility review period".

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking "in the certification period which" and inserting "that"; and

(B) in subsection (e) (as amended by section 1218(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking "certification period" and inserting "eligibility review period"; and

(II) in subclause (III), by striking "has been anticipated for the certification period" and inserting "was anticipated when the household applied or at the most recent redetermination of eligibility for the household"; and

(ii) in paragraph (6)(C)(iii)(II), by striking "the end of a certification period" and inserting "each redetermination of the eligibility of the household".

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking "certification period" each place it appears and inserting "interval between required redeterminations of eligibility"; and

(B) in subsection (d)(1)(D)(v)(II), by striking "a certification period" and inserting "an eligibility review period".

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking "within a certification period"; and

(B) in paragraph (2)(B), by striking "expiration of" and all that follows through "during a certification period," and inserting "termination of benefits to the household.".

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking "the certification or recertification" and inserting "determining the eligibility".

SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR THE ELDERLY AND DISABLED.

(a) IN GENERAL.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) in paragraph (1)—

(A) by striking "income shall be informed" and inserting the following: "income shall be—

"(A) informed";

(B) by striking "program and be assisted" and inserting the following: "program;

"(B) assisted"; and

(C) by striking "office and be certified" and inserting the following: "office; and

"(C) certified"; and

(2) by adding at the end the following:

"(3) DUAL-PURPOSE APPLICATIONS.—

"(A) IN GENERAL.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memorandum of understanding with the Commissioner under which an application for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of applicants for or recipients of those benefits shall also be considered to be an application for benefits under the food stamp program.

"(B) CERTIFICATION; REPORTING REQUIREMENTS.—A household covered by a memorandum of understanding under subparagraph (A)—

"(i) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected under the terms of any memorandum of understanding under this paragraph; and

"(ii) shall not be subject to any reporting requirement under section 6(c).

"(C) Exceptions to value of allotment.—The Secretary shall provide by regulation for such exceptions to section 8(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subsection (e)(2).

"(D) Coverage.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

"(E) Exemption from certain application procedures.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

"(i) subparagraph (B) or (C) of paragraph (1); or

"(ii) subsection (j)(1)(B).

"(F) Right to apply under regular program.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

"(i)(I) submit an application under subsection (e)(2); and

"(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or

"(ii) decline to participate in the food stamp program.

"(G) Transition provision.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a State agency to enter into a memorandum of understanding in accordance with this paragraph during the period—

"(i) beginning on the date of enactment of this paragraph; and

"(ii) ending on the earlier of—

"(I) the date of promulgation of the regulations; or

"(II) the date that is 3 years after the date of enactment of this paragraph.".

(b) Conforming Amendments.—Section 11(j)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is amended—

(1) by striking "shall be informed" and inserting the following: "shall be—

"(A) informed"; and

(2) by striking "program and informed" and inserting the following: "program; and

"(B) informed".

SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) In General.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(s) Transitional Benefits Option.—

"(1) In general.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) Transitional benefits period.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

"(3) Amount of benefits.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

"(A) the change in household income as a result of the termination of cash assistance; and

"(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

"(4) Determination of future eligibility.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

"(A) require the household to cooperate in a redetermination of eligibility; and

"(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

"(5) Limitation.—A household shall not be eligible for transitional benefits under this subsection if the household—

"(A) loses eligibility under section 6;

"(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

"(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.".

(b) Conforming Amendments.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: "The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).".

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking "No household" and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household".

SEC. 436. QUALITY CONTROL.

(a) In General.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025 c) is amended—

(1) by striking "(c)(1) The" and all that follows through the end of paragraph (1) and inserting the following:

"(c) Quality Control.—

"(1) In general.—The food stamp program shall include a system to enhance payment accuracy that has the following elements:

"(A) Corrective action plans.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.

"(B) Investigation and initial sanctions.—

"(i) Investigation.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

"(ii) Initial sanctions.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

"(C) Additional sanctions.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

"(i) the value of all allotments issued by the State agency in the fiscal year;

"(ii) the lesser of—

"(I) the ratio that—

"(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

"(bb) 10 percent; or

"(II) 1; and

"(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.";

(2) in paragraph (2)(A), by inserting before the semicolon the following: ", as adjusted downward as appropriate under paragraph (10)";

(3) in the first sentence of paragraph (4), by striking ", enhanced administrative funding," and all that follows and inserting "under this subsection, high performance bonus payment under paragraph (11), or claim for payment error under paragraph (1).";

(4) in the first sentence of paragraph (5), by striking "to establish" and all that follows and inserting the following: "to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1).";

(5) in the first sentence of paragraph (6), by striking "incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C)," and inserting "claims under paragraph (1),"; and

(6) by adding at the end the following:

"(10) Adjustments of payment error rate.—

"(A) In general.—

"(i) Fiscal year 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency's serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be—

"(I) the percentage of households of the corresponding type that receive food stamps nationally; or

"(II) the percentage of—

"(aa) households with earned income that received food stamps in the State in fiscal year 1992; or "(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

"(ii) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

"(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A)(i) or the substitution of other adjustments is most consistent with achieving the purposes of this Act.".

(b) CONFORMING AMENDMENT.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended by striking the last sentence.

(c) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking "180 days after the end of the fiscal year" and inserting "the first May 31 after the end of the fiscal year referred to in subparagraph (A)"; and

(2) in subparagraph (C), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking "enhanced administrative funding to States with the lowest error rates." and inserting "bonus payments to States that demonstrate high levels of performance."; and

(2) by adding at the end the following:

"(11) HIGH PERFORMANCE BONUS PAYMENTS.—

"(A) IN GENERAL.—For each fiscal year, the Secretary shall—

"(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

"(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

"(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

"(i)(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

"(II) the greatest percentage point improvement under clause (i)(I) from the previous fiscal year to the fiscal year;

"(ii) the greatest improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—

"(I) the number of households in the State that—

"(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

"(bb) are eligible for food stamp benefits; and

"(cc) receive food stamps benefits; bears to

"(II) the number of households in the State that—

"(aa) have incomes less than 130 percent of the poverty line (as so defined); and

"(bb) are eligible for food stamp benefits;

"(iii) the lowest overpayment error rate;

"(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

"(v) the lowest negative error rate;

"(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

"(vii) the lowest underpayment error rate;

"(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

"(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and

"(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

"(C) HIGH PERFORMANCE BONUS PAYMENTS.—

"(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(5)(A).

"(ii) AMOUNT OF PAYMENTS.—

"(I) IN GENERAL.—For each fiscal year, the Secretary shall—

"(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and

"(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

"(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that—

"(aa) the caseload of each such State agency; bears to

"(bb) the caseloads of all such State agencies.

"(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under each of clauses (ii) through (x) of subparagraph (B) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

"(aa) the caseload of each such State agency; bears to

"(bb) the caseloads of all such State agencies.

"(iii) DETERMINATION OF HIGHEST PERFORMERS.—

"(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

"(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage.

"(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

"(i) the State agency shall not be eligible for a high performance bonus payment under clause (iii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; and

"(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

"(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ", to remain available until expended,"; and

(B) by striking clause (vii) and inserting the following:

"(vii) to remain available until expended—

"(I) for fiscal year 2002, $122,000,000;

"(II) for fiscal year 2003, $129,000,000;

"(III) for fiscal year 2004, $135,000,000;

"(IV) for fiscal year 2005, $142,000,000; and

"(V) for fiscal year 2006, $149,000,000.";

(2) by striking subparagraph (B) and inserting the following:

"(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

"(i) is determined and adjusted by the Secretary; and

"(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o)."; and

(3) by striking subparagraphs (E) through (G).

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking "$25 per month" and inserting "an amount not less than $25 per month".

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "$25" and inserting "the limit established by the State agency under section 6(d)(4)(I)(i)(I)".

(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this act.

SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "2002" and inserting "2006"; and

(2) in subparagraph (B)(ii), by striking "2002" and inserting "2006".

(b) Cash Payment Pilot Projects.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2006".

(c) Grants To Improve Food Stamp Participation.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) Authorization of Appropriations.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 441. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking ", by way of making contracts with or grants to public or private organizations or agencies," and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section to"; and

(2) by adding at the end the following: "The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.".

SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(E) Cost neutrality.—

"(i) Requirements for waivers.—

"(I) Estimation of costs and savings of waivers.—Before approving a waiver for any demonstration project proposed under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

"(II) Approval of waivers.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

"(aa) exigent circumstances require the approval of the waiver;

"(bb) the increase in costs is insignificant; or

"(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii).

"(III) Multiyear cost neutrality.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase costs to the Federal Government over any 3-fiscal year period that includes the fiscal year.

"(ii) Exemption from cost-neutrality requirement for certain projects.—

"(I) In general.—For each fiscal year, the Secretary may designate research demonstration projects that—

"(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

"(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2002 through 2006.

"(II) Exemption.—A project described in subclause (I) shall be exempt from clause (i).

"(iii) Offsets in other programs.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

"(iv) No look-back.—The Secretary shall not be required to adjust any estimate made under this subparagraph to reflect the actual costs of a demonstration project as implemented by a State agency.".

SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.

(a) Enhanced Waiver Authority.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

"(e) Program Simplification Demonstration Projects.—

"(1) In general.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.

"(2) Types of demonstration projects.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:

"(A)(i) Reporting requirements under section 6(c).

"(ii) Verification methods under section 11(e)(3) (including reliance on data from preceding periods that can be obtained or verified electronically).

"(iii) A combination of reporting requirements and verification methods.

"(B) The income standard of eligibility established under section 5(c)(1), deductions under section 5(e), and income budgeting procedures under section 5(f).

"(3) Selection of demonstration projects.—

"(A) In general.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.

"(B) Goals.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—

"(i) simplifying the food stamp program;

"(ii) reducing administrative burdens on State agencies, households, and other individuals and entities;

"(iii) providing nutrition assistance to individuals most in need; and

"(iv) improving access to nutrition assistance.

"(C) Projects not eligible for selection.—The Secretary shall not select any demonstration project under this subsection that the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.

"(D) Diversity of approaches and areas.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—

"(i) projects that take diverse approaches;

"(ii) at least 1 project that will operate in an urban area; and

"(ii) at least 1 project that will operate in a rural area.

"(E) Maximum aggregate cost of projects.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.

"(4) Size of area.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—

"(A) one-third of the total households receiving allotments in the State; or

"(B) the minimum number of households needed to measure the effects of the demonstration projects.

"(5) Evaluations.—

"(A) In general.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.

"(B) Minimum requirements.—Each evaluation under subparagraph (A)—

"(i) shall include the study of control groups or areas; and

"(ii) shall analyze, at a minimum, the effects of the project design on—

"(I) costs of the food stamp program;

"(II) State administrative costs;

"(III) the integrity of the food stamp program, including errors as measured under section 16(c);

"(IV) participation by households in need of nutrition assistance; and

"(V) changes in allotment levels experienced by—

"(aa) households of various income levels;

"(bb) households with elderly, disabled, and employed members;

"(cc) households with high shelter costs relative to the incomes of the households; and

"(dd) households receiving subsidized housing, child care, or health insurance.

"(C) Funding.—From funds made available to carry out this Act, the Secretary shall reserve not more than $6,000,000 to conduct evaluations under this paragraph.

"(6) Report to congress.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—

"(A) delivering nutrition assistance to households most at risk; and

"(B) reducing administrative burdens.".

(b) Conforming Amendment.—Section 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking "paragraph" and inserting "section".

SEC. 444. CONSOLIDATED BLOCK GRANTS.

(a) Consolidated Funding.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "the Commonwealth of Puerto Rico" and inserting "governmental entities specified in subparagraph (D)";

(B) in clause (ii), by striking "and" at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

"(iii) for fiscal year 2002, $1,356,000,000; and

"(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).";

(2) in subparagraph (B), by inserting "of Puerto Rico" after "Commonwealth" each place it appears; and

(3) by adding at the end the following:

"(C) American samoa.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

"(D) Governmental entity.—A governmental entity specified in this subparagraph is—

"(i) the Commonwealth of Puerto Rico; and "(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.".

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking "From amounts" and inserting the following:

"(1) IN GENERAL.—From amounts";

(B) by striking "for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of" and inserting "the Secretary shall use the amount specified in paragraph (2) to purchase"; and

(C) by adding at the end the following:

"(2) AMOUNTS.—The amounts specified in this paragraph are—

"(A) for each of fiscal years 1997 through 2001, $100,000,000; and

"(B) for each of fiscal years 2002 through 2006, $140,000,000."; and

(2) by adding at the end the following:

"(c) USE OF FUNDS FOR RELATED COSTS.—

"(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

"(A) commodities purchased by the Secretary under subsection (a); and

"(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

"(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking "2002" and inserting "2006".

(b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

"(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

"(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

"(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

"(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year."; and

(2) in subsection (d)(2), by striking "2002" each place it appears and inserting "2006".

(c) DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking "2002" and inserting "2006";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing,".

SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.

(a) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in paragraph (3)(B), 16)".

(b) CONFORMING AMENDMENTS.—

(1) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)), 16)".

(2) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

"(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).".

(3) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in section 402(a)(3)(B), 16)".

SEC. 453. QUALIFIED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more.".

SEC. 454. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking "2001" and inserting "2003".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

"(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking "basic allowance for housing" and inserting the following: "basic allowance—

"(I) for housing";

(2) by striking "and" at the end and inserting "or"; and

(3) by adding at the end the following:

"(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the "Congressional Hunger Fellows Act of 2001".

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term "Board" means the Board of Trustees of the Program.

(3) FUND.—The term "Fund" means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term "Program" means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the "Congressional Hunger Fellows Program".

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an "Emerson Fellow".

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a "Leland Fellow".

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the "Congressional Hunger Fellows Trust Fund", consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS-15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS-15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section **$18,000,000**.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title (other than subtitle C) take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

Subtitle C—Commodity Programs

SEC. 471. DEFINITION OF LOAN COMMODITY.

Section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202) (as amended by section 101) is amended by striking paragraph (9) and inserting the following:

"(9) LOAN COMMODITY.—The term 'loan commodity' means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, and oilseeds.".

SEC. 472. INCOME PROTECTION PRICES FOR COUNTER-CYCLICAL PAYMENTS.

Section 114(c) of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 111) is amended by striking paragraph (2) and inserting the following:

"(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

"(A) Wheat, **$3.03** per bushel.

"(B) Corn, **$2.16** per bushel.

"(C) Grain sorghum, **$2.16** per bushel.

"(D) Barley, **$1.85** per bushel.

"(E) Oats, **$1.26** per bushel.

"(F) Upland cotton, **$0.6492** per pound.

"(G) Rice, **$8.95** per hundredweight.

"(H) Soybeans, **$5.47** per bushel.

"(I) Oilseeds (other than soybeans), **$0.103** per pound.".

SEC. 473. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

“SEC. 119. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

‘‘(a) Definitions.—In this section:

‘‘(1) Adjusted gross revenue.—The term ‘adjusted gross revenue’ means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

‘‘(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

‘‘(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

‘‘(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

‘‘(D) as represented on—

‘‘(i) a schedule F of the Federal income tax returns of the producer; or

‘‘(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

‘‘(2) Agricultural enterprise.—The term ‘agricultural enterprise’ means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

‘‘(3) Average adjusted gross revenue.—The term ‘average adjusted gross revenue’ means—

‘‘(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

‘‘(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

‘‘(4) Producer.—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

‘‘(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

‘‘(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

‘‘(C)(i) during each of the preceding 5 taxable years, has filed—

‘‘(I) a schedule F of the Federal income tax returns; or

‘‘(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

‘‘(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

‘‘(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

‘‘(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

‘‘(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

‘‘(b) Establishment.—A producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

‘‘(c) Content of Account.—A farm counter-cyclical savings account shall consist of—

‘‘(1) contributions of the producer; and

‘‘(2) matching contributions of the Secretary.

‘‘(d) Producer Contributions.—

‘‘(1) In general.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

‘‘(2) Maximum account balance.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer.

‘‘(e) Matching Contributions.—

‘‘(1) In general.—Subject to paragraphs (2) through (4), the Secretary shall provide a matching contribution that is equal to, and may not exceed, the amount deposited by the producer into the account.

‘‘(2) Maximum matching ccontributions by secretary.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $10,000 in any year.

‘‘(3) Maximum contributions for all producers.—

‘‘(A) In general.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

‘‘(i) $900,000,000 for fiscal year 2002;

‘‘(ii) $1,400,000,000 for fiscal year 2003; and

‘‘(iii) $1,500,000,000 for each of fiscal years 2004 through 2006.

‘‘(B) Availability of funds.—

‘‘(i) In general.—Funds made available under subparagraph (A) shall remain available until expended.

‘‘(ii) Effect of carryover.—Any funds carried over from 1 fiscal year to another fiscal year shall be in addition to funds made available under subparagraph (A).

‘‘(4) Date for matching contributions.—The Secretary shall provide the matching contributions for an applicable year required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

‘‘(f) Interest.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

‘‘(g) Use.—Funds credited to the account—

‘‘(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

‘‘(2) may be used for purposes determined by the producer.

‘‘(h) Withdrawal.—

‘‘(1) In general.—Subject to paragraph (2), a producer may withdraw funds from the account if the estimated adjusted gross revenue of the producer for the applicable year is less than the average adjusted gross revenue of the producer.

‘‘(2) Retirement.—A producer that ceases to be actively engaged in farming, as determined by the Secretary—

‘‘(A) may withdraw the full balance from, and close, the account; and

‘‘(B) may not establish another account.’’.

SEC. 474. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

(a) In General.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 123(a)) is amended to read as follows:

“SEC. 132. LOAN RATES.

‘‘(a) Wheat.—

‘‘(1) Loan rate.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for wheat shall be—

‘‘(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

‘‘(B) not more than $2.58 per bushel.

‘‘(2) Stocks to use ratio adjustment.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

‘‘(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

‘‘(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

‘‘(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

‘‘(b) Feed Grains.—

‘‘(1) Loan rate for corn and grain sorghum.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for corn and grain sorghum shall be—

‘‘(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

‘‘(B) not more than $1.89 per bushel.

‘‘(2) Stocks to use ratio adjustment.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

‘‘(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

‘‘(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

‘‘(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

‘‘(3) Other feed grains.—The loan rate for a marketing assistance loan under section 131 for barley and oats shall be—

‘‘(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

‘‘(B) not more than—

‘‘(i) $1.65 per bushel for barley; and

‘‘(ii) $1.21 per bushel for oats.

‘‘(c) Upland Cotton.—

"(1) Loan rate.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

"(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the 5 lowest-priced growths of the growths quoted for Middling 1$\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

"(2) Limitations.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

"(d) Extra Long Staple Cotton.—The loan rate for a marketing assistance loan under section 131 for extra long staple cotton shall be $0.7965 per pound.

"(e) Rice.—The loan rate for a marketing assistance loan under section 131 for rice shall be $6.50 per hundredweight.

"(f) Oilseeds.—

"(1) Soybeans.—The loan rate for a marketing assistance loan under section 131 for soybeans shall be—

"(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(B) not more than $4.92 per bushel.

"(2) Other oilseeds.—The loan rate for a marketing assistance loan under section 131 for each oilseed (other than soybeans) shall be—

"(A) not less than 85 percent of the simple average price received by producers of the oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(B) not more than $0.093 per pound.".

(b) Adjustment of Loans.—

(1) In general.—The amendment made by section 123(b) is repealed.

(2) Applicability.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) shall be applied and administered as if the amendment made by section 123(b) had not been enacted.

SEC. 475. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date of enactment of this Act.

SA 2642. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) Funding.—

"(1) In general.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

"(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

"(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

"(2) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation."; and

(2) in subsection (e), by adding at the end the following:

"(3) Minority-serving institutions.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.".

SA 2643. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) In General.—Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) Funding.—

"(1) In general.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

"(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

"(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

"(2) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation."; and

(2) in subsection (e), by adding at the end the following:

"(3) Minority-serving institutions.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.".

(b) Offset.—Section 158G of the Federal Agriculture Improvement and Reform Act of 1996 (as added by section 151(a)) shall have no effect.

SA 2644. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike title IV and insert the following:

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the "Food Stamp Simplification Act of 2001".

Subtitle A—Food Stamp Program

SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF CASH ASSISTANCE.

Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended—

(1) in the second sentence, by striking "receives benefits" and inserting "receives cash assistance"; and

(2) in the third sentence, by striking "receives benefits" and inserting "receives cash assistance".

SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICIPATED INCOME.

Section 5(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(2)) is amended by striking "$30" and inserting "$100".

SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) Exclusion.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: "including child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,".

(b) Simplified Procedure.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

"(4) Deduction for child support payments.—

"(A) In general.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

"(B) Order of determining deductions.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6)."; and

(2) by adding at the end the following:

‘‘(n) State Options To Simplify Determination of Child Support Payments Made by Household Members.—

‘‘(1) In general.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

‘‘(2) Duration of determination of amount of support payments.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).’’.

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ‘‘and (15)’’ and inserting ‘‘(15)’’; and

(2) by inserting before the period at the end the following: ‘‘, (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels’’.

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 414(2)) is amended by inserting before the period at the end the following: ‘‘, and (19) any interest or dividend income received by a member of the household’’.

SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

‘‘(1) Standard deduction.—

‘‘(A) In general.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

‘‘(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

‘‘(ii) not less than the minimum deduction specified in subparagraph (E).

‘‘(B) Guam.—The Secretary shall allow a standard deduction for each household in Guam that is—

‘‘(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

‘‘(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

‘‘(C) Households of 6 or more members.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

‘‘(D) Applicable percentage.—For the purpose of subparagraph (A), the applicable percentage shall be—

‘‘(i) 8 percent for fiscal year 2002;

‘‘(ii) 8.5 percent for each of fiscal years 2003 through 2005;

‘‘(iii) 9 percent for each of fiscal years 2006 through 2008;

‘‘(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

‘‘(v) 10 percent for each fiscal year thereafter.

‘‘(E) Minimum deduction.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.’’.

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

‘‘(C) Standard dependent care allowances.—

‘‘(i) Establishment of allowances.—

‘‘(I) In general.—In determining the dependent care deduction under this paragraph, in lieu of requiring the household to establish the actual dependent care costs of the household, a State agency may use standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

‘‘(II) Amendment to state plan.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the State plan of operation under section 11(d) that—

‘‘(aa) describes the allowances that the State agency will use; and

‘‘(bb) includes supporting documentation.

‘‘(ii) Household election.—

‘‘(I) In general.—Except as provided in clause (iii), a household may elect to have the dependent care deduction of the household based on actual dependent care costs rather that the allowances established under clause (i).

‘‘(II) Frequency.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

‘‘(iii) Mandatory dependent care allowances.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.’’.

SEC. 418. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) In General.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ‘‘A household’’ and inserting the following:

‘‘(i) In general.—A household’’; and

(B) by adding at the end the following:

‘‘(ii) Inclusion of certain payments.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.’’; and

(2) by adding at the end the following:

‘‘(D) Homeless households.—

‘‘(i) Alternative deduction.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

‘‘(ii) Ineligibility.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).’’.

(b) Conforming Amendments.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking ‘‘subsection (e)(7)’’ and inserting ‘‘subsection (e)(6)’’.

SEC. 419. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 418(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting ‘‘(without regard to subclause (III))’’ after ‘‘Secretary finds’’; and

(2) by adding at the end the following:

‘‘(III) Inapplicability of certain restrictions.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).’’.

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

‘‘(C) Simplified determination of earned income.—

‘‘(i) In general.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

‘‘(ii) Adjustment of earned income deduction.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.’’.

SEC. 421. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 420) is amended by adding at the end the following:

"(D) Simplified determination of deductions.—

"(i) In general.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

"(ii) Changes that may not be disregarded.—Under clause (i), a State agency may not disregard—

"(I) any reported change of residence; or

"(II) under standards prescribed by the Secretary, any change in earned income.".

SEC. 422. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking "a member who is 60 years of age or older" and inserting "an elderly or disabled member".

SEC. 423. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) In General.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding "and" at the end;

(B) by striking clause (iv); and

(C) by redesignating clause (v) as clause (iv);

(2) by striking subparagraph (C) and inserting the following:

"(C) Excluded vehicles.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation."; and

(3) by striking subparagraph (D).

(b) Conforming Amendment.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 424. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) (as amended by section 423(a)(1)) is amended by striking clause (iv) and inserting the following:

"(iv) any savings account (other than a retirement account (including an individual account)).".

SEC. 425. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) Exclusion of types of financial resources not considered under certain other federal programs.—

"(A) In general.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

"(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

"(B) Limitations.—Subparagraph (A) does not authorize a State agency to exclude—

"(i) cash;

"(ii) amounts in any account in a financial institution that are readily available to the household; or

"(iii) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.".

SEC. 426. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting "issuance methods and" after "shall adjust"; and

(2) in the second sentence, by inserting ", any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable," after "personnel".

SEC. 427. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking "on a monthly basis"; and

(2) by adding at the end the following:

"(D) Frequency of reporting.—

"(i) In general.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

"(I) not less often than once each 6 months; but

"(II) not more often than once each month.

"(ii) Reporting by households with excess income.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).".

SEC. 428. SIMPLIFIED TIME LIMIT.

(a) In General.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking "36-month" and inserting "12-month";

(B) by striking "3" and inserting "6"; and

(C) in subparagraph (D), by striking "(4), (5), or (6)" and inserting "(4), or (5)";

(2) by striking paragraph (5);

(3) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding "and" at the end;

(B) in subclause (IV), by striking "; and" and inserting a period; and

(C) by striking subclause (V); and

(4) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) Implementation of Amendments.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 429. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) In General.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

"(E) Access to electronic benefit transfer systems.—

"(i) In general.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

"(ii) Notice to household.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

"(I) explains how to reactivate the benefits; and

"(II) offers assistance if the household is having difficulty accessing the benefits of the household.".

(b) Applicability.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 430. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 431. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) In General.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) Simplified Procedures for Residents of Certain Group Facilities.—

"(1) In general.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

"(2) Amount of allotment.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

"(3) Issuance of allotment.—

"(A) In general.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

"(B) Adjustment.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

"(4) Departures of covered residents.—

"(A) Notification.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

"(i) notify the State agency promptly on the departure of the resident; and

"(ii) notify the resident, before the departure of the resident, that the resident—

"(I) is eligible for continued benefits under the food stamp program; and

"(II) should contact the State agency concerning continuation of the benefits.

"(B) Issuance to departed residents.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

"(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

"(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

"(C) State option.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

"(D) Effect of Reapplication.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.".

(b) Conforming Amendments.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking "(i) 'Household' means (1) an" and inserting the following:

"(i)(1) 'Household' means—

"(A) an";

(B) in the first sentence, by striking "others, or (2) a group" and inserting the following: "others; or

"(B) a group";

(C) in the second sentence, by striking "Spouses" and inserting the following:

"(2) Spouses";

(D) in the third sentence, by striking "Notwithstanding" and inserting the following:

"(3) Notwithstanding";

(E) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentences" and inserting "paragraphs (1) and (2)";

(F) in the fourth sentence, by striking "In no event" and inserting the following:

"(4) In no event";

(G) in the fifth sentence, by striking "For the purposes of this subsection, residents" and inserting the following:

"(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

"(A) Residents"; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking "Act, or are individuals" and inserting the following: "Act.

"(B) Individuals";

(ii) by striking "such section, temporary" and inserting the following: "that section.

"(C) Temporary";

(iii) by striking "children, residents" and inserting the following: "children.

"(D) Residents";

(iv) by striking "coupons, and narcotics" and inserting the following: "coupons.

"(E) Narcotics"; and

(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" each place it appears and inserting "section 3(i)(4)".

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)(5)".

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking "the last 2 sentences of section 3(i)" and inserting "paragraphs (4) and (5) of section 3(i)".

SEC. 432. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: "Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.".

SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) In General.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

"(B) A redetermination under subparagraph (A) shall—

"(i) be based on information supplied by the household; and

"(ii) conform to standards established by the Secretary.

"(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;" and

(2) in paragraph (10)—

(A) by striking "within the household's certification period"; and

(B) by striking "or until" and all that follows through "occurs earlier".

(b) Conforming Amendments.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking "Certification period" and inserting "Eligibility review period"; and

(B) by striking "certification period" each place it appears and inserting "eligibility review period".

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking "in the certification period which" and inserting "that"; and

(B) in subsection (e) (as amended by section 1218(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking "certification period" and inserting "eligibility review period"; and

(II) in subclause (III), by striking "has been anticipated for the certification period" and inserting "was anticipated when the household applied or at the most recent redetermination of eligibility for the household"; and

(ii) in paragraph (6)(C)(iii)(II), by striking "the end of a certification period" and inserting "each redetermination of the eligibility of the household".

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking "certification period" each place it appears and inserting "interval between required redeterminations of eligibility"; and

(B) in subsection (d)(1)(D)(v)(II), by striking "a certification period" and inserting "an eligibility review period".

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking "within a certification period"; and

(B) in paragraph (2)(B), by striking "expiration of" and all that follows through "during a certification period," and inserting "termination of benefits to the household,".

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking "the certification or recertification" and inserting "determining the eligibility".

SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR THE ELDERLY AND DISABLED.

(a) In General.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) in paragraph (1)—

(A) by striking "income shall be informed" and inserting the following: "income shall be—

"(A) informed";

(B) by striking "program and be assisted" and inserting the following: "program;

"(B) assisted"; and

(C) by striking "office and be certified" and inserting the following: "office; and

"(C) certified"; and

(2) by adding at the end the following:

"(3) Dual-purpose applications.—

"(A) In general.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memorandum of understanding with the Commissioner under which an application for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of applicants for or recipients of those benefits shall also be considered to be an application for benefits under the food stamp program.

"(B) Certification; reporting requirements.—A household covered by a memorandum of understanding under subparagraph (A)—

"(i) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected under the terms of any memorandum of understanding under this paragraph; and

"(ii) shall not be subject to any reporting requirement under section 6(c).

"(C) Exceptions to value of allotment.—The Secretary shall provide by regulation for such exceptions to section 8(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subsection (e)(2).

"(D) Coverage.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

"(E) Exemption from certain application procedures.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

"(i) subparagraph (B) or (C) of paragraph (1); or

"(ii) subsection (j)(1)(B).

"(F) Right to apply under regular program.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

"(i)(I) submit an application under subsection (e)(2); and

"(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or

"(ii) decline to participate in the food stamp program.

"(G) Transition provision.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a State agency to enter into a memorandum of understanding in accordance with this paragraph during the period—

"(i) beginning on the date of enactment of this paragraph; and

"(ii) ending on the earlier of—

"(I) the date of promulgation of the regulations; or

"(II) the date that is 3 years after the date of enactment of this paragraph.".

(b) CONFORMING AMENDMENTS.—Section 11(j)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is amended—

(1) by striking "shall be informed" and inserting the following: "shall be—

"(A) informed"; and

(2) by striking "program and informed" and inserting the following: "program; and

"(B) informed".

SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(s) TRANSITIONAL BENEFITS OPTION.—

"(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

"(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

"(A) the change in household income as a result of the termination of cash assistance; and

"(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

"(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

"(A) require the household to cooperate in a redetermination of eligibility; and

"(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

"(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

"(A) loses eligibility under section 6;

"(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

"(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: "The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).".

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking "No household" and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household".

SEC. 436. QUALITY CONTROL.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) by striking "(c)(1) The" and all that follows through the end of paragraph (1) and inserting the following:

"(c) QUALITY CONTROL.—

"(1) IN GENERAL.—The food stamp program shall include a system to enhance payment accuracy that has the following elements:

"(A) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.

"(B) INVESTIGATION AND INITIAL SANCTIONS.—

"(i) INVESTIGATION.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

"(ii) INITIAL SANCTIONS.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

"(C) ADDITIONAL SANCTIONS.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

"(i) the value of all allotments issued by the State agency in the fiscal year;

"(ii) the lesser of—

"(I) the ratio that—

"(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

"(bb) 10 percent; or

"(II) 1; and

"(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.";

(2) in paragraph (2)(A), by inserting before the semicolon the following: ", as adjusted downward as appropriate under paragraph (10)";

(3) in the first sentence of paragraph (4), by striking ", enhanced administrative funding," and all that follows and inserting "under this subsection, high performance bonus payment under paragraph (11), or claim for payment error under paragraph (1).";

(4) in the first sentence of paragraph (5), by striking "to establish" and all that follows and inserting the following: "to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1).";

(5) in the first sentence of paragraph (6), by striking "incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C)," and inserting "claims under paragraph (1),"; and

(6) by adding at the end the following:

"(10) ADJUSTMENTS OF PAYMENT ERROR RATE.—

"(A) IN GENERAL.—

"(i) FISCAL YEAR 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency's serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be—

"(I) the percentage of households of the corresponding type that receive food stamps nationally; or

"(II) the percentage of—

"(aa) households with earned income that received food stamps in the State in fiscal year 1992; or

"(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

"(ii) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

"(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A)(i) or the substitution of other adjustments is most consistent with achieving the purposes of this Act.".

(b) CONFORMING AMENDMENT.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended by striking the last sentence.

(c) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking "180 days after the end of the fiscal year" and inserting "the first May 31 after the end of the fiscal year referred to in subparagraph (A)"; and

(2) in subparagraph (C), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking "enhanced administrative funding to States with the lowest error rates." and inserting "bonus payments to States that

demonstrate high levels of performance."; and

(2) by adding at the end the following:

"(11) HIGH PERFORMANCE BONUS PAYMENTS.—

"(A) IN GENERAL.—For each fiscal year, the Secretary shall—

"(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

"(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

"(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

"(i)(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

"(II) the greatest percentage point improvement under clause (i)(I) from the previous fiscal year to the fiscal year;

"(ii) the greatest improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—

"(I) the number of households in the State that—

"(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

"(bb) are eligible for food stamp benefits; and

"(cc) receive food stamps benefits; bears to

"(II) the number of households in the State that—

"(aa) have incomes less than 130 percent of the poverty line (as so defined); and

"(bb) are eligible for food stamp benefits;

"(iii) the lowest overpayment error rate;

"(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

"(v) the lowest negative error rate;

"(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

"(vii) the lowest underpayment error rate;

"(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

"(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and

"(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

"(C) HIGH PERFORMANCE BONUS PAYMENTS.—

"(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(5)(A).

"(ii) AMOUNT OF PAYMENTS.—

"(I) IN GENERAL.—For each fiscal year, the Secretary shall—

"(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and

"(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

"(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that—

"(aa) the caseload of each such State agency; bears to

"(bb) the caseloads of all such State agencies.

"(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under each of clauses (ii) through (x) of subparagraph (B) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

"(aa) the caseload of each such State agency; bears to

"(bb) the caseloads of all such State agencies.

"(iii) DETERMINATION OF HIGHEST PERFORMERS.—

"(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

"(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage.

"(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

"(i) the State agency shall not be eligible for a high performance bonus payment under clause (iii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; and

"(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

"(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ", to remain available until expended,"; and

(B) by striking clause (vii) and inserting the following:

"(vii) to remain available until expended—

"(I) for fiscal year 2002, $122,000,000;

"(II) for fiscal year 2003, $129,000,000;

"(III) for fiscal year 2004, $135,000,000;

"(IV) for fiscal year 2005, $142,000,000; and

"(V) for fiscal year 2006, $149,000,000.";

(2) by striking subparagraph (B) and inserting the following:

"(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

"(i) is determined and adjusted by the Secretary; and

"(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o)."; and

(3) by striking subparagraphs (E) through (G).

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking "$25 per month" and inserting "an amount not less than $25 per month".

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "$25" and inserting "the limit established by the State agency under section 6(d)(4)(I)(i)(I)".

(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "2002" and inserting "2006"; and

(2) in subparagraph (B)(ii), by striking "2002" and inserting "2006".

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2006".

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 441. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking ", by way of making contracts with or grants to public or private organizations or agencies," and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section to"; and

(2) by adding at the end the following: "The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.".

SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(E) COST NEUTRALITY.—

"(i) REQUIREMENTS FOR WAIVERS.—

"(I) ESTIMATION OF COSTS AND SAVINGS OF WAIVERS.—Before approving a waiver for any demonstration project proposed under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

"(II) APPROVAL OF WAIVERS.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

"(aa) exigent circumstances require the approval of the waiver;

"(bb) the increase in costs is insignificant; or

"(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii).

"(III) Multiyear cost neutrality.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase costs to the Federal Government over any 3-fiscal year period that includes the fiscal year.

"(ii) Exemption from cost-neutrality requirement for certain projects.—

"(I) In general.—For each fiscal year, the Secretary may designate research demonstration projects that—

"(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

"(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2002 through 2006.

"(II) Exemption.—A project described in subclause (I) shall be exempt from clause (i).

"(iii) Offsets in other programs.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

"(iv) No look-back.—The Secretary shall not be required to adjust any estimate made under this subparagraph to reflect the actual costs of a demonstration project as implemented by a State agency.".

SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.

(a) Enhanced Waiver Authority.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

"(e) Program Simplification Demonstration Projects.—

"(1) In general.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.

"(2) Types of demonstration projects.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:

"(A)(i) Reporting requirements under section 6(c).

"(ii) Verification methods under section 11(e)(3) (including reliance on data from preceding periods that can be obtained or verified electronically).

"(iii) A combination of reporting requirements and verification methods.

"(B) The income standard of eligibility established under section 5(c)(1), deductions under section 5(e), and income budgeting procedures under section 5(f).

"(3) Selection of demonstration projects.—

"(A) In general.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.

"(B) Goals.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—

"(i) simplifying the food stamp program;

"(ii) reducing administrative burdens on State agencies, households, and other individuals and entities;

"(iii) providing nutrition assistance to individuals most in need; and

"(iv) improving access to nutrition assistance.

"(C) Projects not eligible for selection.—The Secretary shall not select any demonstration project under this subsection that the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.

"(D) Diversity of approaches and areas.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—

"(i) projects that take diverse approaches;

"(ii) at least 1 project that will operate in an urban area; and

"(ii) at least 1 project that will operate in a rural area.

"(E) Maximum aggregate cost of projects.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.

"(4) Size of area.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—

"(A) one-third of the total households receiving allotments in the State; or

"(B) the minimum number of households needed to measure the effects of the demonstration projects.

"(5) Evaluations.—

"(A) In general.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.

"(B) Minimum requirements.—Each evaluation under subparagraph (A)—

"(i) shall include the study of control groups or areas; and

"(ii) shall analyze, at a minimum, the effects of the project design on—

"(I) costs of the food stamp program;

"(II) State administrative costs;

"(III) the integrity of the food stamp program, including errors as measured under section 16(c);

"(IV) participation by households in need of nutrition assistance; and

"(V) changes in allotment levels experienced by—

"(aa) households of various income levels;

"(bb) households with elderly, disabled, and employed members;

"(cc) households with high shelter costs relative to the incomes of the households; and

"(dd) households receiving subsidized housing, child care, or health insurance.

"(C) Funding.—From funds made available to carry out this Act, the Secretary shall reserve not more than $6,000,000 to conduct evaluations under this paragraph.

"(6) Report to congress.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—

"(A) delivering nutrition assistance to households most at risk; and

"(B) reducing administrative burdens.".

(b) Conforming Amendment.—Section 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking "paragraph" and inserting "section".

SEC. 444. CONSOLIDATED BLOCK GRANTS.

(a) Consolidated Funding.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "the Commonwealth of Puerto Rico" and inserting "governmental entities specified in subparagraph (D)";

(B) in clause (ii), by striking "and" at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

"(iii) for fiscal year 2002, $1,356,000,000; and

"(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).";

(2) in subparagraph (B), by inserting "of Puerto Rico" after "Commonwealth" each place it appears; and

(3) by adding at the end the following:

"(C) American samoa.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96-597 (48 U.S.C. 1469d(c)).

"(D) Governmental entity.—A governmental entity specified in this subparagraph is—

"(i) the Commonwealth of Puerto Rico; and

"(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.".

(b) Conforming Amendment.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) Effective Date.—The amendments made by this section take effect on October 1, 2002.

SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.

(a) In General.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking "From amounts" and inserting the following:

"(1) In general.—From amounts";

(B) by striking "for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of" and inserting "the Secretary shall use the amount specified in paragraph (2) to purchase"; and

(C) by adding at the end the following:

"(2) Amounts.—The amounts specified in this paragraph are—

"(A) for each of fiscal years 1997 through 2001, $100,000,000; and

"(B) for each of fiscal years 2002 through 2006, $140,000,000."; and

(2) by adding at the end the following:

"(c) Use of Funds for Related Costs.—

"(1) In general.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

"(A) commodities purchased by the Secretary under subsection (a); and

"(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100-435)).

"(2) Allocation of funds.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).".

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) Commodity Distribution Program.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended in the first sentence by striking "2002" and inserting "2006".

(b) Commodity Supplemental Food Program.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) Grants Per Assigned Caseload Slot.—

"(1) In general.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

"(2) Amount of grants.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

"(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

"(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year."; and

(2) in subsection (d)(2), by striking "2002" each place it appears and inserting "2006".

(c) Distribution of Surplus Commodities to Special Nutrition Projects.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) Emergency Food Assistance.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking "2002" and inserting "2006";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing,".

SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.

(a) Working Immigrant Families.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in paragraph (3)(B), 16)".

(b) Conforming Amendments.—

(1) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)), 16)".

(2) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

"(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).".

(3) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking "40" and inserting "40 (or, in the case of the specified Federal program described in section 402(a)(3)(B), 16)".

SEC. 453. QUALIFIED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(L) Food stamp exception for certain qualified aliens.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more.".

SEC. 454. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) In General.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking "2001" and inserting "2003".

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) In General.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

"(7) Exclusion of certain military housing allowances.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.".

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) Program Purposes.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) Regulations.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) Funding.—

(1) In general.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) Receipt and acceptance.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) In General.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking "basic allowance for housing" and inserting the following: "basic allowance—

"(I) for housing";

(2) by striking "and" at the end and inserting "or"; and

(3) by adding at the end the following:

"(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and".

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) Short Title.—This section may be cited as the "Congressional Hunger Fellows Act of 2001".

(b) Findings.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) Definitions.—In this section:

(1) Appropriate congressional committees.—The term "appropriate congressional committees" means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) Board.—The term "Board" means the Board of Trustees of the Program.

(3) Fund.—The term "Fund" means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) Program.—The term "Program" means the Congressional Hunger Fellows Program established by subsection (d).

(d) Establishment.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the "Congressional Hunger Fellows Program".

(e) Board of Trustees.—

(1) In general.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) Members of the board.—

(A) Appointment.—

(i) In general.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) Voting members.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) Nonvoting member.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) Terms.—

(i) In general.—Each member of the Board shall serve for a term of 4 years.

(ii) Incomplete term.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) Vacancy.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) Chairperson.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) Compensation.—

(i) In general.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) Travel.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) Duties.—

(A) Bylaws.—

(i) Establishment.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) Contents.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) Submission to congress.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) Budget.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) Process for selection and placement of fellows.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) Allocation of funds to fellowships.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) Purposes; Authority of Program.—

(1) Purposes.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) Authority.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) Fellowships.—

(A) In general.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) Curriculum.—

(i) In general.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) Focus.—

(I) Bill Emerson hunger fellowship.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) Mickey Leland hunger fellowship.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) Work plan.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) Period of fellowship.—

(i) Emerson fellowship.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) Leland fellowship.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) Selection of fellows.—

(i) In general.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) Qualification.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) Amount of award.—

(I) In general.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) Requirement for successful completion of fellowship.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) Recognition of fellowship award.—

(I) Emerson fellow.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an "Emerson Fellow".

(II) Leland fellow.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a "Leland Fellow".

(4) Evaluations.—

(A) In general.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) Required elements.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) Trust Fund.—

(1) Establishment.—There is established in the Treasury of the United States a fund to be known as the "Congressional Hunger Fellows Trust Fund", consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) Investment of amounts.—

(A) In general.—

(i) Authority to invest.—The Secretary of the Treasury shall invest such portion of the

Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title (other than subtitle C) take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

Subtitle C—Commodity Programs

SEC. 471. INCOME PROTECTION PRICES FOR COUNTER-CYCLICAL PAYMENTS.

Section 114(c) of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 111) is amended by striking paragraph (2) and inserting the following:

"(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

"(A) Wheat, $3.39 per bushel.

"(B) Corn, $2.31 per bushel.

"(C) Grain sorghum, $2.31 per bushel.

"(D) Barley, $2.16 per bushel.

"(E) Oats, $1.52 per bushel.

"(F) Upland cotton, $0.669 per pound.

"(G) Rice, $9.16 per hundredweight.

"(H) Soybeans, $5.65 per bushel.

"(I) Oilseeds (other than soybeans), $0.103 per pound.".

SEC. 472. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 123(a)) is amended to read as follows:

"SEC. 132. LOAN RATES.

"The loan rate for a marketing assistance loan under section 131 for a loan commodity shall be—

"(1) in the case of wheat, $2.94 per bushel;

"(2) in the case of corn, $2.04 per bushel;

"(3) in the case of grain sorghum, $2.04 per bushel;

"(4) in the case of barley, $1.96 per bushel;

"(5) in the case of oats, $1.47 per bushel;

"(6) in the case of upland cotton, $0.539 per pound;

"(7) in the case of extra long staple cotton, $0.7965 per pound;

"(8) in the case of rice, $6.71 per hundredweight;

"(9) in the case of soybeans, $5.10 per bushel;

"(10) in the case of oilseeds (other than soybeans), $0.093 per pound;

"(11) in the case of graded wool, $1.00 per pound;

"(12) in the case of nongraded wool, $.40 per pound;

"(13) in the case of mohair, $2.00 per pound;

"(14) in the case of honey, $.60 per pound;

"(15) in the case of dry peas, $6.78 per hundredweight;

"(16) in the case of lentils, $12.79 per hundredweight;

"(17) in the case of large chickpeas, $17.44 per hundredweight; and

"(18) in the case of small chickpeas, $8.10 per hundredweight.".

(b) ADJUSTMENT OF LOANS.—

(1) IN GENERAL.—The amendment made by section 123(b) is repealed.

(2) APPLICABILITY.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) shall be applied and administered as if the amendment made by section 123(b) had not been enacted.

SEC. 473. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date of enactment of this Act.

SA 2645. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2516 submitted by Mr. FITZGERALD and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter to be inserted, insert a period and the following:

Subtitle E—Payment Limitation Commission

SEC. 171. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Commission on the Application of Payment Limitations for Agriculture" (referred to in this subtitle as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—

(A) IN GENERAL.—The Commission shall be composed of 11 members appointed as follows:

(i) 3 members shall be appointed by the President, of whom 2 shall be from land grant colleges or universities and have expertise in agricultural economics.

(ii) 1 member shall be appointed by the Majority Leader of the Senate.

(iii) 1 member shall be appointed by the Minority Leader of the Senate.

(iv) 1 member shall be appointed by the Speaker of the House of Representatives.

(v) 1 member shall be appointed by the Minority Leader of the House of Representatives.

(vi) 1 member shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(vii) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(viii) 1 member shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives.

(ix) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture of the House of Representatives.

(B) DIVERSITY OF VIEWS.—The appointing authorities under subparagraph (A) shall seek to ensure that the membership of the Commission has a diversity of experiences and expertise on the issues to be studied by the Commission, such as agricultural production, agricultural lending, farmland appraisal, agricultural accounting and finance, and other relevant areas.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(c) TERM; VACANCIES.—

(1) TERM.—A member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy on the Commission—

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet—

(1) on a regular basis, as determined by the Chairperson; and

(2) at the call of the Chairperson or a majority of the members of the Commission.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

SEC. 172. DUTIES.

(a) COMPREHENSIVE REVIEW.—The Commission shall conduct a comprehensive review of—

(1) the laws (including regulations) that apply or fail to apply payment limitations to agricultural commodity and conservation programs administered by the Secretary;

(2) the impact that failing to apply effective payment limitations has on—

(A) the agricultural producers that participate in the programs;

(B) overproduction of agricultural commodities;

(C) the prices that agricultural producers receive for agricultural commodities in the marketplace; and

(D) land prices and rental rates;

(3) the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certificates and the forfeiture of loan collateral; and

(4) alternatives to payment limitation requirements in effect on the date of enactment of this Act that would apply meaningful limitations to improve the effectiveness and integrity of the requirements.

(b) RECOMMENDATIONS.—In carrying out the review under subsection (a), the Commission shall develop specific recommendations for modifications to applicable legislation and regulations that would improve payment limitation requirements.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the review conducted, and any recommendations developed, under this section.

SEC. 173. POWERS.

(a) HEARINGS.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subtitle.

(b) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subtitle.

(2) PROVISION OF INFORMATION.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) ASSISTANCE FROM SECRETARY.—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

SEC. 174. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(b) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

SEC. 175. FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 176. FUNDING.

Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $100,000 to carry out this subtitle.

SEC. 177. TERMINATION OF COMMISSION.

The Commission shall terminate on the day after the date on which the Commission submits the report of the Commission under section 172(c).

SA 2646. Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in the substitute, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SA 2647. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . OZARK FOOTHILLS RECREATION CONSERVATION & DEVELOPMENT COUNCIL FOR FOREST LANDOWNERS EDUCATION PROJECT IN BATESVILLE, ARKANSAS.

(a) AVAILABILLITY OF FUNDS.—Of the amount authorized by this act, $200,000 is to be authorized for the Ozark Foothills Recreation Conservation & Development council for the Forest Landowners Education Project in Batesville, Arkansas.

SA 2648. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title X and insert the following:

SEC. 10 . ANIMAL AND PLANT HEALTH INSPECTION SERVICE.

(a) DEFINITIONS.—In this section.

(1) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Administrator of the Service.

(2) SERVICE.—The term "Service" means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(b) EXEMPTION.—Notwithstanding any other provision of law, any migratory bird management carried out by the Secretary shall be exempt from the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including regulations).

(c) PERMITS; MANAGEMENT.—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder or cooperator of the Service; and

(2) manage and take migratory birds.

SA 2649. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

Sec. . STUDY, EVALUATION AND REPORT ON THE CREATION OF A LITTER BANK BY THE DEPARTMENT OF AGRICULTURE AT THE UNIVERSITY OF ARKANSAS.

The Secretary shall conduct a study to evaluate and report back to Congress on the creation of a litter bank by the Department of Agriculture at the University of Arkansas for the purpose of enhancing health and viability of watersheds in areas with large concentrations of animal producing units. The Secretary shall evaluate the needs and means by which litter may be collected and distributed to other watersheds to reduce potential point source and non point source phosphorous pollution. The report shall be submitted to Congress no later than six months after the enactment of this Act.

SA 2650. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE . —ANIMAL ENTERPRISE TERRORISM

SEC. 01. ANIMAL ENTERPRISE TERRORISM.

(a) IN GENERAL.—Section 43(a) of title 18, United States Code, is amended to read as follows:

"(a) OFFENSE.—

"(1) IN GENERAL.—Whoever—

"(A) travels in interstate or foreign commerce, or uses or causes to be used the mail or any facility in interstate or foreign commerce for the purpose of causing physical disruption to the functioning of an animal enterprise; and

"(B) intentionally damages or causes the loss of any property (including animals or records) used by the animal enterprise, or conspires to do so,

shall be punished as provided for in subsection (b).

(b) PENALTIES.—Section 43(b) of title 18, United States Code, is amended to read as follows:

"(b) PENALTIES.—

"(1) ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months, or both.

"(2) MAJOR ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 3 years, or both.

"(3) SERIOUS BODILY INJURY.—Any person who, in the course of a violation of subsection (a), causes serious bodily injury to another individual shall be fined under this title or imprisoned not more than 20 years, or both.

"(4) DEATH.—Any person who, in the course of a violation of subsection (a), causes the death of an individual shall be fined under this title or imprisoned for life or for any term of years, or both.".

(c) RESTITUTION.—Section 43(c) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) for any other economic damage resulting from the offense.".

SEC. 02. NATIONAL ANIMAL TERRORISM INCIDENT CLEARINGHOUSE.

(a) DEFINITIONS.—In this section:

(1) ANIMAL ENTERPRISE.—The term "animal enterprise" has the same meaning as in section 43 of title 18, United States Code.

(2) CLEARINGHOUSE.—The term "clearinghouse" means the clearinghouse established under subsection (b).

(2) DIRECTOR.—The term "Director" means the Director of the Federal Bureau of Investigation.

(b) NATIONAL CLEARINGHOUSE.—The Director shall establish and maintain a national clearinghouse for information on incidents of violent crime and terrorism committed against or directed at any animal enterprise.

(c) CLEARINGHOUSE.—The clearinghouse shall—

(1) accept, collect, and maintain information on incidents described in subsection (b) that is submitted to the clearinghouse by Federal, State, and local law enforcement agencies, by law enforcement agencies of foreign countries, and by victims of such incidents;

(2) collate and index such information for purposes of cross-referencing; and

(3) upon request from a Federal, State, or local law enforcement agency, or from a law enforcement agency of a foreign country, provide such information to assist in the investigation of an incident described in subsection (b).

(d) SCORE OF INFORMATION.—The information maintained by the clearinghouse for each incident shall, to the extent practicable, include—

(1) the date, time, and place of the incident;

(2) details of the incident;

(3) any available information on suspects or perpetrators of the incident; and

(4) any other relevant information.

(e) DESIGN OF CLEARINGHOUSE.—The clearinghouse shall be designed for maximum ease of use by participating law enforcement agencies.

(f) PUBLICITY.—The Director shall publicize the existence of the clearinghouse to law enforcement agencies by appropriate means.

(g) RESOURCES.—In establishing and maintaining the clearinghouse, the Director may—

(1) through the Attorney General, utilize the resources of any other department or agency of the Federal Government; and

(2) accept assistance and information from private organizations or individuals.

(h) COORDINATION.—The Director shall carry out the responsibilities of the Director under this section in cooperation with the Director of the Bureau of Alcohol, Tobacco, and Firearms.

SA 2651. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE —ANIMAL ENTERPRISE TERRORISM

SEC. 01. ANIMAL ENTERPRISE TERRORISM.

(a) IN GENERAL.—Section 43(a) of title 18, United States Code, is amended to read as follows:

"(a) OFFENSE.—

"(1) IN GENERAL.—Whoever—

"(A) travels in interstate or foreign commerce, or uses or causes to be used the mail or any facility in interstate or foreign commerce for the purpose of causing physical disruption to the functioning of an animal enterprise; and

"(B) intentionally damages or causes the loss of any property (including animals or records) used by the animal enterprise, or conspires to do so,

shall be punished as provided for in subsection (b).

(b) PENALTIES.—Section 43(b) of title 18, United States Code, is amended to read as follows:

“(b) PENALTIES.—

“(1) ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months, or both.

“(2) MAJOR ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 3 years, or both.

“(3) SERIOUS BODILY INJURY.—Any person who, in the course of a violation of subsection (a), causes serious bodily injury to another individual shall be fined under this title or imprisoned not more than 20 years, or both.

“(4) DEATH.—Any person who, in the course of a violation of subsection (a), causes the death of an individual shall be fined under this title or imprisoned for life or for any term of years, or both.”.

(c) RESTITUTION.—Section 43(c) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) for any other economic damage resulting from the offense.”.

SA 2652. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert a period and the following:

SEC. 10 . NATIONAL UNIFORMITY FOR FOOD.

(a) NATIONAL UNIFORMITY.—Section 403A(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343–1(a)) is amended—

(1) by striking “or” at the end of paragraph (4);

(2) in paragraph (5), by striking the period and inserting a comma; and

(3) by adding at the end the following:

“(6) any requirement for the labeling of food described in section 403(j), or 403(s), that is not identical to the requirement of such section, or

“(7) any requirement for a food described in section 402(a)(1), 402(a)(2), 402(a)(6), 402(a)(7), 402(c), 402(f), 402(g), 404, 406, 408, 409, 512, or 721(a), that is not identical to the requirement of such section.”.

(b) UNIFORMITY IN FOOD SAFETY WARNING NOTIFICATION REQUIREMENTS.—Chapter IV of such Act (21 U.S.C. 341 et seq.) is amended—

(1) by redesignating sections 403B and 403C as sections 403C and 403D, respectively; and

(2) by inserting after section 403A the following new section:

“SEC. 403B. UNIFORMITY IN FOOD SAFETY WARNING NOTIFICATION REQUIREMENTS.

“(a) UNIFORMITY REQUIREMENT.—

“(1) IN GENERAL.—Except as provided in subsections (c) and (d), no State or political subdivision of a State may, directly or indirectly, establish or continue in effect under any authority any notification requirement for a food that provides for a warning concerning the safety of the food, or any component or package of the food, unless such a notification requirement has been prescribed under the authority of this Act and the State or political subdivision notification requirement is identical to the notification requirement prescribed under the authority of this Act.

“(2) DEFINITIONS.—For purposes of paragraph (1)—

“(A) the term ‘notification requirement’ includes any mandatory disclosure requfrement relating to the dissemination of information about a food by a manufacturer or distributor of a food in any manner, such as through a label, labeling, poster, public notice, advertising, or any other means of communication, except as provided in paragraph (3);

“(B) the term ‘warning’, used with respect to a food, means any statement, vignette, or other representation that indicates, directly or by implication, that the food presents or may present a hazard to health or safety; and

“(C) a reference to a notification requirement that provides for a warning shall not be construed to refer to any requirement or prohibition relating to food safety that does not involve a notification requirement.

“(3) CONSTRUCTION.—Nothing in this section shall be construed to prohibit a State from conducting the State's notification, disclosure, or other dissemination of information, or to prohibit any action taken relating to a mandatory recall or court injunction involving food adulteration under a State statutory requirement identical to a food adulteration requirement under this Act.

“(b) REVIEW OF EXISTING STATE REQUIREMENTS.—

“(1) EXISTING STATE REQUIREMENTS; DEFERRAL.—Any requirement that—

“(A)(i) is a State notification requirement for a food that provides for a warning described in subsection (a) that does not meet the uniformity requirement specified in subsection (a); or

“(ii) is a State food safety requirement described in paragraph (6) or (7) of section 403A that does not meet the uniformity requirement specified in that paragraph; and

“(B) is in effect on the date of enactment of the National Uniformity for Food Act of 2000,

shall remain in effect for 180 days after that date of enactment.

“(2) STATE PETITIONS.—With respect to a State notification or food safety requirement that is described in paragraph (1), the State may petition the Secretary for an exemption or a national standard under subsection (c). If a State submits such a petition within 180 days after the date of enactment of the National Uniformity for Food Act of 2000, the notification or food safety requirement shall remain in effect until the Secretary takes all administrative action on the petition pursuant to paragraph (3), and the time periods and provisions specified in paragraph (3) shall apply in lieu of the time periods and provisions specified in subsection (c)(3) (but not the time periods and provisions specified in subsection (d)(2)).

“(3) ACTION ON PETITIONS.—

“(A) PUBLICATION.—Not later than 270 days after the date of enactment of the National Uniformity for Food Act of 2000, the Secretary shall publish a notice in the Federal Register concerning any petition submitted under paragraph (2) and shall provide 180 days for public comment on the petition.

“(B) TIME PERIODS.—Not later than 360 days after the end of the period for public comment, the Secretary shall take final agency action on the petition.

“(C) JUDICIAL REVIEW.—The failure of the Secretary to comply with any requirement of this paragraph shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

“(c) EXEMPTIONS AND NATIONAL STANDARDS.—

“(1) EXEMPTIONS.—Any State may petition the Secretary to provide by regulation an exemption from paragraph (6) or (7) of section 403A(a) or subsection (a), for a requirement of the State or a political subdivision of the State. The Secretary may provide such an exemption, under such conditions as the Secretary may impose, for such a requirement that—

“(A) protects an important public interest that would otherwise be unprotected, in the absence of the exemption;

“(B) would not cause any food to be in violation of any applicable requirement or prohibition under Federal law; and

“(C) would not unduly burden interstate commerce, balancing the importance of the public interest of the State or political subdivision against the impact on interstate commerce.

“(2) NATIONAL STANDARDS.—Any State may petition the Secretary to establish by regulation a national standard respecting any requirement under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.) relating to the regulation of a food.

“(3) ACTION ON PETITIONS.—

“(A) PUBLICATION.—Not later than 30 days after receipt of any petition under paragraph (1) or (2), the Secretary shall publish such petition in the Federal Register for public comment during a period specified by the Secretary.

“(B) TIME PERIODS FOR ACTION.—Not later than 60 days after the end of the period for public comment, the Secretary shall take final agency action on the petition. If the Secretary is unable to take final agency action on the petition during the 60-day period, the Secretary shall inform the petitioner, in writing, the reasons that taking the final agency action is not possible, the date by which the final agency action will be taken, and the final agency action that will be taken or is likely to be taken. In every case, the Secretary shall take final agency action on the petition not later than 120 days after the end of the period for public comment.

“(4) JUDICIAL REVIEW.—The failure of the Secretary to comply with any requirement of this subsection shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

“(d) IMMINENT HAZARD AUTHORITY.—

“(1) IN GENERAL.—A State may establish a requirement that would otherwise violate paragraph (6) or (7) of section 403A(a) or subsection (a), if—

"(A) the requirement is needed to address an imminent hazard to health that is likely to result in serious adverse health consequences or death;

"(B) the State has notified the Secretary about the matter involved and the Secretary has not initiated enforcement action with respect to the matter;

"(C) a petition is submitted by the State under subsection (c) for án exemption or national standard relating to the requirement not later than 30 days after the date that the State establishes the requirement under this subsection; and

"(D) the State institutes enforcement action with respect to the matter in compliance with State law within 30 days after the date that the State establishes the requirement under this subsection.

"(2) ACTION ON PETITION.—

"(A) IN GENERAL.—The Secretary shall take final agency action on any petition submitted under paragraph (1)(C) not later than 7 days after the petition is received, and the provisions of subsection (c) shall not apply to the petition.

"(B) JUDICIAL REVIEW.—The failure of the Secretary to comply with the requirement described in subparagraph (A) shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(3) DURATION.—If a State establishes a requirement in accordance with paragraph (1), the requirement may remain in effect until the Secretary takes final agency action on a petition submitted under paragraph (1)(C).

"(e) NO EFFECT ON PRODUCT LIABILITY LAW.—Nothing in this section shall be construed to modify or otherwise affect the product liability law of any State.

"(f) NO EFFECT ON IDENTICAL LAW.—Nothing in this section or section 403A relating to a food shall be construed to prevent a State or political subdivision of a State from establishing, enforcing, or continuing in effect a requirement that is identical to a requirement of this Act, whether or not the Secretary has promulgated a regulation or issued a policy statement relating to the requirement.

"(g) NO EFFECT ON CERTAIN STATE LAW.—Nothing in this section or section 403A relating to a food shall be construed to prevent a State or political subdivision of a State from establishing, enforcing, or continuing in effect a requirement relating to—

"(1) freshness dating, open date labeling, grade labeling, a State inspection stamp, religious dietary labeling, organic or natural designation, returnable bottle labeling, unit pricing, or a statement of geographic origin; or

"(2) a consumer advisory relating to food sanitation that is imposed on a food establishment, or that is recommended by the Secretary, under part 3-6 of the Food Code issued by the Food and Drug Administration and referred to in the notice published at 64 Fed. Reg. 8576 (1999) (or any corresponding similar provision of such a Code).

"(h) DEFINITION.—In section 403A and this section, the term 'requirement', used with respect to a Federal action or prohibition, means a mandatory action or prohibition established under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.), as appropriate, or by a regulation issued under or by a court order relating to, this Act or the Fair Packaging and Labeling Act, as appropriate.".

(c) CONFORMING AMENDMENT.—Section 403A(b) of such Act (21 U.S.C. 343-1(b)) is amended by adding at the end the following: "The requirements of paragraphs (3) and (4) of section 403B(c) shall apply to any such petition, in the same manner and to the same extent as the requirements apply to a petition described in section 403B(c).".

SA 2653. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed by him to the bill (S. 1731), to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 53, line 24, strike the period at the end and insert a period and the following:

SEC. 1 . EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.

(a) IN GENERAL.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(M) EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.—Notwithstanding any other provision of Law, no handler that sells Class I fluid milk within a marketing area shall be exempt from any minimum milk price regulation established under paragraph (A) if the total distribution of Class I milk products of any handler's own farm production within any federal marketing area in any month exceeds the lesser of—

"(i) 3 percent of the total quantity of Class I milk distributed in the marketing area; or

"(ii) 5,000,000 pound".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2002.

SA 2654. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 797, line 4, strike the period at the end and insert a period and the following:

SEC. 787. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (114 Stat. 407) is amended—

(1) in subsection (a), by striking "Of the amount" and all that follows through "to provide" and inserting "To the extent that funds are made available for the purpose, the Secretary shall provide";

(2) in subsection (d), by striking "under subsection (a)" and inserting "to carry out this section"; and

(3) by adding at the end the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as are necessary to carry out this section.".

SA 2655. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 39, strike line 5 and all that follows through page 40, line 8, and insert the following:

SEC. 126. LOAN DEFICIENCY PAYMENTS.

Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) is amended to read as follows:

"SEC. 135. LOAN DEFICIENCY PAYMENTS.

"(a) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—

"(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the loan commodity in return for payments under this section; and

"(2) effective only for each of the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.

"(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

"(1) the loan payment rate determined under subsection (c) for the loan commodity; by

"(2) the quantity of the loan commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 131.

"(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

"(1) the loan rate established under section 132 for the loan commodity; exceeds

"(2) the rate at which a loan for the commodity may be repaid under section 134.

"(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

"(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a loan commodity as of the earlier of—

"(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity, as determined by the Secretary; or

"(2) the date the producers on the farm request the payment.

"(f) LOST BENEFICIAL INTEREST.—Effective for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the loan commodity, the producer shall be eligible for the payment determined as of the date the producer lost beneficial interest in the loan commodity, as determined by the Secretary.".

SEC. 127. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C.

7231 et seq.) is amended by adding at the end the following:

"SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

"(a) In General.—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

"(b) Payment Amount.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

"(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

"(2) the payment quantity obtained by multiplying—

"(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

"(B) the payment yield for that contract commodity on the farm.

"(c) Time, Manner, and Availability of Payment.—

"(1) Time and manner.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

"(2) Availability.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

"(d) Prohibition on Crop Insurance or Noninsured Crop Assistance.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a 2002 through 2006 crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.".

SA 2656. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 58, strike line 22 and all that follows through page 62, line 24, and insert the following:

"(f) Certification of Private Providers of Technical Assistance.—

"(1) In general.—The Secretary shall, to the maximum extent practicable, subject to paragraphs (2), (3), and (4), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary by—

"(A) integrating the use of third party technical assistance providers (including farmers and ranchers) into the technical assistance delivery system; and

"(B) using, to the maximum extent practicable, private, third party providers.

"(2) Purpose.—To achieve the timely completion of conservation plans and other technical assistance functions, third party providers described in paragraph (1)(A) shall be used to—

"(A) prepare conservation plans, including agronomically sound nutrient management plans;

"(B) design, install and certify conservation practices;

"(C) train producers; and

"(D) carry out such other activities as the Secretary determines to be appropriate.

"(3) Outside assistance.—

"(A) In general.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

"(B) Payment by secretary.—

"(i) In general.—The Secretary shall provide a payment or voucher to an owner or operator enrolled in a conservation program administered by the Secretary if the owner or operator elects to obtain technical assistance from a person certified to provide technical assistance under this subsection.

"(ii) Determination.—In determining whether to provide a payment or voucher under clause (i), the Secretary shall seek to maximize the assistance received from qualified persons to most expeditiously and efficiently achieve the objectives of this title.

"(4) Certification of public and private providers of technical assistance.—

"(A) Establishment of procedures.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and capability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, or seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

"(B) Public and private providers.—Certified technical assistance providers shall include—

"(i) agricultural producers;

"(ii) agribusiness representatives;

"(iii) representatives from agricultural cooperatives;

"(iv) agricultural input retail dealers;

"(v) certified crop advisers;

"(vi) employees of the Department; or

"(vii) any group recognized by a Memorandum of Understanding with the Department relating to certification.

"(C) Equivalence.—The Secretary shall ensure that any certification program of the Department for public and private technical service providers shall meet or exceed the testing and continuing education standards of the Certified Crop Adviser program.

"(D) Standards.—The Secretary shall establish standards for the conduct of—

"(i) the certification process conducted by the Secretary; and

"(ii) periodic recertification by the Secretary of providers.

"(E) Certification required.—A provider may not provide to any producer technical assistance described in subparagraph (B) unless the provider is certified by the Secretary.

"(F) Nonduplication of previous certification.—The Secretary shall consider a certified provider to have skills and qualifications in a particular area of technical expertise if the skills and qualifications of the provider have been certified by another entity the certification program of which meets nationally recognized and accepted standards for training, testing and otherwise establishing professional qualifications (including the Certified Crop Adviser program).

"(G) Fee.—

"(i) Payment.—

"(I) In general.—Except as provided in subclause (II), in exchange for certification or recertification, a private provider shall pay to the Secretary a fee in an amount determined by the Secretary.

"(II) Prior certification.—The Secretary shall not require a provider to pay a fee under subclause (I) for the certification of skills and qualifications that have already been certified by another entity under this subsection.

"(ii) Account.—A fee paid to the Secretary under clause (i) shall be—

"(I) credited to the account in the Treasury that incurs costs relating to implementing this subsection; and

"(II) made available to the Secretary for use for conservation programs administered by the Secretary, without further appropriation, until expended.

"(H) National training centers.—

"(i) In general.—The Secretary, acting in close cooperation with the Certified Crop Adviser program, shall establish training centers to facilitate the training and certification of technical assistance providers under this subsection.

"(ii) Authorization of appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this subparagraph.

"(I) Other requirements.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this subsection.

"(J) Regulations.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this subsection."

SA 2657. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 1021, add the following:

(c) Packers and Stockyards Act.—Notwithstanding any other provision of this Act, any amendment to section 202 of the Packers and Stockyards Act, 1921 (7. U.S.C. 192), made by this Act shall have no effect.

SA 2658. Mr. TORRICELLI (for himself and Mr. Smith of New Hampshire) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 335.

SA 2659. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10 . FEASIBILITY OF PRODUCER INDEMNIFICATION FROM GOVERNMENT-CAUSED DISASTERS.

(1) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are primarily the result of federal action.

(2) AUTHORITY.—The Secretary is authorized and directed to evaluate the feasibility of expanding crop insurance and noninsured crop assistance disaster payment eligibility to producers experiencing disaster conditions caused primarily by federal agency action.

(3) EVALUATION AND RECOMMENDATIONS.—Within 60 days of the enactment of this bill, the Secretary shall report the findings of this evaluation and recommendations to the Senate Committee on Agriculture and the House Committee on Agriculture.

SA 2660. Mr. SMITH of Oregon (for himself, Mr. CRAIG, and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10 . CROP INSURANCE AND NONINSURED CROP ASSISTANCE PROGRAMS.

(a) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are caused by federal actions.

(b) PROVISIONS.—

(1) 7 U.S.C. 7333, as amended by P.L. 104-127, is amended—

(i) in Section (a)(3) by striking "or" and

(ii) in Section (a)(3) by striking "as determined by the Secretary." and inserting in lieu thereof "or disaster conditions caused primarily by federal agency action, as determined by the Secretary." and

(iii) in Section (c)(3) by striking "or other natural disaster, as determined by the Secretary." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary," and

(iv) in Section (d)(3)(iii) by striking "or other natural disaster (as determined by the Secretary);" and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary;".

(2) 7 U.S.C. 1508 is amended—

(i) in Section (a)(1) by striking "or other natural disaster (as determined by the Secretary." and inserting "natural disaster, or disaster conditions caused primarily by federal action, as determined by the Secretary." and

(ii) in Section (b)(1) by striking "or other natural disaster (as determined by the Secretary)." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary,".

(c) ADMINISTRATIVE RULES.—The Secretary is encouraged to review and amend administrative rules and guidelines describing disaster conditions to accommodate situations where planting decisions are based on federal water allocations. The Secretary is further encouraged to review the level of disaster payments to irrigated agricultural producers in such cases where federal water allocations are withheld prior to the planting period.

(d) EFFECTIVENESS.—

(1) Sections (a)(1) and (a)(2) of this section shall be made effective only upon:

(i) finding by the Secretary that implementation of subsections (a)(1) and (a)(2):

(A) do not affect the financial soundness of approved insurance providers or the integrity of the federal crop insurance program, and

(B) additional authorities are not needed to achieve actuarial soundness of implementing subsections (a)(1) and (a)(2), and

(ii) report of findings, as described in subsection (d)(1)(i), to the Senate and House Committees on Agriculture.

SA 2661. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of title I and insert a period and the following:

Subtitle E—Payment Limitation Commission

SEC. 171. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Commission on the Application of Payment Limitations for Agriculture" (referred to in this subtitle as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—

(A) IN GENERAL.—The Commission shall be composed of 11 members appointed as follows:

(i) 3 members shall be appointed by the President, of whom 2 shall be from land grant colleges or universities and have expertise in agricultural economics.

(ii) 1 member shall be appointed by the Majority Leader of the Senate.

(iii) 1 member shall be appointed by the Minority Leader of the Senate.

(iv) 1 member shall be appointed by the Speaker of the House of Representatives.

(v) 1 member shall be appointed by the Minority Leader of the House of Representatives.

(vi) 1 member shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(vii) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(viii) 1 member shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives.

(ix) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture of the House of Representatives.

(B) DIVERSITY OF VIEWS.—The appointing authorities under subparagraph (A) shall seek to ensure that the membership of the Commission has a diversity of experiences and expertise on the issues to be studied by the Commission, such as agricultural production, agricultural lending, farmland appraisal, agricultural accounting and finance, and other relevant areas.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(c) TERM; VACANCIES.—

(1) TERM.—A member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy on the Commission—

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet—

(1) on a regular basis, as determined by the Chairperson; and

(2) at the call of the Chairperson or a majority of the members of the Commission.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

SEC. 172. DUTIES.

(a) COMPREHENSIVE REVIEW.—The Commission shall conduct a comprehensive review of—

(1) the laws (including regulations) that apply or fail to apply payment limitations to agricultural commodity and conservation programs administered by the Secretary;

(2) the impact that failing to apply effective payment limitations has on—

(A) the agricultural producers that participate in the programs;

(B) overproduction of agricultural commodities;

(C) the prices that agricultural producers receive for agricultural commodities in the marketplace; and

(D) land prices and rental rates;

(3) the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certificates and the forfeiture of loan collateral; and

(4) alternatives to payment limitation requirements in effect on the date of enactment of this Act that would apply meaningful limitations to improve the effectiveness and integrity of the requirements.

(b) Recommendations.—In carrying out the review under subsection (a), the Commission shall develop specific recommendations for modifications to applicable legislation and regulations that would improve payment limitation requirements.

(c) Report.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the review conducted, and any recommendations developed, under this section.

SEC. 173. POWERS.

(a) Hearings.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subtitle.

(b) Information From Federal Agencies.—

(1) In general.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subtitle.

(2) Provision of information.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(c) Postal Services.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) Assistance From Secretary.—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

SEC. 174. COMMISSION PERSONNEL MATTERS.

(a) Compensation of Members.—

(1) Non-federal employees.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) Federal employees.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(b) Travel Expenses.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

SEC. 175. FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 176. FUNDING.

Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $100,000 to carry out this subtitle.

SEC. 177. TERMINATION OF COMMISSION.

The Commission shall terminate on the day after the date on which the Commission submits the report of the Commission under section 172(c).

SA 2662. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 97, between lines 10 and 11, insert the following:

"(C) Selection by producer.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

"(i) the State 4-year average yield of peanuts produced in the State; or

"(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

On page 99, line 6, strike "The" and insert "For each of the 2002 and 2003 crop years, the".

On page 99, line 24, insert after "section" the following: "for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop".

Beginning on page 103, line 24, through page 104, line 1, strike "12-month marketing year" and insert "marketing season".

On page 104, lines 5 and 6, strike "12-month marketing year" and insert "marketing season".

On page 105, lines 16 and 17, strike "6 months of the marketing year" and insert "2 months of the marketing season".

On page 112, strike lines 20 through 22 and insert the following:

"(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

On page 116, strike lines 7 through 15 and insert the following:

"(a) Official Inspection.—All peanuts placed under a marketing assistance loan under section 158G or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

SA 2663. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 765, strike line 21 and insert the following:

SEC. 748. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

"(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2002 through 2006.".

SA 2664. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 945, strike lines 6 and 7 and insert the following:

SEC. 1024. DEFINITION OF ANIMAL UNDER THE ANIMAL WELFARE ACT.

Section 2g of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by striking "excludes horses not used for research purposes and" and inserting the following: "birds, rats of the genus Rattus, and mice of the genus Mus bred for use in research, horses note used for research purposes, and".

SEC. 1025. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

SA 2665. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 977, strike the period at the end of line 15 and insert a period and the following:

SEC. 10 . REPORT ON RATS, MICE, AND BIRDS.

(a) In General.—Not later than 1 year after date enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the implications of including rats, mice, and birds within the definition of animal under the Animal Welfare Act (7 U.S.C. 2131 et seq.).

(b) Requirements.—The report under subsection (a) shall—

(1) be completed with input, consultation, and recommendations from the Secretary of Health and Human Services and the Institute for Animal Laboratory Research within the National Academy of Sciences;

(2) contain a description of the number and types of entities that currently use rats, mice, and birds, and are not subjected to regulations of the Department of Agriculture or

Department of Health and Human Services, or accreditation requirements of the Association for Assessment and Accreditation of Laboratory Animal Care;

(3) contain an estimate of the additional costs likely to be incurred by breeders and research facilities resulting from the additional regulatory requirements; and

(4) contain an estimate of the additional funding that the Animal and Plant Health Inspection Service would require to be able to ensure that the quality and frequency of inspections by the Department of Agriculture relating to other animals are not diminished by the increase in the number of facilities that would require inspections if the definition were amended to include rats, mice, and birds.

SA 2666. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert the following:

SEC. 10 . STUDY OF NONAMBULATORY LIVESTOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during marketing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2667. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 128, line 8, strike the period at the end and insert a period and the following:

SEC. 1 . RESERVE STOCK LEVEL.

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking "100,000,000" and inserting "75,000,000"; and

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

SA 2668. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 374, line 12, strike "more than 50 percent" and insert the words "40 percent or more".

SA 2669. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 97, strike line 11 and all that follows through page 116, line 15, and insert the following:

"(C) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

"(i) the State 4-year average yield of peanuts produced in the State; or

"(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

"(2) ACREAGE AVERAGE.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

"(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

"(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

"(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for the purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

"(A) the State average of acreage actually planted to peanuts; or

"(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

"(4) TIME FOR DETERMINATIONS; FACTORS.—

"(A) TIMING.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

"(B) FACTORS.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

"(b) ASSIGNMENT OF YIELD AND ACRES TO FARMS.—

"(1) ASSIGNMENT BY HISTORICAL PEANUT PRODUCERS.—For each of the 2002 and 2003 crop years, the Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

"(2) PAYMENT YIELD.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

"(3) PEANUT ACRES.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

"(c) ELECTION.—Not later than 180 days after the date of enactment of this section for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

"(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

"(e) PREVENTION OF EXCESS PEANUT ACRES.—

"(1) REQUIRED REDUCTION.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

"(2) SELECTION OF ACRES.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

"(3) OTHER ACREAGE.—For the purposes of paragraph (1), the Secretary shall include—

"(A) any contract acreage for the farm under subtitle B;

"(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

"(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

"(3) DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

"SEC. 158C. DIRECT PAYMENTS FOR PEANUTS.

"(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 158B.

"(b) PAYMENT RATE.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

“(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

“(1) the payment rate specified in subsection (b);

“(2) the payment acres on the farm; by

“(3) the payment yield for the farm.

“(d) TIME FOR PAYMENT.—

“(1) IN GENERAL.—The Secretary shall make direct payments—

“(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

“(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

“(2) ADVANCE PAYMENTS.—

“(A) IN GENERAL.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

“(B) SELECTED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

“(C) SUBSEQUENT FISCAL YEARS.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

“(3) REPAYMENT OF ADVANCE PAYMENTS.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

“SEC. 158D. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

“(a) IN GENERAL.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

“(b) EFFECTIVE PRICE.—For the purposes of subsection (a), the effective price for peanuts is equal to the total of—

“(1) the greater of—

“(A) the national average market price received by peanut producers during the marketing season for peanuts, as determined by the Secretary; or

“(B) the national average loan rate for a marketing assistance loan for peanuts under section 158G in effect for the marketing season for peanuts under this chapter; and

“(2) the payment rate in effect for peanuts under section 158C for the purpose of making direct payments with respect to peanuts.

“(c) INCOME PROTECTION PRICE.—For the purposes of subsection (a), the income protection price for peanuts shall be equal to $520 per ton.

“(d) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

“(1) the payment rate specified in subsection (e);

“(2) the payment acres on the farm; by

“(3) the payment yield for the farm.

“(e) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

“(1) the income protection price for peanuts; and

“(2) the effective price determined under subsection (b) for peanuts.

“(f) TIME FOR PAYMENTS.—

“(1) IN GENERAL.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

“(2) PARTIAL PAYMENT.—

“(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the marketing season for the crop, as determined by the Secretary.

“(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

“SEC. 158E. PRODUCER AGREEMENTS.

“(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

“(1) REQUIREMENTS.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

“(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

“(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

“(C) to comply with the planting flexibility requirements of section 158F; and

“(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

“(2) COMPLIANCE.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

“(b) FORECLOSURE.—

“(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

“(2) COMPLIANCE WITH REQUIREMENTS.—

“(A) IN GENERAL.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

“(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

“(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

“(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

“(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

“(3) TRANSFER OF PAYMENT BASE AND YIELD.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

“(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

“(5) EXCEPTION.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

“(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

“(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

“(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

“SEC. 158F. PLANTING FLEXIBILITY.

“(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

“(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

“(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

“(A) Fruits.

“(B) Vegetables (other than lentils, mung beans, and dry peas).

“(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

“(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

“(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

“(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

“(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

“(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

“(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

“SEC. 158G. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

“(a) Nonrecourse Loans Available.—

“(1) Availability.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

“(2) Terms and conditions.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

“(3) Eligible production.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

“(4) Treatment of certain commingled commodities.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

“(5) Options for obtaining loan.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

“(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

“(B) the Farm Service Agency; or

“(C) a loan servicing agent approved by the Secretary.

“(b) Loan Rate.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

“(c) Term of Loan.—

“(1) In general.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

“(2) Extensions prohibited.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

“(d) Repayment Rate.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

“(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

“(2) a rate that the Secretary determines will—

“(A) minimize potential loan forfeitures;

“(B) minimize the accumulation of stocks of peanuts by the Federal Government;

“(C) minimize the cost incurred by the Federal Government in storing peanuts; and

“(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

“(e) Loan Deficiency Payments.—

“(1) Availability.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

“(2) Amount.—A loan deficiency payment under this subsection shall be obtained by multiplying—

“(A) the loan payment rate determined under paragraph (3) for peanuts; by

“(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

“(3) Loan payment rate.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

“(A) the loan rate established under subsection (b); exceeds

“(B) the rate at which a loan may be repaid under subsection (d).

“(4) Time for payment.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

“(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

“(B) the date the peanut producers on the farm request the payment.

“(f) Compliance With Conservation Requirements.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

“(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

“(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

“(g) Reimbursable Agreements and Payment of Expenses.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

“SEC. 158H. QUALITY IMPROVEMENT.

“(a) Official Inspection.—All peanuts placed under a marketing assistance loan under section 158G or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

SA 2670. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 202, strike line 24 and insert the following:

(a) Regional Equity.—Section 1230(b) of the Food Security Act of 1985 (16 U.S.C. 3830(b)) is amended by adding at the end the following:

“(3) Regional equity.—Not later than 1 year after the date of enactment of this paragraph, the Secretary shall reform compensation, selection, and other policies and rules to ensure that the overall enrollment of land in the comprehensive conservation enhancement program—

“(A) is equitable on a regional basis;

“(B) promotes achievement of important environmental goals; and

“(C) does not discriminate against regions in which the cost of land is high.”.

(b) Reauthorization.—”.

SA 2671. Mr. COCHRAN (for himself and Mr. Roberts) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

In lieu of the matter proposed to be inserted insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Agriculture, Conservation, and Rural Enhancement Act of 2001”.

(b) Table of Contents.—The table of contents of this Act is as follows:

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Farm Counter-Cyclical Savings Account Payments

Sec. 101. Payments to eligible producers.
Sec. 102. Payment yields.
Sec. 103. Base acres and payment acres for farms.
Sec. 104. Fixed, decoupled payments.
Sec. 105. Farm counter-cyclical savings accounts.
Sec. 106. Producer agreements.
Sec. 107. Planting flexibility.
Sec. 108. Production flexibility contracts.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Nonrecourse marketing assistance loans for honey.

Subtitle C—Other Commodities

Chapter 1—Dairy

Sec. 141. Milk price support program.
Sec. 142. Dairy export incentive and dairy indemnity programs.
Sec. 143. Fluid milk promotion.
Sec. 144. Dairy product mandatory reporting.
Sec. 145. Exemption of milk handlers from minimum price requirements.

Chapter 2—Sugar

Sec. 151. Sugar program.
Sec. 152. Storage facility loans.

Sec. 153. Flexible marketing allotments for sugar.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Payment yields, peanut acres, and payment acres for farms.
Sec. 163. Fixed, decoupled payments for peanuts.
Sec. 164. Counter-cyclical payments for peanuts.
Sec. 165. Producer agreements.
Sec. 166. Planting flexibility.
Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 168. Quality improvement.
Sec. 169. Termination of marketing quotas for peanuts and compensation to peanut quota holders.

Subtitle D—Administration

Sec. 171. Administration.
Sec. 172. Adjustments of loans.
Sec. 173. Commodity Credit Corporation interest rate.
Sec. 174. Personal liability of producers for deficiencies.
Sec. 175. Commodity Credit Corporation sales price restrictions.
Sec. 176. Commodity certificates.
Sec. 177. Assignment of payments.
Sec. 178. Payment limitations.

Subtitle E—Price Support Authority

Sec. 181. Suspension and repeal of price support authority.

Subtitle F—Miscellaneous Commodity Provision

Sec. 191. Agricultural producers supplemental payments and assistance.

TITLE II—CONSERVATION

Subtitle A—Working Land Conservation Programs

Sec. 201. Environmental quality incentives program.
Sec. 202. Conservation reserve program.
Sec. 203. Wetlands reserve program.
Sec. 204. Farmland protection program.
Sec. 205. Wildlife habitat incentive program.
Sec. 206. Grassland reserve program.
Sec. 207. Resource conservation and development program.
Sec. 208. Conservation of private grazing land.
Sec. 209. Other conservation programs.

Subtitle B—Miscellaneous Reforms and Extensions

Sec. 211. Privacy of personal information relating to natural resources conservation programs.
Sec. 212. Administrative requirements for conservation programs.
Sec. 213. Reform and assessment of conservation programs.
Sec. 214. Certification of private providers of technical assistance.
Sec. 215. Extension of conservation authorities.
Sec. 216. Use of symbols, slogans, and logos.
Sec. 217. Technical amendments.
Sec. 218. Effect of amendments.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

Sec. 301. United States policy.
Sec. 302. Provision of agricultural commodities.
Sec. 303. Generation and use of currencies by private voluntary organizations and cooperatives.
Sec. 304. Levels of assistance.
Sec. 305. Food Aid Consultative Group.
Sec. 306. Maximum level of expenditures.
Sec. 307. Administration.
Sec. 308. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
Sec. 309. Sale procedure.
Sec. 310. Prepositioning.
Sec. 311. Expiration date.
Sec. 312. Micronutrient fortification program.
Sec. 313. Farmer-to-farmer program.

Subtitle B—Agricultural Trade Act of 1978

Sec. 321. Export credit guarantee program.
Sec. 322. Market access program.
Sec. 323. Export enhancement program.
Sec. 324. Foreign market development cooperator program.
Sec. 325. Food for progress and education programs.
Sec. 326. Exporter assistance initiative.

Subtitle C—Miscellaneous Agricultural Trade Provisions

Sec. 331. Bill Emerson Humanitarian Trust.
Sec. 332. Emerging markets.
Sec. 333. Biotechnology and agricultural trade program.
Sec. 334. Surplus commodities for developing or friendly countries.
Sec. 335. Agricultural trade with Cuba.

TITLE IV—NUTRITION PROGRAMS

Sec. 401. Short title.

Subtitle A—Food Stamp Program

Sec. 411. Encouragement of payment of child support.
Sec. 412. Simplified definition of income.
Sec. 413. Increase in benefits to households with children.
Sec. 414. Simplified determination of housing costs.
Sec. 415. Simplified utility allowance.
Sec. 416. Simplified procedure for determination of earned income.
Sec. 417. Simplified determination of deductions.
Sec. 418. Simplified definition of resources.
Sec. 419. Alternative issuance systems in disasters.
Sec. 420. State option to reduce reporting requirements.
Sec. 421. Benefits for adults without dependents.
Sec. 422. Preservation of access to electronic benefits.
Sec. 423. Cost neutrality for electronic benefit transfer systems.
Sec. 424. Alternative procedures for residents of certain group facilities.
Sec. 425. Availability of food stamp program applications on the Internet.
Sec. 426. Simplified determinations of continuing eligibility.
Sec. 427. Clearinghouse for successful nutrition education efforts.
Sec. 428. Transitional food stamps for families moving from welfare.
Sec. 429. Delivery to retailers of notices of adverse action.
Sec. 430. Reform of quality control system.
Sec. 431. Improvement of calculation of State performance measures.
Sec. 432. Bonuses for States that demonstrate high performance.
Sec. 433. Employment and training program.
Sec. 434. Reauthorization of food stamp program and food distribution program on Indian reservations.
Sec. 435. Coordination of program information efforts.
Sec. 436. Expanded grant authority.
Sec. 437. Access and outreach pilot projects.
Sec. 438. Consolidated block grants and administrative funds.
Sec. 439. Assistance for community food projects.
Sec. 440. Availability of commodities for the emergency food assistance program.
Sec. 441. Innovative programs for addressing common community problems.
Sec. 442. Report on use of electronic benefit transfer systems.
Sec. 443. Vitamin and mineral supplements.

Subtitle B—Miscellaneous Provisions

Sec. 451. Reauthorization of commodity programs.
Sec. 452. Partial restoration of benefits to legal immigrants.
Sec. 453. Commodities for school lunch programs.
Sec. 454. Eligibility for free and reduced price meals.
Sec. 455. Eligibility for assistance under the special supplemental nutrition program for women, infants, and children.
Sec. 456. Seniors farmers' market nutrition program.
Sec. 457. Fruit and vegetable pilot program.
Sec. 458. Congressional Hunger Fellows Program.
Sec. 459. Nutrition information and awareness pilot program.
Sec. 460. Effective date.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 501. Direct loans.
Sec. 502. Financing of bridge loans.
Sec. 503. Limitations on amount of farm ownership loans.
Sec. 504. Joint financing arrangements.
Sec. 505. Guarantee percentage for beginning farmers and ranchers.
Sec. 506. Guarantee of loans made under State beginning farmer or rancher programs.
Sec. 507. Down payment loan program.
Sec. 508. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 511. Direct loans.
Sec. 512. Amount of guarantee of loans for tribal farm operations; waiver of limitations for tribal operations and other operations.

Subtitle C—Administrative Provisions

Sec. 521. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 522. Debt settlement.
Sec. 523. Temporary authority to enter into contracts; private collection agencies.
Sec. 524. Interest rate options for loans in servicing.
Sec. 525. Annual review of borrowers.
Sec. 526. Simplified loan applications.
Sec. 527. Inventory property.
Sec. 528. Definitions.
Sec. 529. Loan authorization levels.
Sec. 530. Interest rate reduction program.
Sec. 531. Options for satisfaction of obligation to pay recapture amount for shared appreciation agreements.
Sec. 532. Waiver of borrower training certification requirement.
Sec. 533. Annual review of borrowers.

Subtitle D—Farm Credit

Sec. 541. Repeal of burdensome approval requirements.

Sec. 542. Banks for cooperatives.
Sec. 543. Insurance Corporation premiums.
Sec. 544. Board of Directors of the Federal Agricultural Mortgage Corporation.

Subtitle E—General Provisions

Sec. 551. Inapplicability of finality rule.
Sec. 552. Technical amendments.
Sec. 553. Effective date.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

Sec. 601. National Rural Cooperative and Business Equity Fund.
Sec. 602. Rural business investment program.
Sec. 603. Full funding of pending rural development loan and grant applications.
Sec. 604. Rural Endowment Program.
Sec. 605. Enhancement of access to broadband service in rural areas.
Sec. 606. Value-added agricultural product market development grants.
Sec. 607. National Rural Development Information Clearinghouse.

Subtitle B—National Rural Development Partnership

Sec. 611. Short title.
Sec. 612. National Rural Development Partnership.

Subtitle C—Consolidated Farm and Rural Development Act

Sec. 621. Water or waste disposal grants.
Sec. 622. Rural business opportunity grants.
Sec. 623. Rural water and wastewater circuit rider program.
Sec. 624. Multijurisdictional regional planning organizations.
Sec. 625. Certified nonprofit organizations sharing expertise.
Sec. 626. Loan guarantees for certain rural development loans.
Sec. 627. Rural firefighters and emergency personnel grant program.
Sec. 628. Emergency community water assistance grant program.
Sec. 629. Water and waste facility grants for Native American tribes.
Sec. 630. Water systems for rural and native villages in Alaska.
Sec. 631. Rural cooperative development grants.
Sec. 632. Grants to broadcasting systems.
Sec. 633. Business and industry loan modifications.
Sec. 634. Value-added intermediary relending program.
Sec. 635. Use of rural development loans and grants for other purposes.
Sec. 636. Simplified application forms for loan guarantees.
Sec. 637. Definition of rural and rural area.
Sec. 638. Rural entrepreneurs and microenterprise assistance program.
Sec. 639. Rural seniors.
Sec. 640. Children's day care facilities.
Sec. 641. Rural telework.
Sec. 642. Grants for emergency weather radio transmitters.
Sec. 643. Delta regional authority.
Sec. 644. SEARCH grants for small communities.

Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 651. Alternative Agricultural Research and Commercialization Corporation.
Sec. 652. Telemedicine and distance learning services in rural areas.

Subtitle E—Rural Electrification Act of 1936

Sec. 661. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 662. Expansion of 911 access.

TITLE VII—AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

Sec. 701. Definitions.
Sec. 702. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 703. Grants and fellowships for food and agricultural sciences education.
Sec. 704. Competitive research facilities grant program.
Sec. 705. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 706. Policy research centers.
Sec. 707. Human nutrition intervention and health promotion research program.
Sec. 708. Pilot research program to combine medical and agricultural research.
Sec. 709. Nutrition education program.
Sec. 710. Animal health and disease research programs.
Sec. 711. Research on national or regional problems.
Sec. 712. Education grants programs for Hispanic-serving institutions.
Sec. 713. Competitive grants for international agricultural science and education programs.
Sec. 714. Indirect costs.
Sec. 715. Research equipment grants.
Sec. 716. Agricultural research programs.
Sec. 717. Extension education.
Sec. 718. Availability of competitive grant funds.
Sec. 719. Joint requests for proposals.
Sec. 720. Supplemental and alternative crops.
Sec. 721. Aquaculture.
Sec. 722. Rangeland research.
Sec. 723. Biosecurity planning and response programs.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 731. National genetic resources program.
Sec. 732. Biotechnology risk assessment research.
Sec. 733. High-priority research and extension initiatives.
Sec. 734. Nutrient management research and extension initiative.
Sec. 735. Organic agriculture research and extension initiative.
Sec. 736. Agricultural telecommunications program.
Sec. 737. Assistive technology program for farmers with disabilities.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

Sec. 741. Initiative for Future Agriculture and Food Systems.
Sec. 742. Partnerships for high-value agricultural product quality research.
Sec. 743. Precision agriculture.
Sec. 744. Biobased products.
Sec. 745. Thomas Jefferson Initiative for Crop Diversification.
Sec. 746. Integrated research, education, and extension competitive grants program.
Sec. 747. Support for research regarding diseases of wheat and barley caused by fusarium graminearum.
Sec. 748. Food Animal Residue Avoidance Database program.
Sec. 749. Office of Pest Management Policy.

Subtitle D—Land-Grant Funding

CHAPTER 1—1862 INSTITUTIONS

Sec. 751. Carryover.
Sec. 752. Reporting of technology transfer activities.
Sec. 753. Compliance with multistate and integration requirements.

CHAPTER 2—1994 INSTITUTIONS

Sec. 754. Extension at 1994 institutions.
Sec. 755. Equity in Educational Land-Grant Status Act of 1994.
Sec. 756. Eligibility for integrated grants program.

CHAPTER 3—1890 INSTITUTIONS

Sec. 757. Authorization percentages for research and extension formula funds.
Sec. 758. Carryover.
Sec. 759. Reporting of technology transfer activities.
Sec. 760. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 761. National research and training centennial centers.
Sec. 762. Matching funds requirement for research and extension activities.

CHAPTER 4—LAND-GRANT INSTITUTIONS

SUBCHAPTER A—GENERAL

Sec. 771. Priority-setting process.
Sec. 772. Termination of certain schedule A appointments.

SUBCHAPTER B—LAND-GRANT INSTITUTIONS IN INSULAR AREAS

Sec. 775. Distance education grants program for insular area land-grant institutions.
Sec. 776. Matching requirements for research and extension formula funds for insular area land-grant institutions.

Subtitle E—Other Laws

Sec. 781. Critical agricultural materials.
Sec. 782. Research facilities.
Sec. 783. Federal agricultural research facilities.
Sec. 784. Competitive, special, and facilities research grants.
Sec. 785. Risk management education for beginning farmers and ranchers.
Sec. 786. Aquaculture.
Sec. 787. Carbon cycle research.

Subtitle F—New Authorities

Sec. 791. Definitions.
Sec. 792. Regulatory and inspection research.
Sec. 793. Emergency research transfer authority.
Sec. 794. Review of Agricultural Research Service.
Sec. 795. Technology transfer for rural development.
Sec. 796. Beginning farmer and rancher development program.
Sec. 797. Sense of Congress regarding doubling of funding for agricultural research.
Sec. 798. Priority for farmers and ranchers participating in conservation programs.
Sec. 798A. Organic production and market data initiatives.
Sec. 798B. Organically produced product research and education.
Sec. 798C. International organic research collaboration.

TITLE VIII—FORESTRY

Sec. 801. Office of International Forestry.
Sec. 802. McIntire-Stennis cooperative forestry research program.

Sec. 803. Sustainable forestry outreach initiative; renewable resources extension activities.
Sec. 804. Forestry incentives program.
Sec. 805. Forest land enhancement program.
Sec. 806. Sustainable forestry cooperative program.
Sec. 807. Stewardship incentive program.
Sec. 808. Forest fire research centers.
Sec. 809. Wildfire prevention and hazardous fuel purchase program.
Sec. 810. Enhanced community fire protection.
Sec. 811. Watershed forestry assistance program.
Sec. 812. General provisions.
Sec. 813. State forest stewardship coordinating committees.

TITLE IX—ENERGY

Sec. 901. Findings.
Sec. 902. Consolidated Farm and Rural Development Act.
Sec. 903. Biomass Research and Development Act of 2000.
Sec. 904. Rural Electrification Act of 1936.
Sec. 905. Carbon sequestration demonstration program.
Sec. 906. Sense of Congress concerning national renewable fuels standard.
Sec. 907. Sense of Congress concerning the bioenergy program of the Department of Agriculture.

TITLE X—MISCELLANEOUS

Subtitle A—Country of Origin and Quality Grade Labeling

Sec. 1001. Country of origin labeling.
Sec. 1002. Quality grade labeling of imported meat and meat food products.

Subtitle B—General Provisions

Sec. 1011. Unlawful stockyard practices involving nonambulatory livestock.
Sec. 1012. Cotton classification services.
Sec. 1013. Protection for purchasers of farm products.
Sec. 1014. Penalties and foreign commerce provisions of the Animal Welfare Act.
Sec. 1015. Outreach and assistance for socially disadvantaged farmers and ranchers.
Sec. 1016. Public disclosure requirements for county committee elections.
Sec. 1017. Pseudorabies eradication program.
Sec. 1018. Tree assistance program.
Sec. 1019. Humane methods of animal slaughter.

Subtitle C—Administration

Sec. 1031. Regulations.
Sec. 1032. Effect of amendments.

TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C and except as provided in section 105(a)(4)):

(1) Agricultural Act of 1949.—The term "Agricultural Act of 1949" means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 181(b).

(2) Agricultural commodity.—The term "agricultural commodity" means any agricultural commodity, food, feed, fiber, or livestock.

(3) Base acres.—The term "base acres", with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the covered commodity on the election made by the producers on the farm under section 103(a).

(4) Covered commodity.—The term "covered commodity" means—

(A) wheat, corn, grain sorghum, barley, oats, upland cotton, rice, and oilseeds; and

(B) in the case of subtitle B, extra long staple cotton, dry peas, lentils, and chickpeas.

(5) Eligible producer.—The term "eligible producer" means a producer described in section 101(a).

(6) Extra long staple cotton.—The term "extra long staple cotton" means cotton that—

(A) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(7) Farm counter-cyclical savings account.—The terms "farm counter-cyclical savings account" and "account" mean a farm counter-cyclical savings account established under section 105.

(8) Farm counter-cyclical savings account payment.—The term "farm counter-cyclical savings account payment" means a matching contribution made by the Secretary to a farm counter-cyclical savings account under section 105.

(9) Fixed, decoupled payment.—The term "fixed, decoupled payment" means a payment made to producers under section 104.

(10) Oilseed.—The term "oilseed" means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(11) Payment acres.—The term "payment acres" means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, on which fixed, decoupled payments are made.

(12) Payment yield.—The term "payment yield" means the yield established under section 102 for a farm for a covered commodity.

(13) Producer.—

(A) In general.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and that is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) Hybrid seed.—In determining whether a grower of hybrid seed is a producer, the Secretary—

(i) shall not take into consideration the existence of a hybrid seed contract; and

(ii) shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(14) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(15) State.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(16) United states.—The term "United States", when used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Farm Counter-Cyclical Savings Account Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) In General.—For each of the 2002 through 2006 crops of each covered commodity, the Secretary shall make fixed decoupled payments and farm counter-cyclical savings account payments under this subtitle to—

(1) producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) other producers on farms in the United States described in section 103(a).

(b) Tenants and Sharecroppers.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) Sharing of Payments.—The Secretary shall provide for the sharing of fixed, decoupled payments among the eligible producers on a farm on a fair and equitable basis.

SEC. 102. PAYMENT YIELDS.

(a) In General.—For the purpose of making fixed, decoupled payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) Use of Farm Program Payment Yield.—Except as provided in this section, the payment yield for each of the 2002 through 2006 crops of a covered commodity for a farm shall be the farm program payment yield for the 2002 crop of the covered commodity (other than oilseeds) as determined under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) Farms Without Farm Program Payment Yield.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) Payment Yields for Oilseeds.—

(1) In general.—In the case of each oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero.

(2) Assigned yields.—If, for any of the crop years referred to in paragraph (1) in which the oilseed was planted, the producers on a farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277) with respect to the production of the oilseed, the Secretary shall assign a yield for the crop year equal to 65 percent of the county yield.

(3) Adjustment for payment yield.—The payment yield for a farm for an oilseed shall be equal to the product obtained by multiplying—

(A) the average yield for the oilseed determined under paragraphs (1) and (2); by

(B) the ratio resulting from dividing—

(i) the national average yield for the oilseed for the 1981 through 1985 crops; by

(ii) the national average yield for the oilseed for the 1998 through 2001 crops.

SEC. 103. BASE ACRES AND PAYMENT ACRES FOR FARMS.

(a) Election by Producers of Base Acre Calculation Method.—For the purpose of making fixed, decoupled payments to producers on a farm, the Secretary shall provide producers on the farm with an opportunity to elect 1 of the following methods as the method by which the base acres of all covered commodities on the farm are determined:

(1) The 4-year average of—

(A) acreage actually planted to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planted during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producers on the farm, as determined by the Secretary.

(2) The sum of—

(A) the contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) that would have been used by the Secretary to calculate the payment for fiscal year 2002 under such section 102 for the contract commodity on the farm; and

(B) the 4-year average determined under paragraph (1) for each oilseed produced on the farm.

(b) Single Election; Time for Election.—

(1) Single election.—The producers on a farm shall have 1 opportunity to make the election described in subsection (a).

(2) Time for election.—Not later than 180 days after the date of the enactment of this Act, the producers on a farm shall notify the Secretary of the election made by the producers on the farm under subsection (a).

(c) Effect of Failure To Make Election.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers on the farm shall be deemed to have made the election described in subsection (a)(2) for the purpose of determining the base acres for all covered commodities on the farm.

(d) Application of Election to All Covered Commodities.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities produced on the farm.

(e) Treatment of Conservation Reserve Contract Acreage.—

(1) In general.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) Election.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive—

(A) fixed, decoupled payments with respect to the acreage added to the farm under this subsection; or

(B) a prorated payment under the conservation reserve contract.

(f) Payment Acres.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the covered commodity.

(g) Prevention of Excess Base Acres.—

(1) Required reduction.—If the sum of the base acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for 1 or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) Selection of acres.—The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(3) Other acreage.—For purposes of paragraph (1), the Secretary shall include—

(A) any peanut acres for the farm under chapter 3 of subtitle C;

(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a voluntary conservation program under which production of any agricultural commodity is prohibited.

(3) Double-cropped acreage.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

SEC. 104. FIXED, DECOUPLED PAYMENTS.

(a) In General.—For each of the 2002 through 2006 fiscal years, the Secretary shall make fixed, decoupled payments available to producers on a farm with base acres under section 103, and a payment yield under section 102, with respect to a covered commodity.

(b) Payment Rate.—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat:

(A) In the case of each of the 2002 through 2005 crops, $0.7657 per bushel.

(B) In the case of the 2006 crop, $0.6308 per bushel.

(2) Corn:

(A) In the case of each of the 2002 through 2005 crops, $0.4334 per bushel.

(B) In the case of the 2006 crop, $0.3571 per bushel.

(3) Grain sorghum:

(A) In the case of each of the 2002 through 2005 crops, $0.5201 per bushel.

(B) In the case of the 2006 crop, $0.4284 per bushel.

(4) Barley:

(A) In the case of each of the 2002 through 2005 crops, $0.3612 per bushel.

(B) In the case of the 2006 crop, $0.2976 per bushel.

(5) Oats:

(A) In the case of each of the 2002 through 2005 crops, $0.0361 per bushel.

(B) In the case of the 2006 crop, $0.0298 per bushel.

(6) Upland cotton:

(A) In the case of each of the 2002 through 2005 crops, $0.1489 per pound.

(B) In the case of the 2006 crop, $0.1227 per pound.

(7) Rice:

(A) In the case of each of the 2002 through 2005 crops, $3.39 per hundredweight.

(B) In the case of the 2006 crop, $2.79 per hundredweight.

(8) Soybeans:

(A) In the case of each of the 2002 through 2005 crops, $0.6068 per bushel.

(B) In the case of the 2006 crop, $0.4999 per bushel.

(9) Oilseeds (other than soybeans):

(A) In the case of each of the 2002 through 2005 crops, $0.01021 per pound.

(B) In the case of the 2006 crop, $0.0088 per pound.

(c) Payment Amount.—The amount of the fixed, decoupled payment to be paid to the producers on a farm for a covered commodity for a fiscal year shall be equal obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres of the covered commodity on the farm; by

(3) the payment yield for the covered commodity for the farm.

(d) Time for Payment.—

(1) In general.—The Secretary shall make fixed, decoupled payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) Advance payments.—

(A) In general.—At the option of the producers on a farm, the Secretary shall pay 50 percent of the fixed, decoupled payment for a fiscal year for the producers on the farm on a date selected by the producers on the farm.

(B) Selected date.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(C) Subsequent fiscal years.—The producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) Repayment of advance payments.—If any producer on a farm receives an advance fixed, decoupled payment for a fiscal year ceases to be eligible for a fixed, decoupled payment before the date the fixed, decoupled payment would have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 105. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

(a) Definitions.—In this section:

(1) Adjusted gross revenue.—The term "adjusted gross revenue" means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

(D) as represented on—

(i) a schedule F of the Federal income tax returns of the producer; or

(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

(2) Agricultural enterprise.—The term "agricultural enterprise" means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

(3) Average adjusted gross revenue.—The term "average adjusted gross revenue" means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(4) Producer.—The term "producer" means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C)(i) during each of the preceding 5 taxable years, has filed—

(I) a schedule F of the Federal income tax returns; or

(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

(b) Establishment.—A producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

(c) Content of Account.—A farm counter-cyclical savings account shall consist of—

(1) contributions of the producer; and

(2) matching contributions of the Secretary.

(d) Producer Contributions.—

(1) In general.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

(2) Maximum account balance.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer for the previous 5 years.

(e) Matching Contributions.—

(1) In general.—Subject to paragraphs (2) through (5), the Secretary shall provide a matching contribution on the amount deposited by the producer into the account.

(2) Formula.—The Secretary shall establish a formula to determine the amount of matching contributions that will be provided by the Secretary under paragraph (1).

(3) Maximum contributions for individual producer.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $10,000.

(4) Maximum contributions for all producers.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

(A) $800,000,000 for fiscal year 2002;

(B) $900,000,000 for fiscal year 2003;

(C) $1,000,000,000 for fiscal year 2004;

(D) $1,100,000,000 for fiscal year 2005; and

(E) $1,200,000,000 for fiscal year 2006.

(5) Date for matching contributions.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

(f) Interest.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

(g) Use.—Funds credited to the account—

(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

(2) may be used for purposes determined by the producer.

(h) Withdrawal.—

(1) In general.—Subject to paragraph (2), a producer may withdraw funds from the account if the adjusted gross revenue of the producer is less than 90 percent of average adjusted gross revenue of the producer for the previous 5 years.

(2) Retirement.—

(A) In general.—Subject to subparagraph (B), a producer that ceases to be actively engaged in farming, as determined by the Secretary—

(i) may withdraw the full balance from, and close, the account; and

(ii) may not establish another account.

(B) Waivers.—The Secretary shall promulgate regulations that provide for a waiver, in limited circumstances (as determined by the Secretary), of the application of subparagraph (B)(ii) to a producer.

(i) Administration.—The Secretary shall administer this section through the Farm Service Agency and local, county, and area offices of the Department of Agriculture.

SEC. 106. PRODUCER AGREEMENTS.

(a) Compliance With Certain Requirements.—

(1) Requirements.—Before the producers on a farm may receive fixed, decoupled payments with respect to the farm, the producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use a quantity of land on the farm equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) Compliance.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure producer compliance with paragraph (1).

(b) Foreclosures.—

(1) In general.—The Secretary shall not require the producers on a farm to repay a fixed, decoupled payment if the farm has been foreclosed on and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) Compliance with requirements.—

(A) In general.—This subsection shall not void the responsibilities of the producers on a farm under subsection (a) if the producers on the farm continue or resume operation, or control, of the farm.

(B) Applicable requirements.—On the resumption of operation or control over the farm by the producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) Transfer or Change of Interest in Farm.—

(1) Termination.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the producers on a farm in base acres for which fixed, decoupled payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) Effective date.—The termination takes effect on the date of the transfer or change.

(3) Transfer of payment base and yield.—There is no restriction on the transfer of the base acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) Modification.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of subsection (a), as determined by the Secretary.

(5) Exception.—If a producer entitled to a fixed, decoupled payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

SEC. 107. PLANTING FLEXIBILITY.

(a) Permitted Crops.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) Limitations and Exceptions Regarding Certain Commodities.—

(1) Limitations.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) Exceptions.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

(C) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the producers on the farm during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

SEC. 108. PRODUCTION FLEXIBILITY CONTRACTS.

If, on or before the date of the enactment of this Act, the producers on a farm receive all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211), the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producers on the farm for fiscal year 2002 by the amount of the fiscal year 2002 payment received by the producers on the farm under the production flexibility contract.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2006 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm.

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a covered commodity produced on the farm.

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to the producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the covered commodity owned by the producers on the farm is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers on the farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 176.

(d) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producers on a farm shall comply during the term of the loan with—

(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

SEC. 122. LOAN RATES.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i)(I) $1.65 per bushel for barley; or

(II) $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the 5 lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be $0.7965 per pound.

(e) RICE.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) OILSEEDS.—

(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $4.92 per bushel.

(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for each oilseed (other than soybeans) shall be—

(A) not less than 85 percent of the simple average price received by producers of the oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.093 per pound.

(g) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for dry peas, lentils, large chickpeas, and small chickpeas shall be—

(1) not less than 85 percent of the simple average price received by producers of dry peas, lentils, large chickpeas, and small chickpeas, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of dry peas, lentils, large chickpeas, and small chickpeas, individually, excluding the year in which the average price was the highest and the year in which the average rice was the lowest in the period; but

(2) not less than—

(A) in the case of dry peas—

(i) a loan rate established by the Secretary, taking into consideration the feed prices of dry peas; but

(ii) not less than $5.83 per hundredweight;

(B) in the case of lentils, $11.00 per hundredweight;

(C) in the case of large chickpeas, $15.00 per hundredweight; and

(D) in the case of small chickpeas, $7.00 per hundredweight.

SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of

10 months beginning on the first day of the month in which the loan is made.

(c) Extensions Prohibited.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

SEC. 124. REPAYMENT OF LOANS.

(a) Repayment Rates for Wheat, Feed Grains, Oilseeds, Dry Peas, Lentils, and Chickpeas.—The Secretary shall permit producers on a farm to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, oilseeds, dry peas, lentils, and chickpeas at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity;

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and

(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.

(b) Repayment Rates for Upland Cotton and Rice.—The Secretary shall permit producers on a farm to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) Repayment Rates for Extra Long Staple Cotton.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) Prevailing World Market Price.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) Adjustment of Prevailing World Market Price for Upland Cotton.—

(1) In general.—During the period beginning on the date of the enactment of this Act and ending July 31, 2007, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the "Northern Europe price").

(2) Further adjustment.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) Limitation on further adjustment.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) Time for Fixing Repayment Rate.—In the case of producers on a farm that marketed or otherwise lost beneficial interest in a covered commodity before repaying a marketing assistance loan made under section 121 with respect to the covered commodity, the Secretary shall permit the producers on the farm to repay the loan at the lowest repayment rate that was in effect for the covered commodity under this section as of the date that the producers on the farm lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) In General.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—

(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 121, produce a covered commodity.

(b) Amount.—A loan deficiency payment under this section shall be obtained by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under section 121.

(c) Loan Payment Rate.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the covered commodity may be repaid under section 124.

(d) Exception for Extra Long Staple Cotton.—This section shall not apply with respect to extra long staple cotton.

(e) Time for Payment.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a covered commodity as of the earlier of—

(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the covered commodity, as determined by the Secretary; or

(2) the date the producers on the farm request the payment.

(f) Lost Beneficial Interest.—Effective for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the covered commodity, the producer shall be eligible for the payment determined as of the date the producer lost beneficial interest in the covered commodity, as determined by the Secretary.

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) In General.—For each of the 2002 through 2006 crops of wheat, barley, grain sorghum, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 125 for wheat, barley, grain sorghum, or oats, but that elects to use acreage planted to the wheat, barley, grain sorghum, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, grain sorghum, or oats on the acreage.

(b) Payment Amount.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity obtained by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, barley, grain sorghum, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) Time, Manner, and Availability of Payment.—

(1) Time and manner.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) Availability.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, grain sorghum, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) Prohibition on Crop Insurance or Noninsured Crop Assistance.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 192 with respect to a 2002 through 2006 crop of wheat, barley, grain sorghum, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) Cotton User Marketing Certificates.—

(1) Issuance.—During the period beginning on the date of the enactment of this Act and ending July 31, 2007, subject to paragraph (4), the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—Subject to paragraph (4), the value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—

(i) IN GENERAL.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton.

(ii) PRICE RESTRICTIONS.—Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates.

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations promulgated by the Secretary.

(4) APPLICATION OF THRESHOLD.—

(A) 2002 MARKETING YEAR.—During the period beginning on the date of enactment of this Act and ending July 31, 2002, the Secretary shall make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(B) 2003 THROUGH 2006 MARKETING YEARS.—During each 12-month period beginning August 1, 2002, through August 1, 2006, the Secretary may make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2007, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in paragraph (1)(B) and subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION OF SPECIAL IMPORT QUOTA.—In this subsection, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2007, the Secretary shall carry out a program—

(1) to maintain and expand the domestic use of extra long staple cotton produced in the United States;

(2) to increase exports of extra long staple cotton produced in the United States; and

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) Eligible Recipients.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States that enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) Payment Amount.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the 4th week of the consecutive 4-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive 4-week period.

(e) Form of Payment.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

SEC. 129. RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.

(a) High Moisture Feed Grains.—

(1) Recourse loans available.—For each of the 2002 through 2006 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations promulgated by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) Eligibility for acquired feed grains.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producers on the farm equivalent to a quantity obtained by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) Definition of high moisture state.—In this subsection, the term "high moisture state" means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) Recourse Loans Available for Seed Cotton.—For each of the 2002 through 2006 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) Repayment Rates.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

SEC. 130. NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) In General.—For each of the 2002 through 2006 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) Loan Rates.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.10 per pound for graded wool;

(2) $0.40 per pound for nongraded wool (including unshorn pelts); and

(3) $3.65 per pound for mohair.

(c) Term of Loan.—A loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) Repayment Rates.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) Loan Deficiency Payments.—

(1) In general.—The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this section.

(2) Amount.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under this subsection.

(3) Loan payment rate.—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) Time for payment.—The Secretary shall make a payment under this subsection to the producers on a farm with respect to a quantity of a wool or mohair as of the earlier of—

(A) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary; or

(B) the date the producers on the farm request the payment.

SEC. 131. NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) In General.—For each of the 2002 through 2006 crops of honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for the crop of honey produced on the farm.

(b) Loan Rate.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

(c) Term of Loan.—A marketing assistance loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) Repayment Rates.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) Loan Deficiency Payments.—

(1) In general.—The Secretary may make loan deficiency payments available to producers on a farm of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agree to forgo obtaining the loan in return for a payment under this subsection.

(2) Amount.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producers on the farm are eligible to place under loan, but for which the producers on the farm forgo obtaining the loan in return for a payment under this subsection.

(3) Loan payment rate.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) Time for payment.—The Secretary shall make a payment under this subsection to the producers on a farm with respect to a quantity of a honey as of the earlier—

(A) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary; or

(B) the date the producers on the farm request the payment.

(f) Prevention of Forfeitures.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) In General.—During the period beginning on January 1, 2002, and ending on December 31, 2006, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) Rate.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) Purchase Prices.—

(1) Uniform prices.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary.

(2) Amount.—The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) Special Rule for Butter and Nonfat Dry Milk Purchase Prices.—

(1) Allocation of purchase prices.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate.

(2) Notification of congress.—Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(3) Administration.—Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(4) Timing of purchase price adjustments.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

SEC. 142. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) Dairy Export Incentive Program.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking "2002" and inserting "2006".

(b) Dairy Indemnity Program.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking "1995" and inserting "2006".

SEC. 143. FLUID MILK PROMOTION.

(a) Definition of Fluid Milk Product.—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following:

"(3) Fluid milk product.—The term 'fluid milk product' has the meaning given the term in—

"(A) section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made by the Secretary; or

"(B) any successor regulation providing a definition of that term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.".

(b) Definition of Fluid Milk Processor.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking "500,000" and inserting "3,000,000".

(c) Elimination of Order Termination Date.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 144. DAIRY PRODUCT MANDATORY REPORTING.

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting "and substantially identical products designated by the Secretary" after "dairy products" the first place it appears; and

(2) by inserting "and such substantially identical products" after "dairy products" the second place it appears.

SEC. 145. EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.

(a) In General.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(M) Exemption of milk handlers from minimum price requirements.—Notwithstanding any other provision of this section, no handler that sells Class I milk in a marketing area shall be exempt during any month from any minimum milk price requirement established under paragraph (A) if the total distribution of Class I milk produced on the farm of the handler in the marketing area during the preceding month exceeds the lesser of—

"(i) 3 percent of the total quantity of Class I milk distributed in the marketing area; or

"(ii) 5,000,000 pounds.".

(b) Effective Date.—The amendment made by subsection (a) takes effect on January 1, 2002.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) Sugarcane.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) Sugar Beets.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) Loan Rate Adjustments.—

(1) Definitions.—In this subsection:

(A) Agreement on agriculture.—The term "Agreement on Agriculture" means the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

(B) Major sugar countries.—The term "major sugar growing, producing, and exporting countries" means—

(i) the countries of the European Union; and

(ii) the 10 foreign countries not covered by subparagraph (A) that the Secretary determines produce the greatest quantity of sugar.

(2) Adjustments.—The Secretary may reduce the loan rate specified in subsection (a) for domestically grown sugarcane and subsection (b) for domestically grown sugar beets if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of other major sugar growing, producing, and exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture.

(3) Extent of reduction.—The Secretary shall not reduce the loan rate under subsection (a) or (b) below a rate that provides an equal measure of support to that provided by other major sugar growing, producing, and exporting countries, based on an examination of both domestic and export subsidies subject to reduction in the Agreement on Agriculture.

(4) Announcement of reduction.—The Secretary shall announce any loan rate reduction to be made under this subsection as far in advance as is practicable.

(d) Term of Loans.—

(1) In general.—A loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or

(B) the end of the fiscal year in which the loan is made.

(2) Supplemental loans.—In the case of a loan made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(e) Loan Type; Processor Assurances.—

(1) Nonrecourse loans.—The Secretary shall carry out this section through the use of nonrecourse loans.

(2) Processor assurances.—

(A) In general.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor.

(B) Minimum payments.—The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(3) Administration.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral on the maturity of the loan.

(f) Loans for In-Process Sugar.—

(1) Definition of in-process sugars and syrups.—In this subsection, the term "in-process sugars and syrups" does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

(2) Availability.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crops.

(3) Loan rate.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined on the basis of the source material for the in-process sugars and syrups.

(4) Further processing on forfeiture.—

(A) In general.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

(B) Transfer to corporation.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation.

(C) Payment to processor.—Subject to subsection (g), on transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the difference between—

(i) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

(ii) the loan rate the processor received under paragraph (1).

(5) Loan conversion.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

(g) Forfeiture Penalty.—

(1) In general.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) Cane sugar.—The penalty for cane sugar shall be 1 cent per pound.

(3) Beet sugar.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) Effect of forfeiture.—Any payments owed producers by a processor that forfeits any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(h) Information Reporting.—

(1) Duty of processors and refiners to report.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) Duty of producers to report.—

(A) Proportionate share states.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 producers of sugarcane to report, in the manner prescribed by the Secretary, the sugarcane yields and acres planted to sugarcane of the producer.

(B) Other states.—The Secretary may require each producer of sugarcane or sugar beets not covered by paragraph (1) to report, in a manner prescribed by the Secretary, the yields and acres planted to sugarcane or sugar beets, respectively, of the producer.

(3) Duty of importers to report.—

(A) In general.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

(B) Tariff-rate quotas.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties.

(4) Penalty.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(5) Monthly reports.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(i) Avoiding Forfeitures; Corporation Inventory Disposition.—

(1) No cost.—Subject to subsection (e)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

(2) Inventory disposition.—

(A) In general.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

(B) Additional authority.—The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.

(j) Crops.—This section shall be effective only for the 1996 through 2006 crops of sugar beets and sugarcane.

SEC. 152. STORAGE FACILITY LOANS.

(a) In General.—Notwithstanding any other provision of law and as soon as practicable after the date of the enactment of this Act, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) Eligible Processors.—A storage facility loan shall be made available to any processor of domestically produced sugarcane or sugar beets that (as determined by the Secretary)—

(1) has a satisfactory credit history;

(2) has a need for increased storage capacity, taking into account the effects of marketing allotments); and

(3) demonstrates an ability to repay the loan.

(c) Term of Loans.—A storage facility loan shall—

(1) have a minimum term of 7 of seven years; and

(2) be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

SEC. 153. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

(a) Information Reporting.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) Estimates.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended—

(1) in the section heading—

(A) by inserting "**FLEXIBLE**" before "**MARKETING**"; and

(B) by striking "**AND CRYSTALLINE FRUCTOSE**";

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "Before" and inserting "Not later than August 1 before";

(ii) by striking "1992 through 1998" and inserting "2002 through 2006";

(iii) in subparagraph (A), by striking "(other than sugar" and all that follows through "stocks";

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

"(B) the quantity of sugar that would provide for reasonable carryover stocks;";

(vi) in subparagraph (C) (as so redesignated)—

(I) by striking "or" and all that follows through "beets"; and

(II) by striking "and" following the semicolon;

(vii) by inserting after subparagraph (C) (as so redesignated) the following:

"(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and"; and

(viii) in subparagraph (E) (as so redesignated)—

(I) by striking "quantity of sugar" and inserting "quantity of sugars, syrups, and molasses";

(II) by inserting "human" after "imported for" the first place it appears;

(III) by inserting after "consumption" the first place it appears the following: "or to be used for the extraction of sugar for human consumption";

(IV) by striking "year" and inserting "year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota"; and

(V) by striking "(other than sugar" and all that follows through "carry-in stocks";

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

"(2) Exclusion.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in products containing sugar."; and

(D) in paragraph (3) (as so redesignated)—

(i) in the paragraph heading, by striking "Quarterly reestimates" and inserting "Reestimates"; and

(ii) by inserting "as necessary, but" after "a fiscal year";

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

"(1) In general.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 151 of the Agriculture, Conservation, and Rural Enhancement Act of 2001."; and

(B) in paragraph (2), by striking "or crystalline fructose";

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

(6) in subsection (c) (as so redesignated)—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2) (as so redesignated)—

(i) by striking "or manufacturer" and all that follows through "(2)"; and

(ii) by striking "or crystalline fructose".

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading, by inserting "**FLEXIBLE**" after "**OF**";

(2) in subsection (a), by inserting "flexible" after "establish";

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking "1,250,000" and inserting "1,532,000"; and

(B) in paragraph (2), by striking "to the maximum extent practicable";

(4) by striking subsection (c) and inserting the following:

"(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

"(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by 54.35 percent; and

"(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by 45.65 percent.";

(5) by striking subsection (d) and inserting the following:

"(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—

"(1) CANE SUGAR.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane.

"(2) BEET SUGAR.—Each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.";

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e) (as so redesignated)—

(A) by striking "The allotment" and inserting the following:

"(1) IN GENERAL.—The allotment";

(B) in paragraph (1) (as so redesignated)—

(i) by striking "the 5" and inserting "the";

(ii) by inserting after "sugarcane is produced," the following: "after a hearing (if requested by the affected sugar cane processors and growers) and on such notice as the Secretary by regulation may prescribe,"; and

(iii) by striking "on the basis of past marketings" and all that follows through "allotments" and inserting "as provided in this subsection and section 359d(a)(2)(A)(iv)"; and

(C) by inserting after paragraph (1) (as so designated) the following:

"(2) OFFSHORE ALLOTMENT.—

"(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

"(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing (if requested by the affected sugar cane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

"(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

"(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

"(iii) past processings of sugar from sugarcane based on the 3-year average of the crop years 1998 through 2000.

"(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing (if requested by the affected sugar cane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

"(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

"(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

"(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.";

(9) by inserting after subsection (e) (as so redesignated) the following:

"(f) FILLING CANE SUGAR ALLOTMENTS.—Except as provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.";

(10) in subsection (g)—

(A) in paragraph (1), by striking "359b(a)(2)—" and all that follows through the comma at the end of subparagraph (C) and inserting "359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner";

(B) in paragraph (2), by striking "359f(b)" and inserting "359f(c)"; and

(C) in paragraph (3)—

(i) in the paragraph heading, by striking "REDUCTIONS" and inserting "CARRY-OVER OF REDUCTIONS";

(ii) by inserting after "this subsection, if" the following: "at the time of the reduction";

(iii) by striking "price support" and inserting "nonrecourse";

(iv) by striking "206" and all that follows through "the allotment" and inserting "156 of the Agricultural Market Transition Act (7 U.S.C. 7272),"; and

(v) by striking ", if any,"; and

(11) by striking subsection (h) and inserting the following:

"(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates or reestimates under section 359b(a), or has reason to believe, that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1,532,000 short tons (raw value equivalent), and that the imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as the imports have been restricted, eliminated, or reduced to or below the level of 1,532,000 short tons (raw value equivalent).".

(d) ALLOCATION.—Section 359d(a)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by striking "The Secretary" and inserting the following:

"(i) IN GENERAL.—The Secretary";

(B) in the first sentence of clause (i) (as so designated)—

(i) by striking "interested parties" and inserting "the affected sugar cane processors and growers"; and

(ii) by striking "by taking" and all that follows through "allotment allocated." and inserting "under this subparagraph."; and

(C) by inserting after clause (i) the following:

"(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clauses (iii) and (iv), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based on—

"(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

"(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year; and

"(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among the 1996 through 2000 crop years.

"(iii) TALISMAN PROCESSING FACILITY.—In the case of allotments under clause (ii) attributable to the former operations of the Talisman processing facility, the Secretary shall allocate the allotment among processors in the State under clause (i) in accordance with the agreements of March 25 and 26, 1999, between the affected processors and the Department of the Interior.

"(iv) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based on—

"(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

"(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

"(III) past processings of sugar from sugarcane, based on the average of the 2 highest crop years from the 1997 through 2001 crop years.

"(v) NEW ENTRANTS.—

"(I) IN GENERAL.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, may provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located.

"(II) PROPORTIONATE SHARE STATES.—In the case of proportionate share States, the Secretary shall establish proportionate shares in a quantity sufficient to produce the sugarcane required to satisfy the allocations.

"(III) LIMITATION.—The allotment for a new processor under this clause shall not exceed 50,000 short tons (raw value).

"(vi) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor."; and

(2) in subparagraph (B)—

(A) in the first sentence, by striking "The Secretary" and inserting the following:

"(i) IN GENERAL.—The Secretary";

(B) in clause (i) (as so designated)—

(i) by striking "interested parties" and inserting "the affected sugar beet processors and growers"; and

(ii) by striking "processing capacity" and all that follows through "allotment allocated" and inserting the following: "the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may consider appropriate after consultation with the affected sugar beet processors and growers."; and

(C) by adding at the end the following:

"(ii) NEW PROCESSORS.—In the case of any processor that has started processing sugar beets after January 1, 1996, the Secretary shall provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations.".

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking the "and" after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by inserting after subparagraph (B) the following:

"(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and"; and

(D) in subparagraph (D) (as so redesignated), by inserting "and sales" after "reassignments"; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking the "and" after the semicolon;

(B) in subparagraph (B), by striking "reassign the remainder to imports." and inserting "use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and"; and

(C) by inserting after subparagraph (B) the following:

"(C) if after the reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.".

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) in the second sentence, by striking "processor's allocation" and inserting "allocation to the processor"; and

(B) by adding at the end the following: "The arbitration should be completed not more than 45 days after the request and shall be completed not more than 60 days after the request.";

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following:

"(b) SUGAR BEET PROCESSING FACILITY CLOSURES.—

"(1) IN GENERAL.—If a sugar beet processing facility is closed and the sugar beet growers that previously delivered beets to the facility desire to deliver their beets to another processing company, the growers may petition the Secretary to modify existing allocations to allow the delivery.

"(2) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries.

"(3) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

"(4) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition."; and

(4) in subsection (c) (as so redesignated)—

(A) in paragraph (3)(A), by striking "the preceding 5 years" and inserting "the 2 highest years from among the 1999, 2000, and 2001 crop years";

(B) in paragraph (4)(A), by striking "each" and all that follows through "in effect" and inserting "the 2 highest of the 1999, 2000, and 2001 crop years"; and

(C) by inserting after paragraph (7) the following:

"(8) PROCESSING FACILITY CLOSURES.—

"(A) IN GENERAL.—If a sugarcane processing facility subject to this subsection is closed and the sugarcane growers that previously delivered sugarcane to the facility desire to deliver their sugarcane to another processing company, the growers may petition the Secretary to modify existing allocations to allow the delivery.

"(B) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries;

"(C) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

"(D) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.".

(g) CONFORMING AMENDMENTS.—

(1) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended by striking the part heading and inserting the following:

"PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR".

(2) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended by inserting before section 359a (7 U.S.C. 1359aa) the following:

"SEC. 359. DEFINITIONS.

"In this part:

"(1) MAINLAND STATE.—The term 'mainland State' means a State other than an offshore State.

"(2) OFFSHORE STATE.—The term 'offshore State' means a sugarcane producing State located outside of the continental United States.

"(3) STATE.—Notwithstanding section 301, the term 'State' means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(4) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.".

(3) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking "359f" each place it appears and inserting "359f(c)";

(B) in the first sentence of subsection (b), by striking "3 consecutive" and inserting "5 consecutive"; and

(C) in subsection (c), by inserting "or adjusted" after "share established".

(4) Section 359j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended to striking subsection (c).

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term "counter-cyclical payment" means a payment made to peanut producers on a farm under section 164.

(2) EFFECTIVE PRICE.—The term "effective price" means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under section 164 for a crop year.

(3) HISTORIC PEANUT PRODUCERS ON A FARM.—The term "historic peanut producers on a farm" means the peanut producers on a farm in the United States that produced or were prevented from planting peanuts during any of the 1998 through 2001 crop years.

(4) FIXED, DECOUPLED PAYMENT.—The term "fixed, decoupled payment" means a payment made to peanut producers on a farm under section 163.

(5) PAYMENT ACRES.—The term "payment acres" means 85 percent of the peanut acres on a farm, as established under section 162, on which fixed, decoupled payments and counter-cyclical payments are made.

(6) PEANUT ACRES.—The term "peanut acres" means the number of acres assigned to a particular farm by historic peanut producers on a farm pursuant to section 162(b).

(7) PAYMENT YIELD.—The term "payment yield" means the yield assigned to a farm by historic peanut producers on the farm pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term "peanut producer" means an owner, operator, landlord, tenant, or sharecropper that—

(A) shares in the risk of producing a crop of peanuts in the United States; and

(B) is entitled to share in the crop available for marketing from the farm or would have shared in the crop had the crop been produced.

(9) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(10) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term "target price" means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

SEC. 162. PAYMENT YIELDS, PEANUT ACRES, AND PAYMENT ACRES FOR FARMS.

(a) PAYMENT YIELDS AND PAYMENT ACRES.—

(1) AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on all farms of the historic peanut producer for the 1998 through 2001 crop years, excluding any crop year in which the producers did not produce peanuts. Crop years 1996 or 1997 may be used to subsitute for any one of the crop years described herein in a county provided such county was declared a disaster area during 1 or more of the 4 crop years 1998 through 2001.

(B) Assigned yields.—If, for any of the crop years referred to in subparagraph (A) in which peanuts were planted on a farm by the historic peanut producer, the historic peanut producer has satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign to the historic peanut producer a yield for the farm for the crop year equal to 65 percent of the county yield, as determined by the Secretary.

(2) Acreage average.—The Secretary shall determine, for the historic peanut producer, the 4-year average of—

(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historic peanut producer, as determined by the Secretary.

(3) Multiple historic peanut producers.—If more than 1 historic peanut producer shared in the risk of producing the crop on the farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

(4) Selection by producer.—If a county in which a historic peanut producer described in paragraph (1) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (1), for purposes of determining the 4-year average acreage for the historic peanut producer, the historic peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(A) the State average of acreage actually planted in peanuts; for

(B) the average of acreage for the historic peanut producer determined by the Secretary under paragraph (1).

(5) Time for determinations; factors.—

(A) Timing.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of the enactment of this Act.

(B) Factors.—In making the determinations, the Secretary shall take into account changes in the number and identity of historic peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historic peanut producer is no longer living or an entity composed of historic peanut producers has been dissolved.

(b) Assignment of Yield and Acres to Farms.—

(1) Assignment by historic peanut producers.—The Secretary shall provide each historic peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historic peanut producer to cropland on a farm for each crop year through 2006.

(2) Payment yield.—The average of all of the yields assigned by historic peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making fixed decoupled payments and counter-cyclical payments under this chapter.

(3) Peanut acres.—Subject to subsection (e), the total number of acres assigned by historic peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making fixed decoupled payments and counter-cyclical payments under this chapter.

(c) Election.—Not later than 180 days after the date of the enactment of this Act, a historic peanut producer shall notify the Secretary of the assignments described in subsection (b) for crop year 2002. For crop years 2003 through 2006 a historic peanut producer shall notify the Secretary of the assignments described in subsection (b) no later than 180 days after January 1 of each year.

(d) Payment Acres.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) Prevention of Excess Peanut Acres.—

(1) Required reduction.—If the sum of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or base acres for 1 or more covered commodities for the farm as necessary so that the sum of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) Selection of acres.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or base acres against which the reduction will be made.

(3) Other acreage.—For purposes of paragraph (1), the Secretary shall include—

(A) any base acres for the farm under subtitle A;

(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) Double-cropped acreage.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

SEC. 163. FIXED, DECOUPLED PAYMENTS FOR PEANUTS.

(a) In General.—For each of the 2002 through 2006 fiscal years, the Secretary shall make fixed, decoupled payments to peanut producers on a farm with peanut acres under section 162 and a payment yield for peanuts under section 162.

(b) Payment Rate.—The payment rate used to make fixed, decoupled payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

(c) Payment Amount.—The amount of the fixed, decoupled payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(d) Time for Payment.—

(1) In general.—The Secretary shall make fixed, decoupled payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) Advance payments.—

(A) In general.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the fixed, decoupled payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) Selected date.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(C) Subsequent fiscal years.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) Repayment of advance payments.—If any peanut producer on a farm receives an advance fixed, decoupled payment for a fiscal year ceases to be eligible for a fixed, decoupled payment before the date the fixed, decoupled payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) In General.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the target price for peanuts.

(b) Effective Price.—For purposes of subsection (a), the effective price for peanuts is equal to the sum of—

(1) the greater of—

(A) the national average market price received by peanut producers during the 5-month marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts in effect for the 5-month marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 163 for the purpose of making fixed, decoupled payments with respect to peanuts.

(c) Target Price.—For purposes of subsection (a), the target price for peanuts shall be equal to $550 per ton.

(d) Payment Rate.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

(1) the target price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(e) Payment Amount.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (d);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(f) Time for Payments.—

(1) In general.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

(2) Partial payment.—

(A) In general.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the 5-month marketing season for the crop, as determined by the Secretary.

(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

SEC. 165. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the peanut producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 166; and

(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

(b) FORECLOSURE.—

(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a fixed, decoupled payment or counter-cyclical payment if the farm has been foreclosed on and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) COMPLIANCE WITH REQUIREMENTS.—

(A) IN GENERAL.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

(3) TRANSFER OF PAYMENT BASE AND YIELD.—There is no restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of subsection (a), as determined by the Secretary.

(5) EXCEPTION.—If a peanut producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

SEC. 166. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a peanuts produced on the farm.

(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subsection, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 176.

(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

(A) a designated marketing association of peanut producers that is approved by the Secretary and that is operated primarily for the purpose of conducting loan activities on behalf of peanut producer members facilitating the use of commingled storage as a means of offering marketing alternatives. Such area marketing associations may construct or own storage facilities as necessary: *Provided further*, That separate marketing pools may be created for Valencia type peanuts produced in New Mexico;

(B) the Farm Service Agency; or

(C) a loan servicing agent approved by the Secretary.

(b) LOAN RATE.—The loan rate for a marketing assistance loan under for peanuts subsection (a) shall be equal to $400 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

(B) the date the peanut producers on the farm request the payment.

(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—

(1) MANDATORY INSPECTION.—All edible peanuts shall be officially inspected and graded by a Federal or State inspector.

SEC. 169. TERMINATION OF MARKETING QUOTAS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS.

(a) REPEAL OF MARKETING QUOTAS FOR PEANUTS.—Effective beginning with the 2002 crop of peanuts, part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

(b) COMPENSATION OF QUOTA HOLDERS.—

(1) DEFINITIONS.—In this subsection:

(A) PEANUT QUOTA HOLDER.—

(i) IN GENERAL.—The term "peanut quota holder" means a person or entity that owns a farm that—

(I) held a peanut quota established for the farm for the 2001 crop of peanuts under part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) (as in effect before the amendment made by subsection (a));

(II) if there was not such a quota established for the farm for the 2001 crop of peanuts, would be eligible to have such a quota established for the farm for the 2002 crop of peanuts, in the absence of the amendment made by subsection (a); or

(III) is otherwise a farm that was eligible for such a quota as of the effective date of the amendments made by this section.

(ii) SEED OR EXPERIMENTAL PURPOSES.—The Secretary shall apply the definition of "peanut quota holder" without regard to temporary leases, transfers, or quotas for seed or experimental purposes.

(B) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(2) CONTRACTS.—The Secretary shall offer to enter into a contract with peanut quota holders for the purpose of providing compensation for the lost value of the quota as a result of the repeal of the marketing quota program for peanuts under the amendment made by subsection (a).

(3) PAYMENT PERIOD.—Under a contract, the Secretary shall make payments to an eligible peanut quota holder for each of fiscal years 2002 through 2005.

(4) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in 4 equal installments not later than September 30 of each of fiscal years 2002 through 2005.

(5) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(A) $0.1025 per pound; by

(B) the actual farm poundage quota (excluding any quantity of seed and experimental peanuts) established for the farm of a peanut quota holder under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) (as in effect prior to the amendment made by subsection (a)) for the 2001 marketing year.

(6) ASSIGNMENT OF PAYMENTS.—

(A) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts.

(B) NOTICE.—The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(c) CONFORMING AMENDMENTS.—

(1) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking "peanuts,".

(2) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(A) in the first sentence of subsection (a), by striking "peanuts,"; and

(B) in the first sentence of subsection (b), by striking "peanuts".

(3) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(A) in the first sentence of subsection (a)—

(i) by striking "peanuts," each place it appears;

(ii) by inserting "and" after "from producers,"; and

(iii) by striking "for producers, all" and all that follows through the period at the end of the sentence and inserting "for producers."; and

(B) in subsection (b), by striking "peanuts,".

(4) EMINENT DOMAIN.—Section 378(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(c)) is amended in the first sentence—

(A) by striking "cotton," and inserting "cotton and"; and

(B) by striking "and peanuts,".

(d) CROPS.—This section and the amendments made by this section apply beginning with the 2002 crop of peanuts.

Subtitle D—Administration

SEC. 171. ADMINISTRATION.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity to carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title.

(2) PROCEDURE.—The promulgation of the regulations shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(d) PROTECTION OF PRODUCERS.—The protection afforded by section 525 of Public Law 106–170 (7 U.S.C. 7212 note) to producers on a farm that elect to accelerate the receipt of any payment under a production flexibility contract payable under subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) shall apply to the advance payment of fixed, decoupled payments made under section 104 or 163 and counter-cyclical payments made under section 164.

SEC. 172. ADJUSTMENTS OF LOANS.

(a) IN GENERAL.—The Secretary may make appropriate adjustments in the loan rates for any covered commodity for differences in grade, type, quality, location, and other factors.

(b) MANNER.—The adjustments under this section shall, to the maximum extent practicable, be made in such manner that the average loan level for the covered commodity will, on the basis of the anticipated incidence of the factors described in subsection (a), be equal to the loan rate provided under this title.

(c) ADJUSTMENT ON COUNTY BASIS.—

(1) IN GENERAL.—The Secretary may establish loan rates for a crop of a covered commodity for producers on a farm in individual counties in a manner that results in the lowest such loan rate being 95 percent of the national average loan rate, except that the action shall not result in an increase in outlays.

(2) NATIONAL AVERAGE LOAN RATE.—Adjustments under this subsection shall not result in an increase in the national average loan rate for a covered commodity for any crop year.

SEC. 173. COMMODITY CREDIT CORPORATION INTEREST RATE.

(a) IN GENERAL.—Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

(b) SUGAR.—For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.

SEC. 174. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

(a) IN GENERAL.—Except as provided in subsection (b), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this title unless the loan was obtained through a fraudulent representation by the producer.

(b) Limitations.—Subsection (a) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(1) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(2) a failure to properly care for and preserve a commodity; or

(3) a failure or refusal to deliver a commodity in accordance with a program established under this title.

(c) Acquisition of Collateral.—In the case of a nonrecourse loan made under this title or the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), if the Commodity Credit Corporation acquires title to the unredeemed collateral, the Corporation shall be under no obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(d) Sugarcane and Sugar Beets.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(e) Loan Forfeitures.—Notwithstanding sections 106 through 106B of the Agricultural Act of 1949 (7 U.S.C. 1445 through 1445–2)—

(1) a producer-owned cooperative marketing association may fully settle, without further cost to the Association, a loan made for each of the 1994 and 1997 crops under sections 106 through 106B of that Act by forfeiting to the Commodity Credit Corporation the agricultural commodity covered by the loan regardless of the condition of the commodity;

(2) any losses to the Commodity Credit Corporation as a result of paragraph (1)—

(A) shall not be charged to the Account (as defined in section 106B(a) of that Act); and

(B) shall not affect the amount of any assessment imposed against the commodity under sections 106 through 106B of that Act; and

(3) the commodity forfeited pursuant to this section—

(A) shall not be counted for the purposes of any determination for any year pursuant to section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e); and

(B) may be disposed of in a manner determined by the Secretary of Agriculture, except that the commodity may not be sold for use in the United States for human consumption.

(f) Definition.—Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking "100,000,000" and inserting "75,000,000"; and

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

SEC. 175. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

(a) General Sales Authority.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(b) Nonapplication of Sales Price Restrictions.—Subsection (a) shall not apply to—

(1) a sale for a new or byproduct use;

(2) a sale of peanuts or oilseeds for the extraction of oil;

(3) a sale for seed or feed if the sale will not substantially impair any loan program;

(4) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(5) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(6) a sale for export, as determined by the Corporation; and

(7) a sale for other than a primary use.

(c) Presidential Disaster Areas.—

(1) In general.—Notwithstanding subsection (a), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(A) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(B) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(2) Costs.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under paragraph (1) beyond the cost of the commodity to the Corporation incurred in—

(A) the storage of the commodity; and

(B) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(d) Efficient Operations.—Subsection (a) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 176. COMMODITY CERTIFICATES.

(a) In General.—In making in-kind payments under subtitle C, the Commodity Credit Corporation may—

(1) acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;

(2) use other commodities owned by the Commodity Credit Corporation; and

(3) redeem negotiable marketing certificates for cash under terms and conditions established by the Secretary.

(b) Methods of Payment.—The Commodity Credit Corporation may make in-kind payments—

(1) by delivery of the commodity at a warehouse or other similar facility;

(2) by the transfer of negotiable warehouse receipts;

(3) by the issuance of negotiable certificates, which the Commodity Credit Corporation shall exchange for a commodity owned or controlled by the Corporation in accordance with regulations promulgated by the Corporation; or

(4) by such other methods as the Commodity Credit Corporation determines appropriate to promote the efficient, equitable, and expeditious receipt of the in-kind payments so that a person receiving the payments receives the same total return as if the payments had been made in cash.

(c) Administration.—

(1) Form.—At the option of a person, the Commodity Credit Corporation shall make negotiable certificates authorized under subsection (b)(3) available to the person, in the form of program payments or by sale, in a manner that the Corporation determines will encourage the orderly marketing of commodities pledged as collateral for loans made by the Commodity Credit Corporation.

(2) Transfer.—A negotiable certificate issued in accordance with this subsection may be transferred to another person in accordance with regulations promulgated by the Secretary.

SEC. 177. ASSIGNMENT OF PAYMENTS.

(a) In General.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under this title.

(b) Notice.—The producers on a farm making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 178. PAYMENT LIMITATIONS.

(a) In General.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking "PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS" and inserting "FIXED, DECOUPLED PAYMENTS";

(B) by striking "contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts" and inserting "fixed, decoupled payments made to a person"; and

(C) by striking "$40,000" and inserting "$80,000";

(2) in paragraphs (2) and (3)—

(A) by striking "payments specified" and all that follows through "and oilseeds" and inserting "following payments that a person shall be entitled to receive";

(B) by striking "$75,000" and inserting "$75,000, with a separate limitation for all covered commodities, for wool and mohair, for honey, and for peanuts";

(C) by striking the period at the end of paragraph (2) and all that follows through "the following" in paragraph (3);

(D) by striking "section 131" and all that follows through "section 132" and inserting "section 121 of the Agriculture, Conservation, and Rural Enhancement Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the covered commodity under section 122"; and

(E) by striking "section 135" and inserting "section 125"; and

(3) by inserting after paragraph (2) the following:

"(3) Limitation on counter-cyclical payments.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed $75,000.".

(b) Definitions.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (4) and inserting the following:

"(4) Definitions.—In this title:

"(A) Covered commodity; fixed, decoupled payment.—The terms 'covered commodity' and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Agriculture, Conservation, and Rural Enhancement Act of 2001.

"(B) Counter-cyclical payment.—The term 'counter-cyclical payment' has the meaning given those terms in section 161 of the Agriculture, Conservation, and Rural Enhancement Act of 2001.".

(c) Transition.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

Subtitle E—Price Support Authority

SEC. 181. SUSPENSION AND REPEAL OF PRICE SUPPORT AUTHORITY.

(a) Agricultural Adjustment Act of 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2006 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, 2006:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(2) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(3) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(4) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(5) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj), but only with respect to sugar marketings through fiscal year 2002.

(6) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(7) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(8) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(9) Title IV (7 U.S.C. 1401–1407).

(b) Agricultural Act of 1949.—

(1) Suspensions.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2006 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, 2006:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Section 201 (7 U.S.C. 1446).

(I) Title III (7 U.S.C. 1447–1449).

(J) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(K) Title V (7 U.S.C. 1461–1469).

(L) Title VI (7 U.S.C. 1471–1471j).

(2) Conforming amendments.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts"; and

(B) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,".

(c) Suspension of Certain Quota Provisions.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2006.

(d) Agricultural Market Transition Act.—

(1) In general.—The Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) (other than sections 101, 192, and 196 of that Act (7 U.S.C. 7201, 7332, 7333) is repealed.

(2) Conforming amendments.—

(A) Crop insurance.—Section 508(b)(7)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)(A)) is amended by striking "Agricultural Market" and inserting "Agriculture, Conservation, and Rural Enhancement Act of 2001".

(B) Flood risk reduction.—Section 385 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7334) is repealed.

(C) Agricultural market transition act.—Section 101 of the Agricultural Market Transition Act (7 U.S.C. 7201) is amended—

(i) in the section heading, by striking "**and purposes**";

(ii) in subsection (a), by striking "(a) Short Title.—"; and

(iii) by striking subsection (b).

(D) Conservation farm option.—Section 1240M of the Food Security Act of 1985 (16 U.S.C. 3839bb) is repealed.

Subtitle F—Miscellaneous Commodity Provision

SEC. 191. AGRICULTURAL PRODUCERS SUPPLEMENTAL PAYMENTS AND ASSISTANCE.

(a) In General.—The Secretary of Agriculture may use such funds of the Commodity Credit Corporation as are necessary to provide payments and assistance under Public Law 107-25 (115 Stat. 201) to persons that (as determined by the Secretary)—

(1) are eligible to receive the payments or assistance; but

(2) did not receive the payments or assistance because the Secretary failed to carry out Public Law 107–25 in a timely manner.

(b) Limitation.—The amount of payments or assistance provided under Public Law 107–25 and this section to an eligible person described in subsection (a) shall not exceed the amount of payments or assistance the person would have been eligible to receive if Public Law 107–25 had been implemented in a timely manner.

TITLE II—CONSERVATION

Subtitle A—Working Land Conservation Programs

SEC. 201. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) is amended to read as follows:

"CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1240. PURPOSES.

"The purposes of the environmental quality incentives program established by this chapter are to promote agricultural production and environmental quality as compatible national goals, and to maximize environmental benefits per dollar expended, by—

"(1) assisting producers in complying with this title, the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. 300f et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other Federal, State, and local environmental laws (including regulations);

"(2) avoiding, to the maximum extent practicable, the need for resource and regulatory programs by assisting producers in protecting soil, water, air, and related natural resources and meeting environmental quality criteria established by Federal, State, and local agencies;

"(3) providing flexible technical and financial assistance to producers to install and maintain conservation systems that enhance soil, water, related natural resources (including grazing land and wetland), and wildlife while sustaining production of food and fiber;

"(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural land;

"(5) facilitating partnerships and joint efforts among producers and governmental and nongovernmental organizations; and

"(6) consolidating and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

"SEC. 1240A. DEFINITIONS.

"In this chapter:

"(1) Eligible land.—The term 'eligible land' means agricultural land (including cropland, rangeland, pasture, private nonindustrial forest land, and other land on which crops or livestock are produced), including agricultural land that the Secretary determines poses a serious threat to soil, water, air, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.

"(2) Land management practice.—The term 'land management practice' means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, air quality management, or other land management practice carried out on eligible land that the Secretary determines is needed to protect, in the most cost-effective manner, soil, water, air, or related resources from degradation.

"(3) Livestock.—The term 'livestock' means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, and such other animals as determined by the Secretary.

"(4) Maximize environmental benefits per dollar expended.—

"(A) In general.—The term 'maximize environmental benefits per dollar expended' means to maximize environmental benefits to the extent the Secretary determines is practicable and appropriate, taking into account the amount of funding made available to carry out this chapter.

"(B) Limitation.—The term 'maximize environmental benefits per dollar expended' does not require the Secretary—

"(i) to provide the least cost practice or technical assistance; or

"(ii) to require the development of a plan under section 1240E as part of an application for payments or technical assistance.

"(5) Practice.—The term 'practice' means 1 or more structural practices, land management practices, and, as determined by the Secretary, comprehensive nutrient management planning practices.

"(6) Producer.—The term 'producer' means a person that is engaged in livestock or agricultural production, as determined by the Secretary.

"(7) Structural practice.—The term 'structural practice' means—

"(A) the establishment on eligible land of a site-specific animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, permanent wildlife habitat, constructed wetland, or other structural practice that the Secretary determines is needed to protect, in the most cost-effective manner, soil, water, air, or related resources from degradation; and

"(B) the capping of abandoned wells on eligible land.

"SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During each of the 2002 through 2006 fiscal years, the Secretary shall provide technical assistance, cost-share payments, and incentive payments to producers, that enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) ELIGIBLE PRACTICES.—

"(A) STRUCTURAL PRACTICES.—A producer that implements a structural practice shall be eligible for any combination of technical assistance, cost-share payments, and education.

"(B) LAND MANAGEMENT PRACTICES.—A producer that performs a land management practice shall be eligible for any combination of technical assistance, incentive payments, and education.

"(C) COMPREHENSIVE NUTRIENT MANAGEMENT PLANNING.—A producer that develops a comprehensive nutrient management plan shall be eligible for any combination of technical assistance, incentive payments, and education.

"(3) EDUCATION.—The Secretary may provide conservation education at national, State, and local levels consistent with the purposes of the environmental quality incentives program to—

"(A) any producer that is eligible for assistance under this chapter; or

"(B) any producer that is engaged in the production of an agricultural commodity.

"(b) APPLICATION AND TERM.—With respect to practices implemented under this chapter—

"(1) a contract between a producer and the Secretary may—

"(A) apply to 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices; and

"(B) have a term of not less than 3, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract; and

"(2) each farm may not adopt more than 1 structural practice involving nutrient management during the period of fiscal years 2002 through 2006.

"(c) APPLICATION AND EVALUATION.—

"(1) IN GENERAL.—The Secretary shall establish an application and evaluation process for awarding technical assistance, cost-share payments, and incentive payments to a producer in exchange for the performance of 1 or more practices that maximizes environmental benefits per dollar expended.

"(2) COMPARABLE ENVIRONMENTAL VALUE.—

"(A) IN GENERAL.—The Secretary shall establish a process for selecting applications for technical assistance, cost-share payments, and incentive payments when there are numerous applications for assistance for practices that would provide substantially the same level of environmental benefits.

"(B) CRITERIA.—The process under subparagraph (A) shall be based on—

"(i) a reasonable estimate of the projected cost of the proposals described in the applications; and

"(ii) the priorities established under this subtitle and other factors that maximize environmental benefits per dollar expended.

"(3) CONSENT OF OWNER.—If the producer making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the producer shall obtain the consent of the owner of the land with respect to the offer.

"(4) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or more applications for technical assistance, cost-share payments, or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under this chapter.

"(d) COST-SHARE PAYMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share of cost-share payments to a producer proposing to implement 1 or more practices shall be not more than 75 percent of the projected cost of the practice, as determined by the Secretary.

"(2) EXCEPTIONS.—

"(A) LIMITED RESOURCE AND BEGINNING FARMERS; NATURAL DISASTERS.—The Secretary may increase the maximum Federal share under paragraph (1) to not more than 90 percent if the producer is a limited resource farmer or a beginning farmer or to address a natural disaster, as determined by the Secretary.

"(B) COST-SHARE ASSISTANCE FROM OTHER SOURCES.—Any cost-share payments received by a producer from a State or private organization or person for the implementation of 1 or more practices shall be in addition to the Federal share of cost-share payments provided to the producer under paragraph (1).

"(3) OTHER PAYMENTS.—A producer shall not be eligible for cost-share payments for practices on eligible land under this chapter if the producer receives cost-share payments or other benefits for the same practice on the same land under chapter 1 and this chapter.

"(e) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

"(f) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

"(2) AMOUNT.—The allocated amount may vary according to—

"(A) the type of expertise required;

"(B) the quantity of time involved; and

"(C) other factors as determined appropriate by the Secretary.

"(3) LIMITATION.—Funding for technical assistance under this chapter shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

"(4) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

"(5) NON-FEDERAL ASSISTANCE.—

"(A) IN GENERAL.—The Secretary may request the services of, and enter into a cooperative agreement with, a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or nongovernmental organization or person considered appropriate to assist in providing the technical assistance necessary to develop and implement conservation plans under the program.

"(B) PRIVATE SOURCES.—

"(i) IN GENERAL.—The Secretary shall ensure that the processes of writing and developing proposals and plans for contracts under this chapter, and of assisting in the implementation of practices covered by the contracts, are open to qualified private persons, including—

"(I) agricultural producers;

"(II) representatives from agricultural cooperatives;

"(III) agricultural input retail dealers;

"(IV) certified crop advisers;

"(V) persons providing technical consulting services; and

"(VI) other persons, as determined appropriate by the Secretary.

"(ii) OTHER CONSERVATION PROGRAMS.—The requirements of this subparagraph shall also apply to each other conservation program of the Department of Agriculture.

"(6) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

"(A) IN GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance from a private source associated with the development of any component of the comprehensive nutrient management plan.

"(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a private person.

"(C) PAYMENT.—The incentive payment shall be—

"(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

"(ii) used only to procure technical assistance from a private source that is necessary to develop any component of a comprehensive nutrient management plan; and

"(iii) in an amount determined appropriate by the Secretary, taking into account—

"(I) the extent and complexity of the technical assistance provided;

"(II) the costs that the Secretary would have incurred in providing the technical assistance; and

"(III) the costs incurred by the private provider in providing the technical assistance.

"(D) ELIGIBLE PRACTICES.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

"(E) ADVANCE PAYMENT.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified private provider.

"(F) FINAL PAYMENT.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

"(i) completion of the technical assistance; and

"(ii) the actual cost of the technical assistance.

"(g) PARTNERSHIPS AND COOPERATION.—

"(1) PURPOSES.—The Secretary may designate special projects, as recommended by the State Conservationist, with advice from the State technical committee, to enhance technical and financial assistance provided to several producers within a specific area to address environmental issues affected by agricultural production with respect to—

"(A) meeting the purposes and requirements of—

"(i) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or comparable State laws in impaired or threatened watersheds;

"(ii) the Safe Drinking Water Act (42 U.S.C. 300f et seq.) or comparable State laws in watersheds providing water for drinking water supplies; or

"(iii) the Clean Air Act (42 U.S.C. 7401 et seq.) or comparable State laws; or

"(B) watersheds of special significance or other geographic areas of environmental sensitivity; or

"(C) enhancing the technical capacity of producers to facilitate community-based planning, implementation of special projects, and conservation education involving multiple producers within an area.

"(2) INCENTIVES.—To realize the objectives of the special projects under paragraph (1), the Secretary shall provide incentives to producers participating in the special projects to encourage partnerships and sharing of technical and financial resources among producers and among producers and governmental organizations.

"(3) FUNDING.—

"(A) IN GENERAL.—The Secretary shall make available 5 percent of funds provided for each fiscal year under this chapter to carry out this subsection.

"(B) SPECIAL PROJECTS.—The purposes of the special projects under this subsection shall be to encourage—

"(i) producers to cooperate in the installation and maintenance of conservation systems that affect multiple agricultural operations;

"(ii) sharing of information and technical and financial resources; and

"(iii) cumulative environmental benefits across operations of producers.

"(4) FLEXIBILITY.—

"(A) IN GENERAL.—The Secretary may enter into agreements with States, local governmental and nongovernmental organizations, and persons to allow greater flexibility to adjust the application of eligibility criteria, approved practices, innovative conservation practices, and other elements of the programs described in subparagraph (B) to better reflect unique local circumstances and goals in a manner that is consistent with the purposes of this chapter.

"(B) APPLICABLE PROGRAMS.—Subparagraph (A) shall apply to—

"(i) the environmental quality incentives program established by this chapter;

"(ii) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program;

"(iii) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program; and

"(iv) the wetlands reserve program established under subchapter C of chapter 1.

"(5) UNUSED FUNDING.—Any funds made available for a fiscal year under this subsection that are not obligated by June 1 of the fiscal year may be used to carry out other activities under this chapter during the fiscal year in which the funding becomes available.

"(h) MODIFICATION OR TERMINATION OF CONTRACTS.—

"(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

"(A) the producer agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

"SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

"In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

"(1) maximize environmental benefits per dollar expended; and

"(2)(A) address national conservation priorities involving—

"(i) water quality, particularly in impaired watersheds;

"(ii) soil erosion;

"(iii) air quality; or

"(iv) assist producers in complying with—

"(I) this title;

"(II) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

"(III) the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

"(IV) the Clean Air Act (42 U.S.C. 7401 et seq.); and

"(V) other Federal, State, and local environmental laws (including regulations);

"(B) are provided in conservation priority areas established under section 1230(c); or

"(C) are provided in special projects under section 1240B(g) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes.

"SEC. 1240D. DUTIES OF PRODUCERS.

"To receive technical assistance, cost-share payments, or incentive payments under this chapter, a producer shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through 1 or more practices that are approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

"(3) on the violation of a term or condition of the contract at any time the producer has control of the land, to refund any cost-share or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

"(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under this chapter, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

"SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the environmental quality incentives program, an owner or producer of a livestock or agricultural operation must submit to the Secretary for approval a plan of operations that incorporates practices covered under this chapter, and is based on such principles, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the objectives to be met by the implementation of the plan.

"(b) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the environmental quality incentives program and comparable conservation programs.

"SEC. 1240F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

"(1) providing technical assistance in developing and implementing the plan;

"(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

"(3) providing the producer with information, education, and training to aid in implementation of the plan; and

"(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

"SEC. 1240G. LIMITATION ON PAYMENTS.

"(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter may not exceed—

"(1) $50,000 for any fiscal year; or

"(2) $150,000 for any multiyear contract.

"(b) ATTRIBUTION.—An individual or entity may not receive, directly or indirectly, payments under this chapter that exceed $50,000 for any fiscal year.

"(c) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under this chapter using social security numbers and taxpayer identification numbers, respectively.

"SEC. 1240H. CONSERVATION INNOVATION GRANTS.

"(a) IN GENERAL.—From funds made available to carry out this chapter, the Secretary shall use $100,000,000 for each fiscal year to pay the Federal share of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the environmental quality incentives program.

"(b) USE.—The Secretary shall award grants under this section to governmental organizations, State agencies, and other persons, on a competitive basis, to carry out projects that—

"(1) involve producers that are eligible for payments or technical assistance under this chapter;

"(2) implement innovative projects, such as—

"(A) market systems for pollution reduction; and

"(B) provision of funds to promote adoption of best management practices and the storing of carbon in the soil; and

"(3) leverage funds made available to carry out this chapter with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production.

"(c) FEDERAL SHARE.—The Federal share of a grant made to carry out a project under this section shall not exceed 50 percent of the cost of the project.

"(d) UNUSED FUNDING.—Any funds made available for a fiscal year under this section that are not obligated by June 1 of the fiscal year may be used to carry out other activities under this chapter during the fiscal year in which the funding becomes available.

"SEC. 1240I. WORKING LAND ENVIRONMENTAL IMPROVEMENT OPTION.

"(a) PURPOSES.—The purposes of this section are—

"(1) to provide incentives to producers on agricultural working land to attain increased environmental benefits by implementing a systems approach to the conservation needs on the farm or ranch of the producer;

"(2) to target conservation systems instead of individual conservation practices;

"(3) to emphasize more comprehensive, multiyear agreements that enable a more integrated natural resource plan for the farm or ranch of the producer; and

"(4) to emphasize conservation systems that are based on land management instead of structural practices or land retirement.

"(b) DEFINITION OF CONSERVATION SYSTEM.—In this section, the term 'conservation system' means a set of multiple conservation practices that—

"(1) address 1 or more natural resources on a farm or ranch of a producer;

"(2) requires planning, implementation, management, and maintenance;

"(3) promotes 1 or more conservation purposes identified in the plan developed and approved by the Secretary under section 1240D;

"(4)(A) has not been implemented on the applicable agricultural land of the producer before receipt of a payment under this section; or

"(B) significantly enhances the existing conservation system; and

"(5) involves—

"(A) a basic conservation activity, such as pest management, contour farming, residue management, nutrient management, or similar activities, as determined by the Secretary;

"(B) a land use adjustment or protection activity, such as resource-conserving crop rotation, controlled, rotational grazing, or similar activities, as determined by the Secretary; or

"(C) an activity that fosters the long-term sustainability of all natural resources on the agricultural operation, as determined by the Secretary.

"(c) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall establish a program that is designed to—

"(A) function as part of the environmental quality incentives program under this chapter; and

"(B) provide an option for producers to receive a bonus payment for engaging in new and more environmentally beneficial conservation practices on agricultural working land.

"(2) CONTRACT.—

"(A) IN GENERAL.—In exchange for a producer entering into a working land environmental improvement option contract, the Secretary shall provide an annual bonus payment, in an amount determined by the Secretary, to the producer in accordance with the contract.

"(B) RELATION TO EQUIP.—A contract under this section may be a component of, or separate from, a contract under section 1240B.

"(C) TERM.—A contract entered into under this section shall have a term of not less than 3, nor more than 10, years.

"(D) LINKAGE.—The Secretary shall not require that any producer enter into a contract under any other program under this chapter to be eligible to receive a bonus payment under a contract entered into under this section.

"(3) CONSERVATION SYSTEM PLAN.—

"(A) IN GENERAL.—A conservation system plan developed under this section that incorporates an integrated approach to conservation of natural resources on the farm or ranch of a producer may be included in a plan developed under section 1240D, under which conservation goals are achieved through individual practices.

"(B) ELIGIBLE SYSTEMS.—A conservation system that is eligible for a bonus payment under this section may be associated with a land management practice, structural practice, or comprehensive nutrient management practice that has been otherwise approved by the Secretary under this chapter.

"(4) IDENTIFICATION OF CONSERVATION SYSTEMS.—The State Conservationist and State Technical Committee for each State shall identify conservation activities that, in combination—

"(A) address the geographical, agronomic, and environmental conditions that are unique to the State or area; and

"(B) qualify as conservation systems under this section.

"(5) BONUS PAYMENTS.—A producer that implements a conservation system shall be eligible to receive an annual bonus payment that is in addition to any incentive payment, cost share payment, or technical assistance available to the producer under this chapter.

"(d) EVALUATION OF CONTRACT OFFERS.—

"(1) EVALUATION FACTORS.—In order to maximize environmental benefits per dollar expended under this section, the Secretary shall establish a list of multiple evaluation factors that are to be used to evaluate and rank the conservation systems proposed by producers.

"(2) REQUIRED PRIORITY FACTORS.—The Secretary shall give priority to offers that—

"(A) demonstrate the prior use of a conservation activity, such as conservation tillage;

"(B) address multiple natural resource conservation goals;

"(C) implement more comprehensive conservation systems; or

"(D) are submitted by a limited resource farmer, beginning farmer, or Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), as determined by the Secretary.

"(3) DISCRETIONARY FACTORS.—Additional evaluation factors may include—

"(A) the number of farms and ranches within the soil and water conservation district in which the agricultural operation of the producer is located;

"(B) with respect to the agricultural operation of the producer—

"(i) soil erosion;

"(ii) the potential for pesticide and nutrient leaching;

"(iii) animal waste generation; and

"(iv) wetland; and

"(C) other factors, as determined by the Secretary.

"(4) POINTS.—Each evaluation factor shall be accorded a point value as determined by the Secretary.

"(5) OFFERS.—Each offer of a producer to enter into a contract under this section shall be ranked by the Secretary according to the number of points assigned the conservation system proposed in the offer.

"(e) PROCEDURE FOR RANKING AND SELECTING OFFERS.—

"(1) LOCAL ENVIRONMENTAL PROBLEMS AND PRIORITIES.—Each soil and water conservation district, or local working group, as designated by the Secretary, shall—

"(A) identify the environmental problems that exist within the district; and

"(B) determine which conservation systems and practices would best ameliorate the environmental problems of the district; and

"(C) make recommendations to the State conservationist and State technical committee of the respective State concerning the issues described in subparagraphs (A) and (B).

"(2) STATE CONSERVATIONIST.—The State conservationist for each State, in consultation with the State technical committee, shall—

"(A) summarize the information and recommendations provided by each soil and water conservation district of the State; and

"(B) transmit the information and recommendations to the Secretary (including a detailed description of intended priorities for funding within the State).

"(3) STATE FUNDING ALLOCATIONS.—

"(A) IN GENERAL.—The Secretary may use the information and recommendations supplied by each State Conservationist, including natural resource inventories, statistical studies, and reports, to determine funding allocations under this section for each State.

"(B) ELEMENTS OF ALLOCATION DETERMINATIONS.—A funding allocation shall be determined on the basis of—

"(i) the evaluation factors described in subsection (d); and

"(ii) the information and recommendations summarized by State conservationists under paragraph (2)(A).

"(C) NOTIFICATION.—The State conservationist for each State shall be notified of the funding allocation for the State.

"(4) RANKING, SELECTION OF OFFERS, AND AWARD OF BONUS PAYMENTS.—

"(A) RANKING OFFERS.—The State conservationist of the appropriate State, in consultation with the State technical committee and the soil and water conservation district in which the agricultural operation of a producer is located, shall rank each offer according to—

"(i) the criteria established by the Secretary; and

"(ii) the number of points awarded to the offer.

"(B) ACCEPTANCE OF OFFERS.—Based on the ranking of each offer of a producer by the State and the availability of funds for the State, the State conservationist may accept offers of producers that will receive bonus payments.

"(C) DETERMINATION OF BONUS PAYMENTS.—The State conservationist, in consultation with the State technical committee, and in consultation with the soil and water conservation district in which the agricultural operation of a producer is located, shall determine the amount of the bonus payment applicable to the conservation system that the producer offers to implement.

"(D) DETERMINATION OF AMOUNT OF BONUS PAYMENTS.—The amount of an annual bonus payment, to the extent practicable, shall be determined by the State conservationist, in consultation with the State technical committee and the soil and water conservation district in which the agricultural operation of the producer is located, using criteria established under the guidelines described in subparagraph (E).

"(E) GUIDELINES.—The criteria used to determine the amount of a bonus payment may be—

"(i) as objective and transparent as practicable; and

"(ii) based on—

"(I) to the maximum extent practicable, outcome-based factors relating to the natural resource and environmental benefits that result from the adoption, maintenance, and improvement in implementation of the conservation practice carried out by the producer;

"(II) system-based factors, including—

"(aa) the level and extent of conservation systems to be established or maintained;

"(bb) the cost of the adoption, maintenance, and improvement in implementation of the conservation system;

"(cc) the income loss that would be experienced, or economic value that would be forgone, by the producer because of land use adjustments resulting from the adoption, maintenance, and improvement of the conservation system; and

"(dd) the extent to which compensation would ensure maintenance and improvement of the conservation system; and

"(III) such other factors as the Secretary determines to be appropriate to encourage participation under this section.

"(f) Limitation on Assistance.—The total amount of bonus payments a producer may receive under this section shall not exceed $25,000 for any fiscal year.

"(g) Funding.—Of the funds made available to carry out this chapter, the Secretary shall use to carry out this section—

"(1) $100,000,000 for fiscal year 2002;

"(2) $150,000,000 for fiscal year 2003; and

"(3) $200,000,000 for each of fiscal years 2004 and 2005; and

"(4) $300,000,000 for fiscal year 2006.".

(b) Funding.—Section 1241(b) of the Food Security Act of 1985 (16 U.S.C. 3841(b)) is amended—

(1) in paragraph (1), by striking "$130,000,000" and all that follows through "2002," and inserting "$750,000,000 for fiscal year 2002, $1,000,000,000 for fiscal year 2003, $1,350,000,000 for fiscal year 2004, $1,450,000,000 for fiscal year 2005, and $1,650,000,000 for fiscal year 2006"; and

(2) by striking paragraph (2) and inserting the following:

"(2) Obligation of funds.—

"(A) In general.—If a contract under the environmental quality incentives program under chapter 4 of subtitle D is terminated prior to the end of the term of the contract and funds obligated for the contract are remaining, the remaining funds may be used to carry out any other contract under the program during the same fiscal year in which the original contract was terminated.

"(B) Additional uses of funds.—Funding for contracts that terminate under the program administered under subchapter B of chapter 1 may be transferred to, and used to carry out, the program under chapter 4 of subtitle D.".

(c) Cooperation With Other Government Agencies.—Section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) is amended in the last sentence by inserting "but excluding transfers and allotments for conservation technical assistance" after "activities".

SEC. 202. CONSERVATION RESERVE PROGRAM.

(a) Extension of Program.—

(1) In general.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(A) in subsections (a) and (b)(3), by striking "2002" each place it appears and inserting "2006";

(B) in subsection (d)—

(i) by striking "2002" and inserting "2006"; and

(ii) by striking "36,400,000" and inserting "40,000,000"; and

(C) in subsection (h)(1), by striking "the 2001 and 2002" and inserting "each of the 2001 through 2006".

(2) Duties of owners and operators.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking "2002" and inserting "2006".

(b) Conservation Buffers and Conservation Reserve Enhancement Program.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (4)(D), by striking the period at the end and inserting "; or"; and

(2) by adding at the end the following:

"(5) land that the Secretary determines is—

"(A) part of a field; and

"(B) no longer feasible to farm as a result of the remainder of the field having been enrolled—

"(i) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program; or

"(ii) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program.".

(c) Duration of Contracts; Hardwood Trees.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended—

(1) in paragraph (1), by striking "shall enter into contracts of not less than 10, nor more than 15, years." and inserting the following: "may enter into contracts—

"(A) for land enrolled in the conservation reserve program that is not covered by a hardwood tree contract, covering not to exceed 3,000,000 acres, for 30 or more years; and

"(B) covering any remaining acreage, with terms of not less than 10, nor more than 15, years."; and

(2) in paragraph (2)—

(A) by striking "In the" and inserting the following:

"(A) In general.—In the";

(B) by striking "The Secretary" and inserting the following:

"(B) Existing hardwood tree contracts.—The Secretary"; and

(C) by adding at the end the following:

"(C) Extension of hardwood tree contracts.—

"(i) In general.—In the case of land devoted to hardwood trees under a contract entered into under this subchapter before the date of enactment of this subparagraph, the Secretary may extend the contract for a term of not more than 15 years.

"(ii) Base payments.—The amount of a base payment for a contract extended under clause (i)—

"(I) shall be determined by the Secretary; but

"(II) shall not exceed 50 percent of the base payment that was applicable to the contract before the contract was extended.".

(d) Expansion of Pilot Program to all States.—Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking "and 2002" and all that follows through "South Dakota" and inserting "through 2006 calendar years, the Secretary shall carry out a program in each State";

(2) in paragraph (3)(C), by striking "—" and all that follows and inserting "not more than 150,000 acres in any 1 State."; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

(e) Haying and Grazing on Buffer Strips.—Section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)) is amended—

(1) by striking "except that the Secretary—" and inserting "except that—";

(2) in subparagraph (A)—

(A) by striking "(A) may" and inserting "(A) the Secretary may";

(B) in clause (i), by inserting "subject to approval by the appropriate State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))," before "harvesting or grazing"; and

(C) by striking "and" at the end;

(3) in subparagraph (B)—

(A) by striking "(B) shall" and inserting "(B) the Secretary shall"; and

(B) by striking the period at the end and inserting a semicolon;

(4) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(5) by adding at the end the following:

"(D) for maintenance purposes, the Secretary shall—

"(i) permit harvesting or grazing or other commercial uses of forage, in a manner that is consistent with the purposes of this subchapter and a conservation plan approved by the Secretary, on acres enrolled—

"(I) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program; and

"(II) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program; and

"(ii) notwithstanding the amount of a rental payment limited by section 1234(c)(2) and specified in a contract entered into under this chapter, reduce the amount of the rental payment paid to a producer of land the forage of which is used for commercial purposes under clause (i) by an amount determined by the Secretary to be commensurate with the value of the reduction of benefit gained by enrollment of the land under clause (i).".

(f) Cost Share for Hardwood Trees.—Section 1234(b)(3) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)) is amended by striking "4-year" and inserting "5-year".

(g) Base History.—Section 1236 of the Food Security Act of 1985 (16 U.S.C. 3836) is amended by striking subsection (d) and inserting the following:

"(d) Reduction or Termination of Cropland.—

"(1) In general.—In addition to any other remedy available under any other law, the Secretary may reduce or terminate the quantity of cropland base and allotment history preserved under subsection (c) for acreage with respect to which a violation of a term or condition of a contract covering that acreage occurs.

"(2) Required termination.—The Secretary shall terminate the cropland base and allotment history for all cropland—

"(A) enrolled under this subchapter; and

"(B) used for—

"(i) the planting of hardwood trees under section 1231(e)(2);

"(ii) the pilot program under section 1231(h); or

"(iii) enrollment—

"(I) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program; or

"(II) in the program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program.".

(h) Funding.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) by striking "1996 through 2002" and inserting "2002 through 2006";

(2) by inserting "(including the provision of technical assistance)" before "authorized by"; and

(3) in paragraph (2), by striking "subchapter C" and inserting "subchapters C and D".

(i) Study on Economic Effects.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic effects on rural communities resulting from the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 203. WETLANDS RESERVE PROGRAM.

(a) Technical Assistance.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by inserting "(including the provision of technical assistance)" before the period at the end.

(b) Maximum Enrollment.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

"(1) Maximum enrollment.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,225,000 acres, of which not more than 250,000 acres may be enrolled in any calendar year.".

(c) Reauthorization.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking "2002" and inserting "2006".

(d) Monitoring and Maintenance.—Section 1237C(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837c(a)(2)) is amended by striking "assistance" and inserting "assistance (including monitoring and maintenance)".

SEC. 204. FARMLAND PROTECTION PROGRAM.

(a) Removal of Acreage Limitation; Expansion of Purposes.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking "not less than 170,000, nor more than 340,000 acres of"; and

(2) by inserting "(including ranchland), or agricultural land that contains historic or archaeological resources," after "other productive soil".

(b) Eligible Entities.—Such section is further amended—

(1) in subsection (a), by striking "a State or local government" and inserting "an eligible entity"; and

(2) by adding at the end the following:

"(d) Definition of Eligible Entity.—In this section, the term 'eligible entity' means—

"(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

"(2) any organization that—

"(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

"(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

"(C) is described in section 509(a)(2) of that Code; or

"(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

"(e) Conservation Plan.—Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary, the conservion of the cropland to less intensive uses.

"(f) Funding.—

"(1) In general.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to provide technical assistance and purchase conservation easements under this section—

"(A) $65,000,000 for fiscal year 2002;

"(B) $90,000,000 for each of fiscal years 2003 through 2005; and

"(C) $100,000,000 for fiscal year 2006.

"(2) Cost sharing.—

"(A) Federal share.—The Federal share of the cost of purchasing a conservation easement or other interest described in subsection (b) shall not exceed 50 percent.

"(B) Non-federal share.—The non-Federal share of the cost of any project relating to the purchase of a conservation easement under this section may be made in the form of donations from any non-Federal source (including donations of conservation easements in a project area) that materially advance the goals of the project, as determined by the Secretary.".

SEC. 205. WILDLIFE HABITAT INCENTIVE PROGRAM.

Section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended by striking subsection (c) and inserting the following:

"(c) Funding.—Of the funds made available to carry out subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), the Secretary of Agriculture shall use to carry out this section—

"(1) $50,000,000 for fiscal year 2002;

"(2) $60,000,000 for fiscal year 2003;

"(3) $65,000,000 for fiscal year 2004;

"(4) $75,000,000 for fiscal year 2005; and

"(5) $100,000,000 for fiscal year 2006.".

SEC. 206. GRASSLAND RESERVE PROGRAM.

Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

"Subchapter D—Grassland Reserve Program

"SEC. 1238. GRASSLAND RESERVE PROGRAM.

"(a) Establishment.—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as 'the program') to assist owners in restoring and protecting eligible land described in subsection (c).

"(b) Enrollment Conditions.—

"(1) In general.—The Secretary shall enroll in the program, from willing owners, not less than—

"(A) 100 contiguous acres of land west of the 90th meridian; or

"(B) 50 contiguous acres of land east of the 90th meridian.

"(2) Maximum enrollment.—The total number of acres enrolled in the program shall not exceed 2,000,000 acres.

"(3) Methods of enrollment.—The Secretary shall enroll land in the program through—

"(A) permanent easements or 30-year easements;

"(B) in a State that imposes a maximum duration for such an easement, an easement for the maximum duration allowed under State law; or

"(C) a 30-year rental agreement.

"(c) Eligible Land.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is—

"(1) natural grassland or shrubland;

"(2) land that—

"(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

"(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

"(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of the easement.

"SEC. 1238A. EASEMENTS AND AGREEMENTS.

"(a) In General.—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

"(1) to grant an easement that runs with the land to the Secretary;

"(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

"(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

"(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

"(5) to comply with the terms of the easement and restoration agreement.

"(b) Terms of Easement.—An easement under subsection (a) shall—

"(1) permit—

"(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

"(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

"(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

"(2) prohibit—

"(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

"(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

"(i) plowing; and

"(ii) disking; and

"(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

"(c) Evaluation and Ranking of Easement Applications.—

"(1) In general.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

"(2) Criteria.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

"(d) Restoration Agreements.—

"(1) In general.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an agreement entered into under the program shall be restored.

"(2) Requirements.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

"(e) Violations.—

"(1) In general.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

"(A) the easement shall remain in force; and

"(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

"(2) Periodic inspections.—

"(A) In general.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

"(B) Limitation.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

"SEC. 1238B. DUTIES OF SECRETARY.

"(a) In General.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

"(1) make easement payments;

"(2) pay the Federal share of the cost of restoration; and

"(3) provide technical assistance to the owner.

"(b) Payment Schedule.—

"(1) Easement Payments.—

"(A) Amount.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

"(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

"(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

"(B) Schedule.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

"(2) Rental Agreement Payments.—

"(A) Amount.—If an owner enters into a 30-year rental agreement authorized under section 1238(b)(3)(C); the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

"(B) Assessment.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

"(C) Adjustment.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

"(c) Federal Share of Cost of Restoration.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

"(d) Technical Assistance.—

"(1) In general.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

"(2) Reimbursement by commodity credit corporation.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

"(e) Payments to Others.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

"(f) Other Payments.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

"SEC. 1238C. ADMINISTRATION.

"(a) Delegation to Private Organizations.—

"(1) In general.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

"(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

"(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

"(2) Application.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

"(3) Approval by secretary.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

"(4) Reassignment.—If an organization holding an easement on land under this subchapter terminates—

"(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

"(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

"(b) Regulations.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.".

SEC. 207. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.) is amended to read as follows:

"Subtitle H—Resource Conservation and Development Program

"SEC. 1528. DEFINITIONS.

"In this subtitle:

"(1) Area plan.—The term 'area plan' means a resource conservation and use plan that is developed by a council for a designated area of a State or States through a planning process and that includes 1 or more of the following elements:

"(A) A land conservation element, the purpose of which is to control erosion and sedimentation.

"(B) A water management element that provides 1 or more clear environmental or conservation benefits, the purpose of which is to provide for—

"(i) the conservation, use, and quality of water, including irrigation and rural water supplies;

"(ii) the mitigation of floods and high water tables;

"(iii) the repair and improvement of reservoirs;

"(iv) the improvement of agricultural water management; and

"(v) the improvement of water quality.

"(C) A community development element, the purpose of which is to improve—

"(i) the development of resources-based industries;

"(ii) the protection of rural industries from natural resource hazards;

"(iii) the development of adequate rural water and waste disposal systems;

"(iv) the improvement of recreation facilities;

"(v) the improvement in the quality of rural housing;

"(vi) the provision of adequate health and education facilities;

"(vii) the satisfaction of essential transportation and communication needs; and

"(viii) the promotion of food security, economic development, and education.

"(D) A land management element, the purpose of which is—

"(i) energy conservation;

"(ii) the protection of agricultural land, as appropriate, from conversion to other uses;

"(iii) farmland protection; and

"(iv) the protection of fish and wildlife habitats.

"(2) Board.—The term 'Board' means the Resource Conservation and Development Policy Advisory Board established under section 1533(a).

"(3) Council.—The term 'council' means a nonprofit entity (including an affiliate of the entity) operating in a State that is—

"(A) established by volunteers or representatives of States, local units of government, Indian tribes, or local nonprofit organizations to carry out an area plan in a designated area; and

"(B) designated by the chief executive officer or legislature of the State to receive technical assistance and financial assistance under this subtitle.

"(4) Designated area.—The term 'designated area' means a geographic area designated by the Secretary to receive technical assistance and financial assistance under this subtitle.

"(5) Financial assistance.—The term 'financial assistance' means a grant or loan provided by the Secretary (or the Secretary and other Federal agencies) to, or a cooperative agreement entered into by the Secretary (or the Secretary and other Federal agencies) with, a council, or association of councils, to carry out an area plan in a designated area, including assistance provided for planning, analysis, feasibility studies, training, education, and other activities necessary to carry out the area plan.

"(6) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(7) LOCAL UNIT OF GOVERNMENT.—The term 'local unit of government' means—

"(A) any county, city, town, township, parish, village, or other general-purpose subdivision of a State; and

"(B) any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district.

"(8) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means any organization that is—

"(A) described in section 501(c) of the Internal Revenue Code of 1986; and

"(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

"(9) PLANNING PROCESS.—The term 'planning process' means actions taken by a council to develop and carry out an effective area plan in a designated area, including development of the area plan, goals, purposes, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in the actions.

"(10) PROJECT.—The term 'project' means a project that is carried out by a council to achieve any of the elements of an area plan.

"(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(12) STATE.—The term 'State' means—

"(A) any State;

"(B) the District of Columbia; or

"(C) any territory or possession of the United States.

"(13) TECHNICAL ASSISTANCE.—The term 'technical assistance' means any service provided by the Secretary or agent of the Secretary, including—

"(A) inventorying, evaluating, planning, designing, supervising, laying out, and inspecting projects;

"(B) providing maps, reports, and other documents associated with the services provided;

"(C) providing assistance for the long-term implementation of area plans; and

"(D) providing services of an agency of the Department of Agriculture to assist councils in developing and carrying out area plans.

"SEC. 1529. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

"The Secretary shall establish a resource conservation and development program under which the Secretary shall provide technical assistance and financial assistance to councils to develop and carry out area plans and projects in designated areas—

"(1) to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in primarily rural areas of the United States; and

"(2) to encourage and improve the capability of State, units of government, Indian tribes, nonprofit organizations, and councils to carry out the purposes described in paragraph (1).

"SEC. 1530. SELECTION OF DESIGNATED AREAS.

"The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements of area plans.

"SEC. 1531. POWERS OF THE SECRETARY.

"In carrying out this subtitle, the Secretary may—

"(1) provide technical assistance to any council to assist in developing and implementing an area plan for a designated area;

"(2) cooperate with other departments and agencies of the Federal Government, States, local units of government, local Indian tribes, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

"(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical assistance and financial assistance to any council; and

"(4) enter into agreements with councils in accordance with section 1532.

"SEC. 1532. ELIGIBILITY; TERMS AND CONDITIONS.

"(a) ELIGIBILITY.—Technical assistance and financial assistance may be provided by the Secretary under this subtitle to any council to assist in carrying out a project specified in an area plan approved by the Secretary only if—

"(1) the council agrees in writing—

"(A) to carry out the project; and

"(B) to finance or arrange for financing of any portion of the cost of carrying out the project for which financial assistance is not provided by the Secretary under this subtitle;

"(2) the project is included in an area plan and is approved by the council;

"(3) the Secretary determines that assistance is necessary to carry out the area plan;

"(4) the project provided for in the area plan is consistent with any comprehensive plan for the area;

"(5) the cost of the land or an interest in the land acquired or to be acquired under the plan by any State, local unit of government, Indian tribe, or local nonprofit organization is borne by the State, local unit of government, Indian tribe, or local nonprofit organization, respectively; and

"(6) the State, local unit of government, Indian tribe, or local nonprofit organization participating in the area plan agrees to maintain and operate the project.

"(b) LOANS.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), a loan made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe.

"(2) TERM.—A loan for a project made under this subtitle shall have a term of not more than 30 years after the date of completion of the project.

"(3) INTEREST RATE.—A loan made under this subtitle shall bear interest at the average rate of interest paid by the United States on obligations of a comparable term, as determined by the Secretary of the Treasury.

"(c) APPROVAL BY SECRETARY.—Technical assistance and financial assistance under this subtitle may not be made available to a council to carry out an area plan unless the area plan has been submitted to and approved by the Secretary.

"(d) WITHDRAWAL.—The Secretary may withdraw technical assistance and financial assistance with respect to any area plan if the Secretary determines that the assistance is no longer necessary or that sufficient progress has not been made toward developing or implementing the elements of the area plan.

"(e) USE OF OTHER ENTITIES AND PERSONS.—A council may use another person or entity to assist in developing and implementing an area plan and otherwise carrying out this subtitle.

"SEC. 1533. RESOURCE CONSERVATION AND DEVELOPMENT POLICY ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Advisory Board.

"(b) COMPOSITION.—

"(1) IN GENERAL.—The Board shall be composed of at least 7 employees of the Department of Agriculture selected by the Secretary.

"(2) CHAIRPERSON.—A member of the Board shall be designated by the Secretary to serve as chairperson of the Board.

"(c) DUTIES.—The Board shall advise the Secretary regarding the administration of this subtitle, including the formulation of policies for carrying out this subtitle.

"SEC. 1534. EVALUATION OF PROGRAM.

"(a) IN GENERAL.—The Secretary, in consultation with councils, shall evaluate the program established under this subtitle to determine whether the program is effectively meeting the needs of, and the purposes identified by, States, units of government, Indian tribes, nonprofit organizations, and councils participating in, or served by, the program.

"(b) REPORT.—Not later than June 30, 2005, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation, together with any recommendations of the Secretary for continuing, terminating, or modifying the program.

"SEC. 1535. LIMITATION ON ASSISTANCE.

"In carrying out this subtitle, the Secretary shall provide technical assistance and financial assistance with respect to not more than 450 active designated areas.

"SEC. 1536. SUPPLEMENTAL AUTHORITY OF THE SECRETARY.

"The authority of the Secretary under this subtitle to assist councils in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

"SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be such sums as are necessary to carry out this subtitle.

"(b) LOANS.—The Secretary shall not use more than $15,000,000 of any funds made available for a fiscal year to make loans under this subtitle.

"(c) AVAILABILITY.—Funds appropriated to carry out this subtitle shall remain available until expended.".

SEC. 208. CONSERVATION OF PRIVATE GRAZING LAND.

(a) IN GENERAL.—Section 386 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b) is amended by striking subsection (f) and inserting the following:

"(f) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $40,000,000 for each of fiscal years 2002 through 2006.".

(b) CONFORMING AMENDMENT.—Section 386(d)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(2)) is amended by striking "ELEMENTS.—" and all that follows through "EDUCATION.—Personnel" and inserting "ELEMENTS.—Personnel".

SEC. 209. OTHER CONSERVATION PROGRAMS.

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) is amended to read as follows:

"CHAPTER 5—OTHER CONSERVATION PROGRAMS

"SEC. 1240M. WATERSHED RISK REDUCTION.

"(a) IN GENERAL.—The Secretary, acting through the Natural Resources Conservation Service (referred to in this section as the 'Secretary'), in cooperation with landowners and land users, may carry out such projects and activities (including the purchase of floodplain easements for runoff retardation and soil erosion prevention) as the Secretary determines to be necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed in any case in which fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

"(b) PRIORITY.—In carrying out this section, the Secretary shall give priority to any project or activity described in subsection (a) that is carried out on a floodplain adjacent to a major river, as determined by the Secretary.

"(c) PROHIBITION ON DUPLICATIVE FUNDS.—No project or activity under subsection (a) that is carried out using funds made available under this section may be carried out using funds made available under any Federal disaster relief program relating to floods.

"(d) FUNDING.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.".

Subtitle B—Miscellaneous Reforms and Extensions

SEC. 211. PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended—

(1) by redesignating sections 1244 and 1245 (16 U.S.C. 3844, 3845) as sections 1246 and 1247, respectively; and

(2) by inserting after section 1243 (16 U.S.C. 3843) the following:

"SEC. 1244. PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.

"(a) INFORMATION RECEIVED FOR TECHNICAL AND FINANCIAL ASSISTANCE.—

"(1) IN GENERAL.—In accordance with section 552(b)(3) of title 5, United States Code, except as provided in subsection (c), information described in paragraph (2)—

"(A) shall not be considered to be public information; and

"(B) shall not be released to any person or Federal, State, local, or tribal agency outside the Department of Agriculture.

"(2) INFORMATION.—The information referred to in paragraph (1) is information—

"(A) provided to, or developed by, the Secretary (including a contractor of the Secretary) for the purpose of providing technical or financial assistance to an owner or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and

"(B) that is proprietary to the agricultural operation or land that is a part of an agricultural operation of the owner or producer.

"(b) INVENTORY, MONITORING, AND SITE SPECIFIC INFORMATION.—Except as provided in subsection (c) and notwithstanding any other provision of law, in order to maintain the personal privacy, confidentiality, and cooperation of owners and producers, and to maintain the integrity of sample sites, the specific geographic locations of the National Resources Inventory of the Department of Agriculture data gathering sites and the information generated by those sites—

"(1) shall not be considered to be public information; and

"(2) shall not be released to any person or Federal, State, local, or tribal agency outside the Department of Agriculture.

"(c) EXCEPTIONS.—

"(1) RELEASE AND DISCLOSURE FOR ENFORCEMENT.—The Secretary may release or disclose to the Attorney General information covered by subsection (a) or (b) to the extent necessary to enforce the natural resources conservation programs referred to in subsection (a).

"(2) DISCLOSURE TO COOPERATING PERSONS AND AGENCIES.—

"(A) IN GENERAL.—The Secretary may release or disclose information covered by subsection (a) or (b) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in subsection (a) or collecting information from National Resources Inventory data gathering sites.

"(B) USE OF INFORMATION.—The person or Federal, State, local, or tribal agency that receives information described in subparagraph (A) may release the information only for the purpose of assisting the Secretary—

"(i) in providing the requested technical or financial assistance; or

"(ii) in collecting information from National Resources Inventory data gathering sites.

"(3) STATISTICAL AND AGGREGATE INFORMATION.—Information covered by subsection (a) or (b) may be disclosed to the public if the information has been transformed into a statistical or aggregate form that does not allow the identification of any individual owner, producer, or specific data gathering site.

"(4) CONSENT OF OWNER OR PRODUCER.—

"(A) IN GENERAL.—An owner or producer may consent to the disclosure of information described in subsection (a) or (b).

"(B) CONDITION OF OTHER PROGRAMS.—The participation of the owner or producer in, and the receipt of any benefit by the owner or producer under, this title or any other program administered by the Secretary may not be conditioned on the owner or operator providing consent under this paragraph.

"(d) VIOLATIONS; PENALTIES.—Section 1770(c) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by this section.".

SEC. 212. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) (as redesignated and amended by section 211) is amended by inserting after section 1244 the following:

"SEC. 1245. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

"(a) GOOD FAITH RELIANCE.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, except as provided in paragraph (4), the Secretary shall provide equitable relief to an owner or operator that has entered into a contract under a conservation program administered by the Secretary, and that is subsequently determined to be in violation of the contract, if the owner or operator in attempting to comply with the terms of the contract and enrollment requirements—

"(A) took actions in good faith reliance on the action or advice of an employee of the Secretary; and

"(B) had no knowledge that the actions taken were in violation of the contract.

"(2) TYPES OF RELIEF.—The Secretary shall—

"(A) to the extent the Secretary determines that an owner or operator has been injured by good faith reliance described in paragraph (1), allow the owner or operator—

"(i) to retain payments received under the contract;

"(ii) to continue to receive payments under the contract;

"(iii) to keep all or part of the land covered by the contract enrolled in the applicable program under this chapter;

"(iv) to reenroll all or part of the land covered by the contract in the applicable program under this chapter; or

"(v) to receive any other equitable relief the Secretary considers appropriate; and

"(B) require the owner or operator to take such actions as are necessary to remedy any failure to comply with the contract.

"(3) RELATIONSHIP TO OTHER LAW.—The authority to provide relief under this subsection shall be in addition to any other authority provided in this or any other Act.

"(4) EXCEPTIONS.—This section shall not apply to—

"(A) any pattern of conduct in which an employee of the Secretary takes actions or provides advice with respect to an owner or operator that the employee and the owner or operator know are inconsistent with applicable law (including regulations); or

"(B) an owner or operator takes any action, independent of any advice or authorization provided by an employee of the Secretary, that the owner or operator knows or should have known to be inconsistent with applicable law (including regulations).

"(5) APPLICABILITY OF RELIEF.—Relief under this section shall be available for contracts in effect on the date of enactment of this section.

"(b) EDUCATION, OUTREACH, MONITORING, AND EVALUATION.—In carrying out any conservation program administered by the Secretary, the Secretary—

"(1) shall provide education, outreach, monitoring, evaluation, and related services to agricultural producers (including owners and operators of small and medium-sized farms, socially disadvantaged agricultural producers, and limited resource agricultural producers);

"(2) may enter into contracts with private nonprofit, community-based organizations and educational institutions with demonstrated experience in providing the services described in paragraph (1), to provide those services; and

"(3) shall use such sums as are necessary from funds of the Commodity Credit Corporation to carry out activities described in paragraphs (1) and (2).

"(c) SOCIALLY DISADVANTAGED AND LIMITED RESOURCE OWNERS AND OPERATORS.—The Secretary shall provide outreach, training, and technical assistance specifically to encourage and assist socially disadvantaged and limited resource owners and operators to participate in conservation programs administered by the Secretary.

"(d) PROGRAM EVALUATION.—The Secretary shall maintain data concerning conservation security plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary.

"(e) MEDIATION AND INFORMAL HEARINGS.—If the Secretary makes a decision under a conservation program administered by the Secretary that is adverse to an owner or operator, at the request of the owner or operator, the Secretary shall provide the owner or operator with mediation services or an informal hearing on the decision.

"(f) REPORTS.—Not later than 18 months after the date of enactment of this subsection and at the end of each 2-year period thereafter, the Secretary shall submit to Congress a report evaluating the results of each conservation program administered by the Secretary, including—

"(1) an evaluation of the scope, quality, and outcomes of the conservation practices carried out under the program; and

"(2) recommendations for achieving specific and quantifiable improvements for the purposes of each of the programs.

"(g) INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary on land under the jurisdiction of an Indian tribe, the Secretary shall cooperate with the tribal government of the Indian tribe to ensure, to the maximum extent practicable, that the program is administered in a fair and equitable manner.

"(h) BEGINNING FARMERS AND RANCHERS AND INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary, the Secretary may provide to beginning farmers and ranchers (as identified by the Secretary) and Indian tribes, incentives to participate in the conservation program to—

"(1) foster new farming opportunities; and

"(2) enhance environmental stewardship over the long term.".

SEC. 213. REFORM AND ASSESSMENT OF CONSERVATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Agriculture shall develop a plan for—

(1) coordinating conservation programs administered by the Secretary that are targeted at agricultural land to—

(A) eliminate redundancy; and

(B) improve delivery; and

(2) to the maximum extent practicable—

(A) designing forms that are applicable to all such conservation programs;

(B) reducing and consolidating paperwork requirements for such programs;

(C) developing universal classification systems for all information obtained on the forms that can be used by other agencies of the Department of Agriculture;

(D) ensuring that the information and classification systems developed under this paragraph can be shared with other agencies of the Department through computer technologies used by agencies; and

(E) developing 1 format for a conservation plan that can be applied to all conservation programs targeted at agricultural land.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the plan developed under subsection (a), including any recommendations for implementation of the plan.

(c) NATIONAL CONSERVATION PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan and estimated budget for implementing the appraisal of the soil, water, air, and related resources of the Nation contained in the National Conservation Program under section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004) as the primary vehicle for managing conservation on agricultural land in the United States.

(2) REPORT ON IMPLEMENTATION.—Not later than April 30, 2005, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the status of the implementation of the plan described in paragraph (1).

SEC. 214. CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.

The Soil Conservation and Domestic Allotment Act is amended by inserting after section 15 (16 U.S.C. 590o) the following:

"SEC. 16. CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary shall, to the maximum extent practicable, subject to subsections (b), (c), and (d), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary by—

"(1) integrating the use of third party technical assistance providers (including farmers and ranchers) into the technical assistance delivery system; and

"(2) using, to the maximum extent practicable, private, third party providers.

"(b) PURPOSE.—To achieve the timely completion of conservation plans and other technical assistance functions, third party providers described in subsection (a)(1) shall be used to—

"(1) prepare conservation plans, including agronomically sound nutrient management plans;

"(2) design, install and certify conservation practices;

"(3) train producers; and

"(4) carry out such other activities as the Secretary determines to be appropriate.

"(c) OUTSIDE ASSISTANCE.—

"(1) IN GENERAL.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

"(2) PAYMENT BY SECRETARY.—

"(A) IN GENERAL.—The Secretary shall provide a payment or voucher to an owner or operator enrolled in a conservation program administered by the Secretary if the owner or operator elects to obtain technical assistance from a person certified to provide technical assistance under this section.

"(B) DETERMINATION.—In determining whether to provide a payment or voucher under subparagraph (A), the Secretary shall seek to maximize the assistance received from qualified private, third party providers to most expeditiously and efficiently achieve the objectives of this title.

"(d) CERTIFICATION OF PUBLIC AND PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

"(1) ESTABLISHMENT OF PROCEDURES.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and capability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, or seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

"(2) PUBLIC AND PRIVATE PROVIDERS.—Certified technical assistance providers shall include—

"(A) agricultural producers;

"(B) agribusiness representatives;

"(C) representatives from agricultural cooperatives;

"(D) agricultural input retail dealers;

"(E) certified crop advisers;

"(F) employees of the Department; or

"(G) any group recognized by a Memorandum of Understanding with the Department relating to certification.

"(3) EQUIVALENCE.—The Secretary shall ensure that any certification program of the Department for public and private technical service providers shall meet or exceed the testing and continuing education standards of the Certified Crop Adviser program.

"(4) STANDARDS.—The Secretary shall establish standards for the conduct of—

"(A) the certification process conducted by the Secretary; and

"(B) periodic recertification by the Secretary of providers.

"(5) CERTIFICATION REQUIRED.—A provider may not provide to any producer technical assistance described in paragraph (2) unless the provider is certified by the Secretary.

"(6) NONDUPLICATION OF PREVIOUS CERTIFICATION.—The Secretary shall consider, as certified, a provider that has skills and qualifications in a particular area of technical expertise if the skills and qualifications of the provider have been certified by another entity the certification program of which meets nationally recognized and accepted standards for training, testing and otherwise establishing professional qualifications (including the Certified Crop Adviser program).

"(7) FEE.—

"(A) PAYMENT.—

"(i) IN GENERAL.—Except as provided in clause (ii), in exchange for certification or recertification, a private provider shall pay to the Secretary a fee in an amount determined by the Secretary.

"(ii) PRIOR CERTIFICATION.—The Secretary shall not require a provider to pay a fee under clause (i) for the certification of skills and qualifications that have already been certified by another entity under this section.

"(B) ACCOUNT.—A fee paid to the Secretary under subparagraph (A) shall be—

"(i) credited to the account in the Treasury that incurs, costs relating to implementing this section; and

"(ii) made available to the Secretary for use for conservation programs administered by the Secretary, without further appropriation, until expended.

"(8) NATIONAL TRAINING CENTERS.—

"(A) IN GENERAL.—The Secretary, acting in equal parthership with the Certified Crop Adviser program, shall establish training centers to facilitate the training and certification of technical assistance providers under this section.

"(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this paragraph.

"(9) OTHER REQUIREMENTS.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this section.

"(10) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall promulgate regulations to carry out this section.".

SEC. 215. EXTENSION OF CONSERVATION AUTHORITIES.

(a) ECARP AUTHORITY.—Section 1230(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3830(a)(1)) is amended by striking "2002" and inserting "2006".

(b) FLOOD RISK REDUCTION.—Section 385(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7334(a)) is amended by striking "2002" and inserting "2006".

(c) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended in the first sentence by striking "for each of the fiscal years 1996 through 2002" and inserting "for each fiscal year".

SEC. 216. USE OF SYMBOLS, SLOGANS, AND LOGOS.

Section 356 of the Federal Agriculture Improvement Act of 1996 (16 U.S.C. 5801 et seq.) is amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) on the written approval of the Secretary, to use, license, or transfer symbols, slogans, and logos of the Department;"; and

(2) in subsection (d), by adding at the end the following:

"(3) USE OF SYMBOLS, SLOGANS, AND LOGOS.—

"(A) IN GENERAL.—The Secretary may authorize the Foundation to use, license, or transfer symbols, slogans, and logos of the Department.

"(B) INCOME.—

"(i) IN GENERAL.—All revenue received by the Foundation from the use, licensing, or transfer of symbols, slogans, and logos of the Department shall be transferred to the Secretary.

"(ii) CONSERVATION OPERATIONS.—The Secretary shall transfer all revenue received under clause (i) to the account within the Natural Resources Conservation Service that is used to carry out conservation operations.".

SEC. 217. TECHNICAL AMENDMENTS.

(a) DELINEATION OF WETLANDS; EXEMPTIONS TO PROGRAM INELIGIBILITY.—

(1) REFERENCES TO PRODUCER.—Section 322(e) of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 991) is amended by inserting "each place it appears" before "and inserting".

(2) GOOD FAITH EXEMPTION.—Section 1222(h)(2) of the Food Security Act of 1985 (16 U.S.C. 3822(h)(2)) is amended by striking "to actively" and inserting "to be actively".

(3) DETERMINATIONS.—Section 1222(j) of the Food Security Act of 1985 (16 U.S.C. 3822(j)) is amended by striking "National" and inserting "Natural".

(b) WILDLIFE HABITAT INCENTIVE PROGRAM.—Section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended in the section heading by striking "**INCENTIVES**" and inserting "**INCENTIVE**".

SEC. 218. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a conservation program for any of the 1996 through 2002 fiscal or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 301. UNITED STATES POLICY.

Section 2(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691(2)) is amended by inserting before the semicolon at the end the following: "and conflict prevention".

SEC. 302. PROVISION OF AGRICULTURAL COMMODITIES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) in subsection (b), by adding at the end the following:

"(3) PROGRAM DIVERSITY.—The Administrator shall—

"(A) encourage eligible organizations to propose and implement program plans to address 1 or more aspects of the program under section 201; and

"(B) consider proposals that incorporate a variety of program objectives and strategic plans based on the identification by eligible organizations of appropriate activities to assist development in foreign countries.";

(2) in subsection (e)(1), by striking "not less than $10,000,000, and not more than $28,000,000," and inserting "not less than 5 percent nor more than 10 percent of the funds"; and

(3) by adding at the end the following:

"(h) CERTIFIED INSTITUTIONAL PARTNERS.—

"(1) IN GENERAL.—The Administrator or the Secretary, as applicable, shall promulgate regulations and issue guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

"(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Administrator a certification of organizational capacity that describes—

"(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

"(B) the capacity of the organization or cooperative to carry out projects in particular countries.

"(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

"(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

"(B) receive expedited review and approval of the proposal; and

"(C) receive commodities and assistance under this section for use in 1 or more countries.".

SEC. 303. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in the section heading, by striking "**FOREIGN**";

(2) in subsection (a), by striking "the recipient country, or in a country" and inserting "1 or more recipient countries, or 1 or more countries";

(3) in subsection (b)—

(A) by striking "in recipient countries, or in countries" and inserting "1 or more recipient countries, or in 1 or more countries"; and

(B) by striking "foreign currency";

(4) in subsection (c)—

(A) by striking "foreign currency"; and

(B) by striking "the recipient country, or in a country" and inserting "1 or more recipient countries, or in 1 or more countries"; and

(5) in subsection (d)—

(A) by striking "Foreign currencies" and inserting "Proceeds";

(B) in paragraph (2)—

(i) by striking "income generating" and inserting "income-generating"; and

(ii) by striking "the recipient country or within a country" and inserting "1 or more recipient countries or within 1 or more countries"; and

(C) in paragraph (3)—

(i) by inserting a comma after "invested"; and

(ii) by inserting a comma after "used".

SEC. 304. LEVELS OF ASSISTANCE.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking "that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons." and inserting "that is not less than—

"(A) 2,100,000 metric tons for fiscal year 2002;

"(B) 2,200,000 metric tons for fiscal year 2003;

"(C) 2,300,000 metric tons for fiscal year 2004;

"(D) 2,400,000 metric tons for fiscal year 2005; and

"(E) 2,500,000 metric tons for fiscal year 2006."; and

(2) in paragraph (2), by striking "1996 through 2002" and inserting "2002 through 2006".

SEC. 305. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by inserting ", policies, guidelines," after "regulations";

(2) in subsection (d), by inserting "policies," after "regulations," each place it appears; and

(3) in subsection (f), by striking "2002" and inserting "2006".

SEC. 306. MAXIMUM LEVEL OF EXPENDITURES.

Section 206(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726(a)) is amended by striking "$1,000,000,000" and inserting "$2,000,000,000".

SEC. 307. ADMINISTRATION.

Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

"(1) RECIPIENT COUNTRIES.—A proposal to enter into a nonemergency food assistance agreement under this title shall identify the recipient country or countries that are the subject of the agreement.

"(2) TIMING.—Not later than 120 days after the date of submission to the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall determine whether to accept the proposal.";

(2) in subsection (b), by striking "guideline" each place it appears and inserting "guideline or policy determination";

(3) in subsection (d), by striking "a United States field mission" and inserting "an eligible organization with an approved program under this title"; and

(4) by adding at the end the following:

"(e) TIMELY APPROVAL.—

"(1) IN GENERAL.—The Administrator shall finalize program agreements and resource requests for programs under this section before the beginning of each fiscal year.

"(2) REPORT.—Not later than December 1 of each year, the Administrator shall submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains—

"(A) a list of programs, countries, and commodities approved to date for assistance under this section; and

"(B) a statement of the total amount of funds approved to date for transportation and administrative costs under this section.

"(f) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subsection, the Secretary may approve an agreement that provides for direct delivery of agricultural commodities to milling or processing facilities more than 50 percent of the interest in which is owned by United States citizens in foreign countries, with the proceeds of transactions transferred in cash to eligible organizations described in seetion 202(d) to carry out approved projects.".

SEC. 308. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended by striking "and 2002" and inserting "through 2006".

SEC. 309. SALE PROCEDURE.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended by adding at the end the following:

"(l) SALE PROCEDURE.—

"(1) IN GENERAL.—Subsection (b) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—

"(A) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and

"(B) title VIII of the Agricultural Trade Act of 1978.

"(2) CURRENCIES.—Sales of commodities described in paragraph (1) may be in United States dollars or in a different currency.

"(3) SALE PRICE.—Sales of commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate.".

SEC. 310. PREPOSITIONING.

Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended by striking "and 2002" and inserting "through 2006".

SEC. 311. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "2002" and inserting "2006".

SEC. 312. MICRONUTRIENT FORTIFICATION PROGRAM.

Section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g–2) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "a micronutrient fortification pilot program" and inserting "micronutrient fortification programs"; and

(B) in the second sentence—

(i) by striking "the program" and inserting "a program";

(ii) in paragraph (1), by striking "and" at the end;

(iii) in paragraph (2)—

(I) by striking "whole"; and

(II) by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(3) encourage technologies and systems for the improved quality and safety of fortified grains and other commodities that are readily transferable to developing countries.";

(2) in the first sentence of subsection (c)—

(A) by striking "the pilot program, whole" and inserting "a program,";

(B) by striking "the pilot program may" and inserting "a program may"; and

(C) by striking "including" and inserting "such as"; and

(3) in subsection (d), by striking "2002" and inserting "2006".

SEC. 313. FARMER-TO-FARMER PROGRAM.

Section 501(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(c)) is amended—

(1) by striking "0.4" and inserting "0.5,"; and

(2) by striking "2002" and inserting "2006".

Subtitle B—Agricultural Trade Act of 1978

SEC. 321. EXPORT CREDIT GUARANTEE PROGRAM.

(a) TERM OF SUPPLIER CREDIT PROGRAM.—Section 202(a)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(a)(2)) is amended by striking "180" and inserting "360".

(b) PROCESSED AND HIGH-VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking ", 2001, and 2002" and inserting "through 2006".

(c) REPORT.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following:

"(l) REPORT ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, and annually thereafter, the Secretary shall submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report on the status of multilateral negotiations regarding agricultural export credit programs at the World Trade Organization and the Organization of Economic Cooperation and Development in fulfillment of Article 10.2 of the Agreement on Agriculture (as described in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2))).

"(2) CLASSIFIED INFORMATION.—The report under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.".

(d) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking "2002" and inserting "2006".

SEC. 322. MARKET ACCESS PROGRAM.

(a) IN GENERAL.—Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) by striking "The Commodity" and inserting the following:

"(1) IN GENERAL.—The Commodity";

(3) by striking subparagraph (A) (as so redesignated) and inserting the following:

"(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than $100,000,000 for fiscal year 2002, $120,000,000 for fiscal year 2003, $140,000,000 for fiscal year 2004, $160,000,000 for fiscal year 2005, and $190,000,000 for fiscal year 2006, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation, except that this paragraph shall not apply to section 203(h); and"; and

(4) by adding at the end the following:

"(2) PROGRAM PRIORITIES.—Of funds made available under paragraph (1)(A) in excess of $90,000,000 for any fiscal year, priority shall be given to proposals—

"(A) made by eligible trade organizations that have never participated in the market access program under this title; or

"(B) for market access programs in emerging markets.".

(b) UNITED STATES QUALITY EXPORT INITIATIVE.—

(1) FINDINGS.—Congress finds that—

(A) the market access program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) and foreign market development cooperator program established under title VII of that Act (7 U.S.C. 7251 et seq.) target generic and value-added agricultural products, with little emphasis on the high quality of United States agricultural products; and

(B) new promotional tools are needed to enable United States agricultural products to compete in higher margin, international markets on the basis of quality.

(2) INITIATIVE.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

"(h) UNITED STATES QUALITY EXPORT INITIATIVE.—

"(1) IN GENERAL.—Subject to the availability of appropriations, using the authorities under this section, the Secretary shall establish a program under which, on a competitive basis, using practical and objective criteria, several agricultural products are selected to carry the 'U.S. Quality' seal.

"(2) PROMOTIONAL ACTIVITIES.—Agricultural products selected under paragraph (1) shall be promoted using the 'U.S. Quality' seal at trade fairs in key markets through electronic and print media.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.".

SEC. 323. EXPORT ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking "fiscal year 2002" and inserting "each of fiscal years 2002 through 2006".

(b) UNFAIR TRADE PRACTICES.—Section 102(5)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(5)(A)) is amended—

(1) in clause (i), by striking "or" at the end;

(2) in clause (ii), by striking the period at the end and inserting ", including, in the case of a state trading enterprise engaged in the export of an agricultural commodity, pricing practices that are not consistent with sound commercial practices conducted in the ordinary course of trade; or"; and

(3) by adding at the end the following:

"(iii) changes United States export terms of trade through a deliberate change in the dollar exchange rate of a competing exporter.".

SEC. 324. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended to read as follows:

"SEC. 703. FUNDING.

"(a) IN GENERAL.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the following amounts:

"(1) For fiscal year 2002, $37,500,000.

"(2) For fiscal year 2003, $40,000,000.

"(3) For fiscal year 2004 and each subsequent fiscal year, $42,500,000.

"(b) Program Priorities.—Of funds or commodities provided under subsection (a) in excess of $35,000,000 for any fiscal year, priority shall be given to proposals—

"(1) made by eligible trade organizations that have never participated in the program established under this title; or

"(2) for programs established under this title in emerging markets.".

SEC. 325. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

(a) In General.—The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VIII—FOOD FOR PROGRESS AND EDUCATION PROGRAMS

"SEC. 801. DEFINITIONS.

"In this title:

"(1) Cooperative.—The term 'cooperative' means a private sector organization the members of which—

"(A) own and control the organization;

"(B) share in the profits of the organization; and

"(C) are provided services (such as business services and outreach in cooperative development) by the organization.

"(2) Corporation.—The term 'Corporation' means the Commodity Credit Corporation.

"(3) Developing country.—The term 'developing country' means a foreign country that has—

"(A) a shortage of foreign exchange earnings; and

"(B) difficulty meeting all of the food needs of the country through commercial channels and domestic production.

"(4) Eligible commodity.—The term 'eligible commodity' means an agricultural commodity (including vitamins and minerals) acquired by the Secretary or the Corporation for disposition in a program authorized under this title through—

"(A) commercial purchases; or

"(B) inventories of the Corporation.

"(5) Eligible organization.—The term 'eligible organization' means a private voluntary organization, cooperative, nongovernmental organization, or foreign country, as determined by the Secretary.

"(6) Emerging agricultural country.—The term :emerging agricultural country' means a foreign country that—

"(A) is an emerging democracy; and

"(B) has made a commitment to introduce or expand free enterprise elements in the agricultural economy of the country.

"(7) Food security.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(8) Nongovernmental organization.—

"(A) In general.—The term 'nongovernmental organization' means an organization that operates on a local level to solve development problems in a foreign country in which the organization is located.

"(B) Exclusion.—The term 'nongovernmental organization' does not include an organization that is primarily an agency or instrumentality of the government of a foreign country.

"(9) Private voluntary organization.—The term 'private voluntary organization' means a nonprofit, nongovernmental organization that—

"(A) receives—

"(i) funds from private sources; and

"(ii) voluntary contributions of funds, staff time, or in-kind support from the public;

"(B) is engaged in or is planning to engage in nonreligious voluntary, charitable, or development assistance activities; and

"(C) in the case of an organization that is organized under the laws of the United States or a State, is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

"(10) Program.—The term 'program' means a food or nutrition assistance or development initiative proposed by an eligible organization and approved by the Secretary under this title.

"(11) Recipient country.—The term 'recipient country' means an emerging agricultural country that receives assistance under a program.

"SEC. 802. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

"(a) In General.—To provide agricultural commodities to support the introduction or expansion of free trade enterprises in national economies in recipient countries, and to provide food or nutrition assistance in recipient countries, the Secretary shall establish food for progress and education programs under which the Secretary may enter into agreements (including multiyear agreements and for programs in more than 1 country) with—

"(1) the governments of emerging agricultural countries;

"(2) private voluntary organizations;

"(3) nonprofit agricultural organizations and cooperatives;

"(4) nongovernmental organizations; and

"(5) other private entities.

"(b) Considerations.—In determining whether to enter into an agreement to establish a program under subsection (a), the Secretary shall take into consideration whether an emerging agricultural country is committed to carrying out, or is carrying out, policies that promote—

"(1) economic freedom;

"(2) private production of food commodities for domestic consumption; and

"(3) the creation and expansion of efficient domestic markets for the purchase and sale of those commodities:

"(c) International Food for Education and Nutrition Program.—

"(1) In general.—In cooperation with other countries, the Secretary shall establish an initiative within the food for progress and education programs under this title to be known as the 'International Food for Education and Nutrition Program', through which the Secretary may provide to eligible organizations agricultural commodities and technical and nutritional assistance in connection with education programs to improve food security and enhance educational opportunities for preschool age and primary school age children in recipient countries.

"(2) Agreements.—In carrying out this subsection, the Secretary—

"(A) shall administer the programs under this subsection in manner that is consistent with this title; and

"(B) may enter into agreements with eligible organizations—

"(i) to purchase, acquire, and donate eligible commodities to eligible organizations to carry out agreements in recipient countries; and

"(ii) to provide technical and nutritional assistance to carry out agreements in recipient countries.

"(3) Other donor countries.—The Secretary shall encourage other donor countries, directly or through eligible organizations—

"(A) to donate goods and funds to recipient countries; and

"(B) to provide technical and nutritional assistance to recipient countries.

"(4) Private sector.—The President and the Secretary are urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs and activities assisted under this subsection.

"(5) Graduation.—An agreement with an eligible organization under this subsection shall include provisions—

"(A)(i) to sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under the program under this subsection terminates; and

"(ii) to estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this subsection; or

"(B) to provide other long-term benefits to targeted populations of the recipient country.

"(6) Annual report.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes—

"(A) the results of the implementation of this subsection during the year covered by the report, including the impact on the enrollment, attendance, and performance of children in preschools and primary schools targeted under the program under this subsection; and

"(B) the level of commitments by, and the potential for obtaining additional goods and assistance from, other countries for subsequent years.

"(d) Terms.—

"(1) In general.—The Secretary may provide agricultural commodities under this title on—

"(A) a grant basis; or

"(B) subject to paragraph (2), credit terms.

"(2) Credit terms.—Payment for agricultural commodities made available under this title that are purchased on credit terms shall be made on the same basis as payments made under section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703).

"(3) No effect on domestic programs.—The Secretary shall not make an agricultural commodity available for disposition under this section in any amount that will reduce the amount of the commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the Secretary.

"(e) Reports.—Each eligible organization that enters into an agreement under this title shall submit to the Secretary, at such time as the Secretary may request, a report containing such information as the Secretary may request relating to the use of agricultural commodities and funds provided to the eligible organization under this title.

"(f) Coordination.—To ensure that the provision of commodities under this section is coordinated with and complements other foreign assistance provided by the United States, assistance under this section shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(g) Quality Assurance.—

"(1) In general.—The Secretary shall ensure, to the maximum extent practicable, that each eligible organization participating in 1 or more programs under this section—

“(A) uses eligible commodities made available under this title—

“(i) in an effective manner;

“(ii) in the areas of greatest need; and

“(iii) in a manner that promotes the purposes of this title;

“(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

“(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized in subsection (h)(2)(C)(i);

“(D) monitors and reports on the distribution or sale of eligible commodities provided under this title using methods that, as determined by the Secretary, facilitate accurate and timely reporting;

“(E) periodically evaluates the effectiveness of the program of the eligible organization, including, as applicable, an evaluation of whether the development or food and nutrition purposes of the program can be sustained in a recipient country if the assistance provided to the recipient country is reduced and eventually terminated; and

“(F) considers means of improving the operation of the program of the eligible organization.

“(2) Certified institutional partners.—

“(A) In general.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

“(B) Requirements.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that describes—

“(i) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

“(ii) the capacity of the organization or cooperative to carry out projects in particular countries.

“(C) Multicountry proposals.—A certified institutional partner shall be eligible to—

“(i) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

“(ii) receive expedited review and approval of the proposal; and

“(iii) request commodities and assistance under this section for use in 1 or more countries.

“(D) Multiyear agreements.—In carrying out this title, on request and subject to the availability of commodities, the Secretary is encouraged to approve agreements that provide for commodities to be made available for distribution on a multiyear basis, if the agreements otherwise meet the requirements of this title.

“(h) Transshipment and Resale.—

“(1) In general.—The transshipment or resale of an eligible commodity to a country other than a recipient country shall be prohibited unless the transshipment or resale is approved by the Secretary.

“(2) Monetization.—

“(A) In general.—Subject to subparagraphs (B) through (D), an eligible commodity provided under this section may be sold for foreign currency or United States dollars or bartered, with the approval of the Secretary.

“(B) Sale or barter of food assistance.—The sale or barter of eligible commodities under this title may be conducted only within (as determined by the Secretary)—

“(i) a recipient country or country nearby to the recipient country; or

“(ii) another country, if—

“(I) the sale or barter within the recipient country or nearby country is not practicable; and

“(II) the sale or barter within countries other than the recipient country or nearby country will not disrupt commercial markets for the agricultural commodity involved.

“(C) Humanitarian or development purposes.—The Secretary may authorize the use of proceeds or exchanges to reimburse, within a recipient country or other country in the same region, the costs incurred by an eligible organization for—

“(i)(I) programs targeted at hunger and malnutrition; or

“(II) development programs involving food security or education;

“(ii) transportation, storage, and distribution of eligible commodities provided under this title; and

“(iii) administration, sales, monitoring, and technical assistance.

“(D) Exception.—The Secretary shall not approve the use of proceeds described in subparagraph (C) to fund any administrative expenses of a foreign government.

“(E) Private sector enhancement.—As appropriate, the Secretary may provide eligible commodities under this title in a manner that uses commodity transactions as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing, and distribution of commodities.

“(i) Displacement of Commercial Sales.—In carrying out this title, the Secretary shall, to the maximum extent practicable consistent with the purposes of this title, avoid—

“(1) displacing any commercial export sale of United States agricultural commodities that would otherwise be made;

“(2) disrupting world prices of agricultural commodities; or

“(3) disrupting normal patterns of commercial trade of agricultural commodities with foreign countries.

“(j) Deadline for Program Announcements.—

“(1) In general.—Before the beginning of the applicable fiscal year, the Secretary shall, to the maximum extent practicable—

“(A) make all determinations concerning program agreements and resource requests for programs under this title; and

“(B) announce those determinations.

“(2) Report.—Not later than November 1 of the applicable fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and commodities, and the total amount of funds for transportation and administrative costs, approved to date under this title.

“(k) Military Distribution of Assistance.—

“(1) In general.—The Secretary shall ensure, to the maximum extent practicable, that agricultural commodities made available under this title are provided without regard to—

“(A) the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient; or

“(B) any other extraneous factors, as determined by the Secretary.

“(2) Prohibition on handling of commodities by the military.—

“(A) In general.—Except as provided in subparagraph (B), the Secretary shall not enter into an agreement under this title to provide agricultural commodities if the agreement requires or permits the distribution, handling, or allocation of agricultural commodities by the military forces of any foreign government or insurgent group.

“(B) Exception.—The Secretary may authorize the distribution, handling, or allocation of commodities by the military forces of a country in exceptional circumstances in which—

“(i) nonmilitary channels are not available for distribution, handling, or allocation;

“(ii) the distribution, handling, or allocation is consistent with paragraph (1); and

“(iii) the Secretary determines that the distribution, handling, or allocation is necessary to meet the emergency health, safety, or nutritional requirements of the population of a recipient country.

“(3) Encouragement of safe passage.—In entering into an agreement under this title that involves 1 or more areas within a recipient country that is experiencing protracted warfare or civil unrest, the Secretary shall, to the maximum extent practicable, encourage all parties to the conflict to—

“(A) permit safe passage of the commodities and other relief supplies; and

“(B) establish safe zones for—

“(i) medical and humanitarian treatment; and

“(ii) evacuation of injured persons.

“(l) Level of Assistance.—The cost of commodities made available under this title, and the expenses incurred in connection with the provision of those commodities shall be in addition to the level of assistance provided under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

“(m) Commodity Credit Corporation.—

“(1) In general.—Subject to paragraphs (6) through (8), the Secretary may use the funds, facilities, and authorities of the Corporation to carry out this title.

“(2) Minimum tonnage.—Subject to paragraphs (5) and (7)(B), not less than 400,000 metric tons of commodities may be provided under this title for each of fiscal years 2002 through 2006.

“(3) Authorization of appropriations.—In addition to tonnage authorized under paragraph (2), there are authorized to be appropriated such sums as are necessary to carry out this title.

“(4) Title i funds.—In addition to tonnage and funds authorized under paragraphs (2), (3), and (7)(B), the Corporation may use funds appropriated to carry out title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.)) in carrying out this section with respect to commodities made available under this title.

“(5) International food for education and nutrition program.—

“(A) In general.—Of the funds that would be available to carry out paragraph (2), the Secretary may use not more than $200,000,000 for each fiscal year to carry out the initiative established under subsection (c).

“(B) Reallocation.—Tons not allocated under subsection (c) by June 30 of each fiscal year shall be made available for proposals submitted under the food for progress and education programs under subsection (a).

“(6) Limitation on purchases of commodities.—The Corporation may purchase agricultural commodities for disposition under this title only if Corporation inventories are insufficient to satisfy commitments made in agreements entered into under this title.

"(7) ELIGIBLE COSTS AND EXPENSES.—

"(A) IN GENERAL.—Subject to subparagraph (B), with respect to an eligible commodity made available under this title, the Corporation may pay—

"(i) the costs of acquiring the eligible commodity;

"(ii) the costs associated with packaging, enriching, preserving, and fortifying of the eligible commodity;

"(iii) the processing, transportation, handling, and other incidental costs incurred before the date on which the commodity is delivered free on board vessels in United States ports;

"(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

"(v) the costs associated with transporting the eligible commodity from United States ports to designated points of entry abroad in a case in which—

"(I) a recipient country is landlocked;

"(II) ports of a recipient country cannot be used effectively because of natural or other disturbances;

"(III) carriers to a specific country are unavailable; or

"(IV) substantial savings in costs or time may be gained by the use of points of entry other than ports;

"(vi) the transportation and associated distribution costs incurred in moving the commodity (including repositioned commodities) from designated points of entry or ports of entry abroad to storage and distribution sites;

"(vii) in the case of an activity under subsection (c), the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that payment of the costs is appropriate and that the recipient country is a low income, net food-importing country that—

"(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

"(II) has a national government that is committed to or is working toward, through a national action plan, the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum in 2000;

"(viii) the charges for general average contributions arising out of the ocean transport of commodities transferred; and

"(ix) the costs, in addition to costs authorized by clauses (i) through (viii), of providing—

"(I) assistance in the administration, sale, and monitoring of food assistance activities under this title; and

"(II) technical assistance for monetization programs.

"(B) FUNDING.—Except for costs described in subparagraph (A)(i), not more than $80,000,000 of funds that would be made available to carry out paragraph (2) may be used to cover costs under this paragraph unless authorized in advance in an appropriation Act.

"(8) PAYMENT OF ADMINISTRATIVE COSTS.—An eligible organization that receives payment for administrative costs through monetization of the eligible commodity under subsection (h)(2) shall not be eligible to receive payment for the same administrative costs through direct payments under paragraph (7)(A)(ix)(I).".

(b) CONFORMING AMENDMENTS.—

(1) Section 416(b)(7)(D)(iii) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)(iii)) is amended by striking "the Food for Progress Act of 1985" and inserting "title VIII of the Agricultural Trade Act of 1978".

(2) The Act of August 19, 1958 (7 U.S.C. 1431 note; Public Law 85-683) is amended by striking "the Food for Progress Act of 1985" and inserting "title VIII of the Agricultural Trade Act of 1978".

(3) Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is repealed.

SEC. 326. EXPORTER ASSISTANCE INITIATIVE.

(a) FINDINGS.—Congress find that—

(1) information in the possession of Federal agencies other than the Department of Agriculture that is necessary for the export of agricultural commodities and products is available only from multiple disparate sources; and

(2) because exporters often need access to information quickly, exporters lack the time to search multiple sources to access necessary information, and exporters often are unaware of where the necessary information can be located.

(b) INITIATIVE.—Title I of the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"SEC. 107. EXPORTER ASSISTANCE INITIATIVE.

"(a) IN GENERAL.—In order to create a single source of information for exports of United States agricultural commodities, the Secretary shall develop a website on the Internet that collates onto a single website all information from all agencies of the Federal Government that is relevant to the export of United States agricultural commodities.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a)—

"(1) $1,000,000 for each of fiscal years 2002 through 2004; and

"(2) $500,000 for each of fiscal years 2005 and 2006.".

Subtitle C—Miscellaneous Agricultural Trade Provisions

SEC. 331. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1) is amended by striking "2002" each place it appears in subsection (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h) and inserting "2006".

SEC. 332. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note: Public Law 101-624) is amended by striking "2002" each place it appears in subsections (a) and (d)(1)(A)(i) and inserting "2006".

SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note: Public Law 101-624) is amended by adding at the end the following:

"(g) BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.—

"(1) IN GENERAL.—The Secretary of Agriculture shall establish a program to enhance foreign acceptance of agricultural biotechnology and United States agricultural products developed through biotechnology.

"(2) FOCUS.—The program shall address the continuing and increasing market access, regulatory, and marketing issues relating to export commerce of United States agricultural biotechnology products.

"(3) EDUCATION AND OUTREACH.—

"(A) FOREIGN MARKETS.—Support for United States agricultural market development organizations to carry out education and other outreach efforts concerning biotechnology shall target such educational initiatives directed toward—

"(i) producers, buyers, consumers, and media in foreign markets through initiatives in foreign markets; and

"(ii) government officials, scientists, and trade officials from foreign countries through exchange programs.

"(B) FUNDING FOR EDUCATION AND OUTREACH.—Funding for activities under subparagraph (A) may be—

"(i) used through—

"(I) the emerging markets program under this section; or

"(II) the Cochran Fellowship Program under section 1543; or

"(ii) applied directly to foreign market development cooperators through the foreign market development cooperator program established under section 702.

"(4) RAPID RESPONSE.—The Secretary shall assist exporters of United States agricultural commodities in cases in which the exporters are harmed by unwarranted and arbitrary barriers to trade due to—

"(A) marketing of biotechnology products;

"(B) food safety;

"(C) disease; or

"(D) other sanitary or phytosanitary concerns.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $16,000,000 for each of fiscal years 2002 through 2006.".

SEC. 334. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking "foreign currency" each place it appears;

(2) in clause (ii)—

(A) in the first sentence, by striking "Foreign currencies" and inserting "Proceeds"; and

(B) in the second sentence, by striking "foreign currency"; and

(3) in clause (iv)—

(A) by striking "Foreign currency proceeds" and inserting "Proceeds"; and

(B) by striking "; or" and all that follows and inserting a period.

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)) is amended by striking "(8)(A)" and all that follows through "(B) The Secretary" and inserting the following:

"(8) ADMINISTRATIVE PROVISIONS.—

"(A) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subparagraph, the Secretary may approve an agreement that provides for direct delivery of eligible commodities to milling or processing facilities more than 40 percent of the interest in which is owned by United States citizens in recipient countries, with the proceeds of transactions transferred in cash to eligible organizations to carry out approved projects.

"(B) REGULATIONS.—The Secretary".

(c) CERTIFIED INSTITUTIONAL PARTNERS.—Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end the following:

"(c) CERTIFIED INSTITUTIONAL PARTNERS.—

"(1) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

"(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that describes—

"(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

"(B) the capacity of the organization or cooperative to carry out projects in particular countries.

"(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

"(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

"(B) receive expedited review and approval of the proposal; and

"(C) request commodities and assistance under this section for use in 1 or more countries.".

SEC. 335. AGRICULTURAL TRADE WITH CUBA.

(a) IN GENERAL.—Section 908 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207), is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—Section 908(a) of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207(a)) (as amended by subsection (a)), is amended—

(1) by striking "(a)" and all that follows through "Notwithstanding" and inserting the following:

"(a) IN GENERAL.—Notwithstanding";

(2) by striking "(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1)" and inserting the following:

"(b) RULE OF CONSTRUCTION.—Nothing in subsection (a)"; and

(3) by striking "(3) WAIVER.—The President may waive the application of paragraph (1)" and inserting the following:

"(c) WAIVER.—The President may waive the application of subsection (a)".

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the "Food Stamp Reauthorization Act of 2001".

Subtitle A—Food Stamp Program

SEC. 411. ENCOURAGEMENT OF PAYMENT OF CHILD SUPPORT.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: "and child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,".

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

"(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6)."; and

(2) by adding at the end the following:

"(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

"(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies, at the option of the State agencies, to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

"(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).".

SEC. 412. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting "(15)"; and

(2) by inserting before the period at the end the following: ", (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1), and (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels".

SEC. 413. INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

"(i) the applicable percentage specified in subparagraph (C) of the applicable income standard of eligibility established under subsection (c)(1); or

"(ii) the minimum deduction specified in subparagraph (D).

"(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

"(i) equal to the applicable percentage specified in subparagraph (C) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (D).

"(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for each of fiscal years 2002 through 2007;

"(ii) 8.25 percent for fiscal year 2008;

"(iii) 8.5 percent for each of fiscal years 2009 and 2010; and

"(iv) 9 percent for fiscal year 2011 and each fiscal year thereafter.

"(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.".

SEC. 414. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking "A household" and inserting the following:

"(i) IN GENERAL.—A household"; and

(B) by adding at the end the following:

"(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges."; and

(2) by adding at the end the following:

"(D) HOMELESS HOUSEHOLDS.—

"(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

"(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).".

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking "subsection (e)(7)" and inserting "subsection (e)(6)".

SEC. 415. SIMPLIFIED UTILITY ALLOWANCE.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 414(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting "(without regard to subclause (III))" after "Secretary finds"; and

(2) by adding at the end the following:

"(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).".

SEC. 416. SIMPLIFIED PROCEDURE FOR DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

"(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

"(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

"(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.".

SEC. 417. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 416) is amended by adding at the end the following:

"(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

"(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

"(I) any reported change of residence; or

"(II) under standards prescribed by the Secretary, any change in earned income.".

SEC. 418. SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

"(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

"(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

"(i) cash;

"(ii) licensed vehicles;

"(iii) amounts in any account in a financial institution that are readily available to the household; or

"(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.".

SEC. 419. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting "issuance methods and" after "shall adjust"; and

(2) in the second sentence, by inserting ", any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable," after "personnel".

SEC. 420. STATE OPTION TO REDUCE REPORTING REQUIREMENTS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking "on a monthly basis"; and

(2) by adding at the end the following:

"(D) FREQUENCY OF REPORTING.—

"(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

"(I) not less often than once each 6 months; but

"(II) not more often than once each month.

"(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).".

SEC. 421. BENEFITS FOR ADULTS WITHOUT DEPENDENTS.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C)—

(i) by striking "subsection (d)(4)," and inserting "subsection (d)(4)"; and

(ii) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) a job search program or job search training program if—

"(i) the program meets standards established by the Secretary to ensure that the participant is continuously and actively seeking employment in the private sector; and

"(ii) no position is currently available for the participant in an employment or training program that meets the requirements of subparagraph (C).";

(2) in paragraph (2)—

(A) by striking "36-month" and inserting "24-month"; and

(B) by striking "3" and inserting "6";

(3) by striking paragraph (5) and inserting the following:

"(5) ELIGIBILITY OF INDIVIDUALS WHILE MEETING WORK REQUIREMENT.—Notwithstanding paragraph (2), an individual who would otherwise be ineligible under that paragraph shall be eligible to participate in the food stamp program during any period in which the individual meets the work requirement of subparagraph (A), (B), or (C) of that paragraph."; and

(4) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding "and" at the end;

(B) in subclause (IV)—

(i) by striking "3" and inserting "6"; and

(ii) by striking "; and" and inserting a period; and

(C) by striking subclause (V).

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 422. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

"(E) ACCESS TO EBT SYSTEMS.—

"(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

"(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

"(I) explains how to reactivate the benefits; and

"(II) offers assistance if the household is having .difficulty accessing the benefits of the household.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 423. COST NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 424. ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

"(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

"(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

"(3) ISSUANCE OF ALLOTMENT.—

"(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

"(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

"(4) DEPARTURES OF COVERED RESIDENTS.—

"(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

"(i) notify the State agency promptly on the departure of the resident; and

"(ii) notify the resident, before the departure of the resident, that the resident—

"(I) is eligible for continued benefits under the food stamp program; and

"(II) should contact the State agency concerning continuation of the benefits.

"(B) Issuance to departed residents.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

"(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

"(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

"(C) State option.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

"(D) Effect of reapplication.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.".

(b) Conforming Amendments.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking "(i) 'Household' means (1) an" and inserting the following:

"(i)(1) 'Household' means—

"(A) an";

(B) in the first sentence, by striking "others, or (2) a group" and inserting the following: "others; or

"(B) a group";

(C) in the second sentence, by striking "Spouses" and inserting the following:

"(2) Spouses";

(D) in the third sentence, by striking "Notwithstanding" and inserting the following:

"(3) Notwithstanding";

(E) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentences" and inserting "paragraphs (1) and (2)";

(F) in the fourth sentence, by striking "In no event" and inserting the following:

"(4) In no event";

(G) in the fifth sentence, by striking "For the purposes of this subsection, residents" and inserting the following:

"(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

"(A) Residents"; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking "Act, or are individuals" and inserting the following: "Act.

"(B) Individuals";

(ii) by striking "such section, temporary" and inserting the following: "that section.

"(C) Temporary";

(iii) by striking "children, residents" and inserting the following: "children.

"(D) Residents";

(iv) by striking "coupons, and narcotics" and inserting the following: "coupons.

"(E) Narcotics"; and

(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" each place it appears and inserting "section 3(i)(4)".

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)(5)".

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking "the last 2 sentences of section 3(i)" and inserting "paragraphs (4) and (5) of section 3(i)".

SEC. 425. AVAILABILITY OF FOOD STAMP PROGRAM APPLICATIONS ON THE INTERNET.

Section 11(e)(2)(B)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)(B)(ii)) is amended—

(1) by inserting "(I)" after "(ii)";

(2) in subclause (I) (as designated by paragraph (1)), by adding "and" at the end; and

(3) by adding at the end the following:

"(II) if the State agency maintains a website for the State agency, shall make the application available on the website in each language in which the State agency makes a printed application available;".

SEC. 426. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) In General.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

"(B) A redetermination under subparagraph (A) shall—

"(i) be based on information supplied by the household; and

"(ii) conform to standards established by the Secretary.

"(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;" and

(2) in paragraph (10)—

(A) by striking "within the household's certification period"; and

(B) by striking "or until" and all that follows through "occurs earlier".

(b) Conforming Amendments.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking "Certification period" and inserting "Eligibility review period"; and

(B) by striking "certification period" each place it appears and inserting "eligibility review period".

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking "in the certification period which" and inserting "that"; and

(B) in subsection (e) (as amended by section 414(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking "certification period" and inserting "eligibility review period"; and

(II) in subclause (III), by striking "has been anticipated for the certification period" and inserting "was anticipated when the household applied or at the most recent redetermination of eligibility for the household"; and

(ii) in paragraph (6)(C)(iii)(II), by striking "the end of a certification period" and inserting "each redetermination of the eligibility of the household".

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking "certification period" each place it appears and inserting "interval between required redeterminations of eligibility"; and

(B) in subsection (d)(1)(D)(v)(II), by striking "a certification period" and inserting "an eligibility review period".

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking "within a certification period"; and

(B) in paragraph (2)(B), by striking "expiration of" and all that follows through "during a certification period," and inserting "termination of benefits to the household,".

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking "the certification or recertification" and inserting "determining the eligibility".

SEC. 427. CLEARINGHOUSE FOR SUCCESSFUL NUTRITION EDUCATION EFFORTS.

Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended by striking paragraph (2) and inserting the following:

"(2) Nutrition education clearinghouse.—The Secretary shall—

"(A) request State agencies to submit to the Secretary descriptions of successful nutrition education programs designed for use in the food stamp program and other nutrition assistance programs;

"(B) make the descriptions submitted under subparagraph (A) available on the website of the Department of Agriculture; and

"(C) inform State agencies of the availability of the descriptions on the website.".

SEC. 428. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) In General.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(s) Transitional Benefits Option.—

"(1) In general.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) Transitional benefits period.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

"(3) Amount of benefits.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

"(A) the change in household income as a result of the termination of cash assistance; and

"(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

"(4) Determination of future eligibility.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

"(A) require the household to cooperate in a redetermination of eligibility; and

"(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

"(5) Limitation.—A household shall not be eligible for transitional benefits under this subsection if the household—

"(A) loses eligibility under section 6;

"(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

“(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.”.

(b) Conforming Amendments.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: “The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).”.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking “No household” and inserting “Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household”.

SEC. 429. DELIVERY TO RETAILERS OF NOTICES OF ADVERSE ACTION.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by striking paragraph (2) and inserting the following:

“(2) Delivery of notices.—A notice under paragraph (1) shall be delivered by any form of delivery that the Secretary determines will provide evidence of the delivery.”.

SEC. 430. REFORM OF QUALITY CONTROL SYSTEM.

(a) In General.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)—

(A) by striking “enhances payment accuracy” and all that follows through “(A) the Secretary” and inserting the following: “enhances payment accuracy and that has the following elements:

“(A) Enhanced administrative funding.—With respect to fiscal year 2001, the Secretary”;

(B) in subparagraph (A)—

(i) by striking “one percentage point to a maximum of 60” and inserting “½ of 1 percentage point to a maximum of 55”; and

(ii) by striking the semicolon at the end and inserting a period; and

(C) by striking subparagraph (B) and all that follows and inserting the following:

“(B) Investigation and initial sanctions.—

“(i) Investigation.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

“(ii) Initial sanctions.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

“(C) Additional sanctions.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

“(i) the value of all allotments issued by the State agency in the fiscal year;

“(ii) the lesser of—

“(I) the ratio that—

“(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

“(bb) 10 percent; or

“(II) 1; and

“(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

“(D) Corrective action plans.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.”;

(2) in paragraph (2)(A), by inserting before the semicolon the following: “, as adjusted downward as appropriate under paragraph (10)”;

(3) in paragraph (4), by striking “(4)” and all that follows through the end of the first sentence and inserting the following:

“(4) Reporting requirements.—The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency's payment error rate, enhanced administrative funding, claim for payment error under paragraph (1), or performance under the performance measures under paragraph (11).”;

(4) in paragraph (5), by striking “(5)” and all that follows through the end of the second sentence and inserting the following:

“(5) Procedures.—To facilitate the implementation of this subsection, each State agency shall expeditiously submit to the Secretary data concerning the operations of the State agency in each fiscal year sufficient for the Secretary to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of enhanced administrative funding under paragraph (1)(A), high performance bonus payments under paragraph (11), or claims under subparagraph (B) or (C) of paragraph (1).”;

(5) in paragraph (6)—

(A) in the first and third sentences, by striking “paragraph (5)” each place it appears and inserting “paragraph (8)”; and

(B) in the first sentence, by inserting “(but determined without regard to paragraph (10))” before “times that”; and

(6) by adding at the end the following:

“(10) Adjustments of payment error rate.—

“(A) Fiscal year 2002.—

“(i) Adjustment for higher percentage of households with earned income.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's serving a higher percentage of households with earned income than the lesser of—

“(I) the percentage of households with earned income that receive food stamps in all States; or

“(II) the percentage of households with earned income that received food stamps in the State in fiscal year 1992.

“(ii) Adjustment for higher percentage of households with noncitizen members.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's serving a higher percentage of households with 1 or more members who are not United States citizens than the lesser of—

“(I) the percentage of households with 1 or more members who are not United States citizens that receive food stamps in all States; or

“(II) the percentage of households with 1 or more members who are not United States citizens that received food stamps in the State in fiscal year 1998.

“(B) Expanded applicability to State agencies subject to sanctions.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in subparagraph (A) shall apply to the State agency for the fiscal year.

“(C) Additional adjustments.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may make such additional adjustments to the payment error rate determined under paragraph (2)(A) as the Secretary determines to be consistent with achieving the purposes of this Act.”.

(b) Applicability.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 431. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) In General.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking “180 days after the end of the fiscal year” and inserting “the first May 31 after the end of the fiscal year referred to in subparagraph (A)”; and

(2) in subparagraph (C), by striking “30 days thereafter” and inserting “the first June 30 after the end of the fiscal year referred to in subparagraph (A)”.

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 432. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) In General.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 430(a)(6)) is amended by adding at the end the following:

“(11) High performance bonus payments.—

“(A) In general.—The Secretary shall—

“(i) with respect to fiscal year 2002 and each fiscal year thereafter, measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

“(ii) in fiscal year 2003 and each fiscal year thereafter, subject to subparagraphs (C) and (D), make high performance bonus payments to the State agencies with the highest or most improved performance with respect to those performance measures.

“(B) Performance measures.—The performance measures specified in this subparagraph are—

“(i) the ratio, expressed as a percentage, that—

“(I) the number of households in the State that—

"(aa) receive food stamps;

"(bb) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

"(cc) have annual earnings equal to at least 1000 times the Federal minimum hourly rate under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.); and

"(dd) have children under age 18; bears to

"(II) the number of households in the State that meet the criteria specified in items (bb) through (dd) of subclause (I); and

"(ii) 4 additional performance measures, established by the Secretary in consultation with the National Governors Association, the American Public Human Services Association, and the National Conference of State Legislatures not later than 180 days after the date of enactment of this paragraph, of which not less than 1 performance measure shall relate to provision of timely and appropriate services to applicants for and recipients of food stamp benefits.

"(C) HIGH PERFORMANCE BONUS PAYMENTS.—

"(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(6)(A).

"(ii) AMOUNT OF PAYMENTS.—

"(I) IN GENERAL.—In fiscal year 2003 and each fiscal year thereafter, the Secretary shall—

"(aa) make 1 high performance bonus payment of $6,000,000 for each of the 5 performance measures under subparagraph (B); and

"(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

"(II) PAYMENTS FOR PERFORMANCE MEASURES.—In fiscal year 2003 and each fiscal year thereafter, the Secretary shall allocate, in accordance with subclause (III), the high performance bonus payment made for each performance measure under subparagraph (B) among the 6 State agencies with, as determined by the Secretary by regulation—

"(aa) the greatest improvement in the level of performance with respect to the performance measure between the 2 most recent years for which the Secretary determines that reliable data are available;

"(bb) the highest performance in the performance measure for the most recent year for which the Secretary determines that reliable data are available; or

"(cc) a combination of the greatest improvement described in item (aa) and the highest performance described in item (bb).

"(III) ALLOCATION AMONG STATE AGENCIES ELIGIBLE FOR PAYMENTS.—A high performance bonus payment under subclause (II) made for a performance measure shall be allocated among the 6 State agencies eligible for the payment in the ratio that—

"(aa) the caseload of each of the 6 State agencies eligible for the payment; bears to

"(bb) the caseloads of the 6 State agencies eligible for the payment.

"(D) PROHIBITION ON RECEIPT OF HIGH PERFORMANCE BONUS PAYMENTS BY STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1), the State agency shall not be eligible for a high performance bonus payment for the fiscal year.

"(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.".

(b) APPLICABILITY.—The amendment made by subsection (a) takes effect on the date of enactment of this Act.

SEC. 433. EMPLOYMENT AND TRAINING PROGRAM.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ", to remain available until expended,"; and

(B) by striking clause (vii) and inserting the following:

"(vii) for each of fiscal years 2002 through 2006, $90,000,000, to remain available until expended.";

(2) by striking subparagraph (B) and inserting the following:

"(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

"(i) is determined and adjusted by the Secretary; and

"(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o)."; and

(3) by striking subparagraphs (E) through (G) and inserting the following:

"(E) ADDITIONAL ALLOCATIONS FOR STATES THAT ENSURE AVAILABILITY OF WORK OPPORTUNITIES.—

"(i) IN GENERAL.—In addition to the allocations under subparagraph (A), from funds made available under section 18(a)(1), the Secretary shall allocate not more than $25,000,000 for each of fiscal years 2002 through 2006 to reimburse a State agency that is eligible under clause (ii) for the costs incurred in serving food stamp recipients who—

"(I) are not eligible for an exception under section 6(o)(3); and

"(II) are placed in and comply with a program described in subparagraph (B) or (C) of section 6(o)(2).

"(ii) ELIGIBILITY.—To be eligible for an additional allocation under clause (i), a State agency shall—

"(I) exhaust the allocation to the State agency under subparagraph (A) (including any reallocation that has been made available under subparagraph (C)); and

"(II) make and comply with a commitment to offer a position in a program described in subparagraph (B) or (C) of section 6(o)(2) to each applicant or recipient who—

"(aa) is in the last month of the 6-month period described in section 6(o)(2);

"(bb) is not eligible for an exception under section 6(o)(3);

"(cc) is not eligible for a waiver under section 6(o)(4); and

"(dd) is not eligible for an exemption under section 6(o)(6).".

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking "$25 per month" and inserting "$50 per month".

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "$25" and inserting "$50".

(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 434. REAUTHORIZATION OF FOOD STAMP PROGRAM AND FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "2002" and inserting "2006"; and

(2) in subparagraph (B)(ii), by striking "2002" and inserting "2006".

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2006".

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 435. COORDINATION OF PROGRAM INFORMATION EFFORTS.

Section 16(k)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)) is amended—

(1) in subparagraph (A), by striking "No funds" and inserting "Except as provided in subparagraph (C), no funds"; and

(2) by adding at the end the following:

"(C) FOOD STAMP INFORMATIONAL ACTIVITIES.—Subparagraph (A) shall not apply to any funds or expenditures described in clause (i) or (ii) of subparagraph (B) used to pay the costs of any activity that is eligible for reimbursement under subsection (a)(4).".

SEC. 436. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking ", by way of making contracts with or grants to public or private organizations or agencies." and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section to"; and

(2) by adding at the end the following: "The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.".

SEC. 437. ACCESS AND OUTREACH PILOT PROJECTS.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h) and inserting the following:

"(h) ACCESS AND OUTREACH PILOT PROJECTS.—

"(1) IN GENERAL.—The Secretary shall make grants to State agencies and other entities to pay the Federal share of the eligible costs of projects to improve—

"(A) access by eligible individuals to benefits under the food stamp program; or

"(B) outreach to individuals eligible for those benefits.

"(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

"(3) TYPES OF PROJECTS.—To be eligible for a grant under this subsection, a project may consist of—

"(A) establishing a single site at which individuals may apply for—

"(i) benefits under the food stamp program; and

"(ii)(I) supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

"(II) benefits under the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

“(III) benefits under the State children's health insurance program under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

“(IV) benefits under the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

“(V) benefits under such other programs as the Secretary determines to be appropriate;

“(B) developing forms that allow an individual to apply for more than 1 of the programs referred to in subparagraph (A);

“(C) dispatching State agency personnel to conduct outreach and enroll individuals in the food stamp program and other programs in nontraditional venues (such as shopping malls, schools, community centers, county fairs, clinics, food banks, and job training centers);

“(D) developing systems to enable increased participation in the provision of benefits under the food stamp program through farmers' markets, roadside stands, and other community-supported agriculture programs, including wireless electronic benefit transfer systems and other systems appropriate to open-air settings where farmers and other vendors sell directly to consumers;

“(E) allowing individuals to submit applications for the food stamp program by means of the telephone or the Internet, in particular individuals who live in rural areas, elderly individuals, and individuals with disabilities;

“(F) encouraging consumption of fruit and vegetables by developing a cost-effective system for providing discounts for purchases of fruit and vegetables made through use of electronic benefit transfer cards;

“(G) reducing barriers to participation by individuals, with emphasis on working families, eligible immigrants, elderly individuals, and individuals with disabilities;

“(H) developing training materials, guidebooks, and other resources to improve access and outreach;

“(I) conforming verification practices under the food stamp program with verification practices under other assistance programs; and

“(J) such other activities as the Secretary determines to be appropriate.

“(4) Selection.—

“(A) In general.—The Secretary shall develop criteria for selecting recipients of grants under this subsection that include the consideration of—

“(i) the demonstrated record of a State agency or other entity in serving low-income individuals;

“(ii) the ability of a State agency or other entity to reach hard-to-serve populations;

“(iii) the level of innovative proposals in the application of a State agency or other entity for a grant; and

“(iv) the development of partnerships between public and private sector entities and linkages with the community.

“(B) Preference.—In selecting recipients of grants under paragraph (1), the Secretary shall provide a preference to any applicant that consists of a partnership between a State and a private entity, such as—

“(i) a food bank;

“(ii) a community-based organization;

“(iii) a public school;

“(iv) a publicly-funded health clinic;

“(v) a publicly-funded day care center; and

“(vi) a nonprofit health or welfare agency.

“(C) Geographical distribution of recipients.—

“(i) In general.—Subject to clause (ii), the Secretary shall select, from all eligible applications received, at least 1 recipient to receive a grant under this subsection from—

“(I) each region of the Department of Agriculture administering the food stamp program; and

“(II) each additional rural or urban area that the Secretary determines to be appropriate.

“(ii) Exception.—The Secretary shall not be required to select grant recipients under clause (i) to the extent that the Secretary determines that an insufficient number of eligible grant applications has been received.

“(5) Project evaluations.—

“(A) In general.—The Secretary shall conduct evaluations of projects funded by grants under this subsection.

“(B) Limitation.—Not more than 10 percent of funds made available to carry out this subsection shall be used for project evaluations described in subparagraph (A).

“(6) Maintenance of effort.—A State agency or other entity shall provide assurances to the Secretary that funds provided to the State agency or other entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended to carry out access and outreach activities in the State under this Act.

“(7) Funding.—There is authorized to be appropriated to carry out this subsection $3,000,000 for the period of fiscal years 2003 through 2005.”.

SEC. 438. CONSOLIDATED BLOCK GRANTS AND ADMINISTRATIVE FUNDS.

(a) Consolidated Funding.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking “the Commonwealth of Puerto Rico” and inserting “governmental entities specified in subparagraph (D)”;

(B) in clause (ii), by striking “and” at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

“(iii) for fiscal year 2002, $1,356,000,000; and

“(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).”;

(2) in subparagraph (B)—

(A) by striking “(B) The” and inserting the following:

“(B) Maximum payments to Commonwealth of Puerto Rico.—

“(i) In general.—The”;

(B) by inserting “of Puerto Rico” after “Commonwealth” each place it appears; and

(C) by adding at the end the following:

“(ii) Exception for expenditures for certain systems.—Notwithstanding subparagraph (A) and clause (i), the Commonwealth of Puerto Rico may spend not more than $6,000,000 of the amount required to be paid to the Commonwealth for fiscal year 2002 under subparagraph (A) to pay 100 percent of the costs of—

“(I) upgrading and modernizing the electronic data processing system used to carry out nutrition assistance programs for needy persons;

“(II) implementing systems to simplify the determination of eligibility to receive that nutrition assistance; and

“(III) operating systems to deliver benefits through electronic benefit transfers.”; and

(3) by adding at the end the following:

“(C) American Samoa.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay 100 percent of the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

“(D) Governmental entity.—A governmental entity specified in this subparagraph is—

“(i) the Commonwealth of Puerto Rico; and

“(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.”.

(b) Conforming Amendment.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section take effect on October 1, 2002.

(2) Exception for expenditures for certain systems.—The amendments made by subsection (a)(2) take effect on the date of enactment of this Act.

SEC. 439. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

Section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034) is amended—

(1) in subsection (b)(2)(B), by striking “2002” and inserting “2006”;

(2) in subsection (d)—

(A) in paragraph (3), by striking “or” at the end; and

(B) by striking paragraph (4) and inserting the following:

“(4) encourage long-term planning activities, and multisystem, interagency approaches with multistakeholder collaborations, that build the long-term capacity of communities to address the food and agriculture problems of the communities, such as food policy councils and food planning associations; or

“(5) meet, as soon as practicable, specific neighborhood, local, or State food and agriculture needs, including needs for—

“(A) infrastructure improvement and development;

“(B) planning for long-term solutions; or

“(C) the creation of innovative marketing activities that mutually benefit farmers and low-income consumers.”; and

(3) in subsection (e)(1), by striking “50” and inserting “75”.

SEC. 440. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) In General.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking “1997 through 2002” and inserting “2002 through 2006”; and

(B) by striking “$100,000,000” and inserting “$110,000,000”; and

(2) by adding at the end the following:

“(c) Use of Funds for Related Costs.—

“(1) In general.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

“(A) commodities purchased by the Secretary under subsection (a); and

“(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

"(2) Allocation of funds.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).".

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 441. INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 28. INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.

"(a) In General.—The Secretary shall offer to enter into a contract with a nongovernmental organization described in subsection (b) to coordinate with Federal agencies, States, political subdivisions, and nongovernmental organizations (referred to in this section as 'targeted entities') to develop, and recommend to the targeted entities, innovative programs for addressing common community problems, including loss of farms, rural poverty, welfare dependency, hunger, the need for job training, juvenile crime prevention, and the need for self-sufficiency by individuals and communities.

"(b) Nongovernmental Organization.—The nongovernmental organization referred to in subsection (a)—

"(1) shall be selected on a competitive basis; and

"(2) as a condition of entering into the contract—

"(A) shall be experienced in working with targeted entities, and in organizing workshops that demonstrate programs to targeted entities;

"(B) shall be experienced in identifying programs that effectively address problems described in subsection (a) that can be implemented by other targeted entities;

"(C) shall agree—

"(i) to contribute in-kind resources toward the establishment and maintenance of programs described in subsection (a); and

"(ii) to provide to targeted entities, free of charge, information on the programs;

"(D) shall be experienced in, and capable of, receiving information from, and communicating with, targeted entities throughout the United States; and

"(E) shall be experienced in operating a national information clearinghouse that addresses 1 or more of the problems described in subsection (a).

"(c) Audits.—The Secretary shall establish auditing procedures and otherwise ensure the effective use of funds made available under this section.

"(d) Funding.—

"(1) In general.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $200,000, to remain available until expended.

"(2) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.".

SEC. 442. REPORT ON USE OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on—

(1) difficulties relating to use of electronic benefit transfer systems in issuance of food stamp benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(2) the extent to which there exists fraud, and the types of fraud that exist, in use of the electronic benefit transfer systems; and

(3) the efforts being made by the Secretary of Agriculture, retailers, electronic benefit transfer system contractors, and States to address the problems described in paragraphs (1) and (2).

SEC. 443. VITAMIN AND MINERAL SUPPLEMENTS.

(a) In General.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or dietary supplement that provides exclusively 1 or more vitamins or minerals".

(b) Impact Study.—

(1) In general.—Not later than April 1, 2003, the Secretary of Agriculture shall enter into a contract with a scientific research organization to study and develop a report on the technical issues, economic impacts, and health effects associated with allowing individuals to use benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to purchase dietary supplements that provide exclusively 1 or more vitamins or minerals (referred to in this subsection as "vitamin-mineral supplements").

(2) Required elements.—At a minimum, the study shall examine—

(A) the extent to which problems arise in the purchase of vitamin-mineral supplements with electronic benefit transfer cards;

(B) the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements for which food stamp benefits may not be used;

(C) whether participants in the food stamp program spend more on vitamin-mineral supplements than nonparticipants;

(D) to what extent vitamin-mineral supplements are substituted for other foods purchased with use of food stamp benefits;

(E) the proportion of the average food stamp allotment that is being used to purchase vitamin-mineral supplements; and

(F) the extent to which the quality of the diets of participants in the food stamp program has changed as a result of allowing participants to use food stamp benefits to purchase vitamin-mineral supplements.

(3) Report.—The report required under paragraph (1) shall be submitted to the Secretary of Agriculture not later than 2 years after the date on which the contract referred to in that paragraph is entered into.

(4) Authorization of appropriations.—There is authorized to be appropriated $3,000,000 to carry out this subsection.

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) Commodity Distribution Program.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking "2002" and inserting "2006".

(b) Commodity Supplemental Food Program.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) Grants Per Assigned Caseload Slot.—

"(1) In general.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

"(2) Amount of grants.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

"(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

"(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year."; and

(2) in subsection (d)(2), by striking "2002" each place it appears and inserting "2006".

(c) Distribution of Surplus Commodities to Special Nutrition Projects.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) Emergency Food Assistance.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking "2002" and inserting "2006";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing,".

SEC. 452. PARTIAL RESTORATION OF BENEFITS TO LEGAL IMMIGRANTS.

(a) Restoration of Benefits to All Qualified Alien Children.—

(1) In general.—Section 402(a)(2)(J) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(J)) is amended by striking "who" and all that follows through "is under" and inserting "who is under".

(2) Conforming amendments.—

(A) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

"(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).".

(B) Section 421(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)) is amended by adding at the end the following:

"(3) This section shall not apply to assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to the extent that a qualified alien is eligible under section 402(a)(2)(J).".

(C) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by inserting before the period at the end the following: ", or to any alien who is under 18 years of age".

(3) Applicability.—The amendments made by this subsection shall apply to fiscal year 2004 and each fiscal year thereafter.

(b) Work Requirement for Legal Immigrants.—

(1) Working immigrant families.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking "40" and inserting "40 (or 16, in the case of the specified Federal program described in paragraph (3)(B))".

(2) Conforming amendments.—

(A) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C.

1183a(a)(3)(A)) is amended by striking "40" and inserting "40 (or 16, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)))".

(B) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking "40" and inserting "40 (or 16, in the case of the specified Federal program described in section 402(a)(3)(B))".

(c) Restoration of Benefits to Refugees and Asylees.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended—

(1) in subparagraph (A), by striking "programs described in paragraph (3)" and inserting "program described in paragraph (3)(A)"; and

(2) by adding at the end the following:

"(L) Food stamp exception for refugees and asylees.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to an alien with respect to which an action described in subparagraph (A) was taken and was not revoked.".

(d) Restoration of Benefits to Disabled Aliens.—Section 402(a)(2)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(F)) is amended by striking "(i) was" and all that follows through "(II) in the case" and inserting the following:

"(i) in the case of the specified Federal program described in paragraph (3)(A)—

"(I) was lawfully residing in the United States on August 22, 1996; and

"(II) is blind or disabled, as defined in paragraph (2) or (3) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)); and

"(ii) in the case".

SEC. 453. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) In General.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking "2001" and inserting "2003".

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 454. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) In General.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

"(7) Exclusion of certain military housing allowances.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.".

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) In General.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking "basic allowance for housing" and inserting the following: "basic allowance—

"(I) for housing";

(2) by striking "and" at the end and inserting "or"; and

(3) by adding at the end the following:

"(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and".

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) Program Purposes.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) Regulations.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) Funding.—

(1) In general.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) Receipt and acceptance.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. FRUIT AND VEGETABLE PILOT PROGRAM.

(a) In General.—In the school year beginning July 2002, the Secretary of Agriculture shall use funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to conduct a pilot program to make available to students, in 25 elementary or secondary schools in each of 4 States, and in elementary or secondary schools on 1 Indian reservation, free fruits and vegetables throughout the school day in—

(1) a cafeteria;

(2) a student lounge; or

(3) another designated room of the school.

(b) Publicity.—A school that participates in the pilot program shall widely publicize within the school the availability of free fruits and vegetables under the pilot program.

(c) Evaluation of Pilot Program.—

(1) In general.—The Secretary of Agriculture shall conduct an evaluation of the results of the pilot program to determine—

(A) whether students took advantage of the pilot program;

(B) whether interest in the pilot program increased or lessened over time; and

(C) what effect, if any, the pilot program had on vending machine sales.

(2) Funding.—The Secretary shall use $200,000 of the funds described in subsection (a) to carry out the evaluation under this subsection.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) Short Title.—This section may be cited as the "Congressional Hunger Fellows Act of 2001".

(b) Findings.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) Definitions.—In this section:

(1) Appropriate congressional committees.—The term "appropriate congressional committees" means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) Board.—The term "Board" means the Board of Trustees of the Program.

(3) Fund.—The term "Fund" means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) Program.—The term "Program" means the Congressional Hunger Fellows Program established by subsection (d).

(d) Establishment.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the "Congressional Hunger Fellows Program".

(e) Board of Trustees.—

(1) In general.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) Members of the board.—

(A) Appointment.—

(i) In general.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) Voting members.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an "Emerson Fellow".

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a "Leland Fellow".

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the "Congressional Hunger Fellows Trust Fund", consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) Adjustments.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) Expenditures; Audits.—

(1) In general.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) Limitation.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) Use of funds.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) Audit by comptroller general.—

(A) In general.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) Books.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) Report to congress.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) Staff; Powers of Program.—

(1) Executive director.—

(A) In general.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) Restriction.—The Executive Director may not serve as Chairperson of the Board.

(C) Compensation.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) Staff.—

(A) In general.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) Compensation.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) Powers.—

(A) Gifts.—

(i) In general.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) Use of gifts.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) Procurement of temporary and intermittent services.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) Contract authority.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) Other necessary expenditures.—

(i) In general.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) Prohibition.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) Report.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) Effective Date.—This section takes effect on October 1, 2002.

SEC. 459. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

(a) Establishment.—The Secretary of Agriculture may establish, in not more than 15 States, a pilot program to increase the domestic consumption of fresh fruits and vegetables.

(b) Purpose.—The purpose of the program shall be to provide funds to States to assist eligible public and private sector entities with cost-share assistance to carry out demonstration projects—

(1) to increase fruit and vegetable consumption; and

(2) to convey related health promotion messages.

(c) Priority.—To the maximum extent practicable, the Secretary shall—

(1) establish the program in States in which the production of fruits or vegetables is a significant industry, as determined by the Secretary; and

(2) base the program on strategic initiatives, including—

(A) health promotion and education interventions;

(B) public service and paid advertising or marketing activities;

(C) health promotion campaigns relating to locally grown fruits and vegetables; and

(D) social marketing campaigns.

(d) Participant Eligibility.—In selecting States to participate in the program, the Secretary shall take into consideration, with respect to projects and activities proposed to be carried out by the State under the program—

(1) experience in carrying out similar projects or activities;

(2) innovation; and

(3) the ability of the State—

(A) to conduct marketing campaigns for, promote, and track increases in levels of, produce consumption; and

(B) to optimize the availability of produce through distribution of produce.

(e) Federal Share.—The Federal share of the cost of any project or activity carried out using funds provided under this section shall be 50 percent.

(f) Use of Funds.—Funds made available to carry out this section shall not be made available to any foreign for-profit corporation.

(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

SEC. 460. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title take effect on September 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement any or all of the amendments until October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking "operated" and inserting "participated in the business operations of".

SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

"(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

"(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.".

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

"(a) In General.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

"(1) the value of the farm or other security; or

"(2)(A) in the case of a loan made by the Secretary—

"(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

"(ii) to a borrower other than a beginning farmer or rancher, $200,000; or

"(B) in the case of a loan guaranteed by the Secretary, $700,000, as—

"(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

"(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.".

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

(1) by striking "If" and inserting the following:

"(i) In general.—Subject to clause (ii), if"; and

(2) by adding at the end the following:

"(ii) Beginning farmers and ranchers.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.".

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking "GUARANTEED UP" and all that follows through "more than" and inserting "GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee".

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

"(j) Guarantee of Loans Made Under State Beginning Farmer or Rancher Programs.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.".

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "30 percent" and inserting "40 percent"; and

(B) in paragraph (3), by striking "10 years" and inserting "20 years"; and

(2) in subsection (c)(3)(B), by striking "10-year" and inserting "20-year".

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

"SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

"(a) In General.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

"(b) Date of Commencement of Program.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.".

Subtitle B—Operating Loans

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking "who has not" and all that follows through "5 years".

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) Amount of Guarantee of Loans for Tribal Operations.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking "paragraphs (5) and (6)" and inserting "paragraphs (5), (6), and (7)"; and

(2) by adding at the end the following:

"(7) Amount of guarantee of loans for tribal operations.—In the case of an operating loan made to a farmer or rancher who is a member of an Indian tribe and whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.".

(b) Waiver of Limitations.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking "paragraph (3)" and inserting "paragraphs (3) and (4)"; and

(2) by adding at the end the following:

"(4) Waivers.—

"(A) Tribal farm and ranch operations.—The Secretary shall waive the limitation under paragraph (1)(C) or (3) for a direct loan made under this subtitle to a farmer or rancher who is a member of an Indian tribe and whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

"(B) Other farm and ranch operations.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) or (3) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

"(i) the borrower has a viable farm or ranch operation;

"(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

"(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

"(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).".

Subtitle C—Administrative Provisions

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) In General.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking "and joint operations" each place it appears and inserting "joint operations, and limited liability companies".

(b) Conforming Amendment.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking "or joint operations" each place it appears and inserting "joint operations, or limited liability companies".

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking "carried out—" and all that follows through "(B) after" and inserting "carried out after".

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) In General.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) Application.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking "lower of (1) the" and inserting the following: "lowest of—

"(1) the"; and

(2) by striking "original loan or (2) the" and inserting the following: "original loan;

"(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

"(3) the".

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

"(2) except with respect to a loan under section 306, 310B, or 314—

"(A) an annual review of the credit history and business operation of the borrower; and

"(B) an annual review of the continued eligibility of the borrower for the loan;".

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking "of loans the principal amount of which is $50,000 or less" and inserting "of farmer program loans the principal amount of which is $100,000 or less".

SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking "75 days" and inserting "135 days"; and

(ii) by adding at the end the following:

"(iv) Combining and dividing of property.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate."; and

(B) in subparagraph (C)—

(i) by striking "75 days" and inserting "135 days"; and

(ii) by striking "75-day period" and inserting "135-day period";

(2) by striking paragraph (2) and inserting the following:

"(2) Previous lease.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1)."; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)"; and

(B) by adding at the end the following:

"(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

"(i) in consultation with the State Conservationist, and the State technical committee established undef subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.), of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

"(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.".

SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking "25 percent" and inserting "30 percent".

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

"(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

"(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

"(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.".

(c) LIVESTOCK.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) (as amended by section 637(a)) is amended by adding at the end the following:

"(14) LIVESTOCK.—The term 'livestock' includes horses.".

SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

"(A) $750,000,000 shall be for direct loans, of which—

"(i) $200,000,000 shall be for farm ownership loans under subtitle A; and

"(ii) $550,000,000 shall be for operating loans under subtitle B; and

"(B) $3,000,000,000 shall be for guaranteed loans, of which—

"(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

"(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B."; and

(B) in paragraph (2)(A)(ii), by striking "farmers and ranchers" and all that follows and inserting "farmers and ranchers 35 percent for each of fiscal years 2002 through 2006."; and

(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking "PROGRAM.—" and all that follows through "The Secretary" and inserting "PROGRAM.—The Secretary"; and

(B) by striking paragraph (2);

(2) by striking subsection (c) and inserting the following:

"(c) AMOUNT OF INTEREST RATE REDUCTION.—

"(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

"(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

"(B) in the case of a beginning farmer or rancher, 4 percent.

"(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers."; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

"(2) MAXIMUM AMOUNT OF FUNDS.—

"(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

"(B) BEGINNING FARMERS AND RANCHERS.—

"(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

"(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.".

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

"(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

"(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the shared appreciation agreement (as determined by the Secretary in accordance with this subsection), a borrower may satisfy the obligation to pay the amount of recapture by—

"(i) financing the recapture payment in accordance with subparagraph (B); or

"(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

"(B) FINANCING OF RECAPTURE PAYMENT.—"; and

(4) by adding at the end the following:

"(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

"(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

"(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

"(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

"(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement entered into under section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

"(f) WAIVERS.—

"(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

"(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.".

SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking "biannual" and inserting "annual".

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking "3.1(11)(B)(iv)" and inserting "3.1(11)(B)(iii)"; and

(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking "farm supplies" each place it appears and inserting "agricultural supplies"; and

(2) by adding at the end the following:

"(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term 'agricultural supply' includes—

"(A) a farm supply; and

"(B)(i) agriculture-related processing equipment;

"(ii) agriculture-related machinery; and

"(iii) other capital goods related to the storage or handling of agricultural commodities or products.".

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking "government-guaranteed loans provided for in subparagraph (C)" and inserting "loans provided for in subparagraphs (C) and (D)";

(II) in subparagraph (B), by striking "and" at the end;

(III) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following:

"(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation."; and

(ii) by adding at the end the following:

"(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System."; and

(B) in subsection (e)(4)(B), by striking "government-guaranteed loans described in subsection (a)(1)(C)" and inserting "loans described in subparagraph (C) or (D) of subsection (a)(1)".

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)" after "government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)";

(ii) in paragraph (2), by striking "and" at the end;

(iii) in paragraph (3), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended—

(i) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))" after "government-guaranteed loans";

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

"(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–2(b)) is amended—

(1) in paragraph (2)—

(A) by striking "15" and inserting "17";

(B) in subparagraph (A), by striking "common stock" and all that follows and inserting "Class A voting common stock;";

(C) in subparagraph (B), by striking "common stock" and all that follows and inserting "Class B voting common stock;";

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

"(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and";

(2) in paragraph (3), by striking "(2)(C)" and inserting "(2)(D)";

(3) in paragraph (4)—

(A) in subparagraph (A), by striking "(A) or (B)" and inserting "(A), (B), or (C)"; and

(B) in subparagraph (B), by striking "(2)(C)" and inserting "(2)(D)";

(4) in paragraph (5)(A)—

(A) by inserting "executive officers of the Corporation or" after "from among persons who are"; and

(B) by striking "such a representative" and inserting "such an executive officer or representative";

(5) in paragraph (6)(B), by striking "(A) and (B)" and inserting "(A), (B), and (C)";

(6) in paragraph (7), by striking "8 members" and inserting "Nine members";

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting "OR EXECUTIVE OFFICERS OF THE CORPORATION" after "EMPLOYEES"; and

(B) by inserting "or executive officers of the Corporation" after "United States"; and

(8) by striking paragraph (9) and inserting the following:

"(9) CHAIRPERSON.—

"(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

"(B) TERM.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).".

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking "This subsection" and inserting the following:

"(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection"; and

(2) by adding at the end the following:

"(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).".

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking "Disaster Relief and Emergency Assistance Act" each place it appears and inserting "Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)".

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking "provided for in section 332 of this title".

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking "established pursuant to section 332,".

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking "established pursuant to section 332".

SEC. 553. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

SEC. 601. NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle G—National Rural Cooperative and Business Equity Fund

"SEC. 383A. SHORT TITLE.

"This subtitle may be cited as the 'National Rural Cooperative and Business Equity Fund Act'.

"SEC. 383B. PURPOSE.

"The purpose of this subtitle is to revitalize rural communities and enhance farm income through sustainable rural business development by providing Federal funds and credit enhancements to a private equity fund in order to encourage investments by institutional and noninstitutional investors for the benefit of rural America.

"SEC. 383C. DEFINITIONS.

"In this subtitle:

"(1) AUTHORIZED PRIVATE INVESTOR.—The term 'authorized private investor' means an individual, legal entity, or affiliate or subsidiary of an individual or legal entity that—

"(A) is eligible to receive a loan guarantee under this title;

"(B) is eligible to receive a loan guarantee under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

"(C) is created under the National Consumer Cooperative Bank Act (12 U.S.C. 3011 et seq.);

"(D) is an insured depository institution subject to section 383E(b)(2);

"(E) is a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)); or

"(F) is determined by the Board to be an appropriate investor in the Fund.

"(2) BOARD.—The term 'Board' means the board of directors of the Fund established under section 383G.

"(3) FUND.—The term 'Fund' means the National Rural Cooperative and Business Equity Fund established under section 383D.

"(4) GROUP OF SIMILAR AUTHORIZED PRIVATE INVESTORS.—The term 'group of similar investors' means any 1 of the following:

"(A) Insured depository institutions with total assets of more than $250,000,000.

"(B) Insured depository institutions with total assets equal to or less than $250,000,000.

"(C) Farm Credit System institutions described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

"(D) Cooperative financial institutions (other than Farm Credit System institutions).

"(E) Private investors, other than those described in subparagraphs (A) through (D), authorized by the Secretary.

"(F) Other nonprofit organizations, including credit unions.

"(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' means any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

"(6) RURAL BUSINESS.—The term 'rural business' means a rural cooperative, a value-added agricultural enterprise, or any other business located or locating in a rural area.

"SEC. 383D. ESTABLISHMENT.

"(a) AUTHORITY.—

"(1) IN GENERAL.—On certification by the Secretary that, to the maximum extent practicable, the parties proposing to establish a fund provide a broad representation of all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(4), the parties may establish a non-Federal entity under State law to purchase shares of, and manage a fund to be known as the 'National Rural Cooperative and Business Equity Fund', to generate and provide equity capital to rural businesses.

"(2) OWNERSHIP.—

"(A) IN GENERAL.—To the maximum extent practicable, equity ownership of the Fund shall be distributed among authorized private investors representing all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(4).

"(B) EXCLUSION OF GROUPS.—No group of authorized private investors shall be excluded from equity ownership of the Fund during any period during which the Fund is in existence if an authorized private investor representative of the group is able and willing to invest in the Fund.

"(b) PURPOSES.—The purposes of the Fund shall be—

"(1) to strengthen the economy of rural areas;

"(2) to further sustainable rural business development;

"(3) to encourage—

"(A) start-up rural businesses;

"(B) increased opportunities for small and minority-owned rural businesses; and

"(C) the formation of new rural businesses;

"(4) to enhance rural employment opportunities;

"(5) to provide equity capital to rural businesses, many of which have difficulty obtaining equity capital; and

"(6) to leverage non-Federal funds for rural businesses.

"(c) ARTICLES OF INCORPORATION AND BYLAWS.—The articles of incorporation and bylaws of the Fund shall set forth purposes of the Fund that are consistent with the purposes described in subsection (b).

"SEC. 383E. INVESTMENT IN THE FUND.

"(a) IN GENERAL.—Of the funds made available under section 383H, the Secretary shall—

"(1) subject to subsection (b)(1), make available to the Fund $150,000,000;

"(2) subject to subsection (c), guarantee 50 percent of each investment made by an authorized private investor in the Fund; and

"(3) subject to subsection (d), guarantee the repayment of principal of, and accrued interest on, debentures issued by the Fund to authorized private investors.

"(b) PRIVATE INVESTMENT.—

"(1) MATCHING REQUIREMENT.—Under subsection (a)(1), the Secretary shall make an amount available to the Fund only after an equal amount has been invested in the Fund by authorized private investors in accordance with this subtitle and the terms and conditions set forth in the bylaws of the Fund.

"(2) INSURED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C)—

"(i) an insured depository institution may be an authorized private investor in the Fund; and

"(ii) an investment in the Fund may be considered to be part of the record of an institution in meeting the credit needs of the community in which the institution is located under any applicable Federal law.

"(B) INVESTMENT LIMIT.—The total investment in the Fund of an insured depository institution shall not exceed 5 percent of the capital and surplus of the institution.

"(C) REGULATORY AUTHORITY.—An appropriate Federal banking agency may, by regulation or order, impose on any insured depository institution investing in the Fund, any safeguard, limitation, or condition (including an investment limit that is lower than the investment limit under subparagraph (B)) that the Federal banking agency considers to be appropriate to ensure that the institution operates—

"(i) in a financially sound manner; and

"(ii) in compliance with all applicable law.

"(c) GUARANTEE OF PRIVATE INVESTMENTS.—

"(1) IN GENERAL.—The Secretary shall guarantee, under terms and conditions determined by the Secretary, 50 percent of any loss of the principal of an investment made in the Fund by an authorized private investor.

"(2) MAXIMUM TOTAL GUARANTEE.—The aggregate potential liability of the Secretary with respect to all guarantees under paragraph (1) shall not apply to more than $300,000,000 in private investments in the Fund.

"(3) REDEMPTION OF GUARANTEE.—

"(A) DATE.—An authorized private investor in the Fund may redeem a guarantee under paragraph (1), with respect to the total investments in the Fund and the total losses of the authorized private investor as of the date of redemption—

"(i) on the date that is 5 years after the date of the initial investment by the authorized private investor; or

"(ii) annually thereafter.

"(B) EFFECT OF REDEMPTION.—On redemption of a guarantee under subparagraph (A)—

"(i) the shares in the Fund of the authorized private investor shall be redeemed; and

"(ii) the authorized private investor shall be prohibited from making any future investment in the Fund.

"(d) DEBT SECURITIES.—

"(1) IN GENERAL.—The Fund may, at the discretion of the Board, generate additional capital through—

"(A) the issuance of debt securities; and

"(B) other means determined to be appropriate by the Board.

"(2) GUARANTEE OF DEBT BY SECRETARY.—

"(A) IN GENERAL.—The Secretary shall guarantee 100 percent of the principal of, and accrued interest on, debentures issued by the Fund that are approved by the Secretary.

"(B) MAXIMUM DEBT GUARANTEED BY SECRETARY.—The outstanding value of debentures issued by the Fund and guaranteed by the Secretary shall not exceed the lesser of—

"(i) the amount equal to twice the value of the assets held by the Fund; or

"(ii) $500,000,000.

"(C) RECAPTURE OF GUARANTEE PAYMENTS.—If the Secretary makes a payment on a debt security issued by the Fund as a result of a guarantee of the Secretary under this paragraph, the Secretary shall have priority over other creditors for repayment of the debt security.

"(3) AUTHORIZED PRIVATE INVESTORS.—An authorized private investor may purchase debt securities issued by the Fund.

"SEC. 383F. INVESTMENTS AND OTHER ACTIVITIES OF THE FUND.

"(a) INVESTMENTS.—

"(1) IN GENERAL.—

"(A) TYPES.—Subject to subparagraphs (B) and (C), the Fund may—

"(i) make equity investments in a rural business that meets—

"(I) the requirements of paragraph (6); and

"(II) such other requirements as the Board may establish; and

"(ii) extend credit to the rural business in—

"(I) the form of mezzanine debt or subordinated debt; or

"(II) any other form of quasi-equity.

"(B) LIMITATIONS ON INVESTMENTS.—

"(i) TOTAL INVESTMENTS BY A SINGLE RURAL BUSINESS.—Subject to clause (ii), investment by the Fund in a single rural business shall not exceed the greater of—

"(I) an amount equal to 7 percent of the capital of the Fund; or

"(II) $2,000,000.

"(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits specified in clause (i) is necessary to preserve prior investments in the rural business.

"(iii) TOTAL NONEQUITY INVESTMENTS.—Except in the case of a project to assist a rural cooperative, the total amount of nonequity investments described in subparagraph (A)(ii) that may be provided by the Fund shall not exceed 20 percent of the total investments of the Fund in the project.

"(C) LIMITATION.—Notwithstanding subparagraph (B), the amount of any investment by the Fund in a rural business shall not exceed the aggregate amount invested in like securities by other private entities in that rural business.

"(2) PROCEDURES.—The Fund shall implement procedures to ensure that—

"(A) the financing arrangements of the Fund meet the Fund's primary focus of providing equity capital; and

“(B) the Fund does not compete with conventional sources of credit.

“(3) DIVERSITY OF PROJECTS.—The Fund—

“(A) shall seek to make equity investments in a variety of viable projects, with a significant share of investments—

“(i) in smaller enterprises (as defined in section 384A) in rural communities of diverse sizes; and

“(ii) in cooperative and noncooperative enterprises; and

“(B) shall be managed in a manner that diversifies the risks to the Fund among a variety of projects.

“(4) LIMITATION ON RURAL BUSINESSES ASSISTED.—The Fund shall not invest in any rural business that is primarily retail in nature (as determined by the Board), other than a purchasing cooperative.

“(5) INTEREST RATE LIMITATIONS.—Returns on investments in and by the Fund and returns on the extension of credit by participants in projects assisted by the Fund, shall not be subject to any State or Federal law establishing a maximum allowable interest rate.

“(6) REQUIREMENTS FOR RECIPIENTS.—

“(A) OTHER INVESTMENTS.—Any recipient of amounts from the Fund shall make or obtain a significant investment from a source of capital other than the Fund.

“(B) SPONSORSHIP.—To be considered for an equity investment from the Fund, a rural business investment project shall be sponsored by a regional, State, or local sponsoring or endorsing organization such as—

“(i) a financial institution;

“(ii) a development organization; or

“(iii) any other established entity engaging or assisting in rural business development, including a rural cooperative.

“(b) TECHNICAL ASSISTANCE.—The Fund, under terms and conditions established by the Board, shall use not less than 2 percent of capital provided by the Federal Government to provide technical assistance to rural businesses seeking an equity investment from the Fund.

“(c) ANNUAL AUDIT.—

“(1) IN GENERAL.—The Board shall authorize an annual audit of the financial statements of the Fund by a nationally recognized auditing firm using generally accepted accounting principles.

“(2) AVAILABILITY OF AUDIT RESULTS.—The results of the audit required by paragraph (1) shall be made available to investors in the Fund.

“(d) ANNUAL REPORT.—The Board shall prepare and make available to the public an annual report that—

“(1) describes the projects funded with amounts from the Fund;

“(2) specifies the recipients of amounts from the Fund;

“(3) specifies the coinvestors in all projects that receive amounts from the Fund; and

“(4) meets the reporting requirements, if any, of the State under the law of which the Fund is established.

“(e) OTHER AUTHORITIES.—

“(1) IN GENERAL.—The Board may exercise such other authorities as are necessary to carry out this subtitle.

“(2) OVERSIGHT.—The Secretary shall enter in to a contract with the Administrator of the Small Business Administration under which the Administrator of the Small Business Administration shall be responsible for the routine duties of the Secretary in regard to the Fund.

“SEC. 383G. GOVERNANCE OF THE FUND.

“(a) IN GENERAL.—The Fund shall be governed by a board of directors that represents all of the authorized private investors in the Fund and the Federal Government and that consists of—

“(1) a designee of the Secretary;

“(2) 2 members who are appointed by the Secretary and are not Federal employees, including—

“(A) 1 member with expertise in venture capital investment; and

“(B) 1 member with expertise in cooperative development;

“(3) 8 members who are elected by the authorized private investors with investments in the Fund; and

“(4) 1 member who is appointed by the Board and who is a community banker from an insured depository institution that has—

“(A) total assets equal to or less than $250,000,000; and

“(B) an investment in the Fund.

“(b) LIMITATION ON VOTING CONTROL.—No individual investor or group of authorized investors may control more than 25 percent of the votes on the Board.

“SEC. 383H. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated such sums as are necessary to carry out this subtitle.”.

SEC. 602. RURAL BUSINESS INVESTMENT PROGRAM.

The Consolidated Farm and Rural Development Act (as amended by section 601) is amended by adding at the end the following:

“Subtitle H—Rural Business Investment Program

“SEC. 384A. DEFINITIONS.

“In this subtitle:

“(1) ARTICLES.—The term 'articles' means articles of incorporation for an incorporated body or the functional equivalent or other similar documents specified by the Secretary for other business entities.

“(2) DEVELOPMENTAL VENTURE CAPITAL.—The term 'developmental venture capital' means capital in the form of equity capital investments in Rural Business Investment Companies with an objective of fostering economic development in rural areas.

“(3) EMPLOYEE WELFARE BENEFIT PLAN; PENSION PLAN.—

“(A) IN GENERAL.—The terms 'employee welfare benefit plan' and 'pension plan' have the meanings given the terms in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

“(B) INCLUSIONS.—The terms 'employee welfare benefit plan' and 'pension plan' include—

“(i) public and private pension or retirement plans subject to this subtitle; and

“(ii) similar plans not covered by this subtitle that have been established and that are maintained by the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State) for the benefit of employees.

“(4) EQUITY CAPITAL.—The term 'equity capital' means common or preferred stock or a similar instrument, including subordinated debt with equity features.

“(5) LEVERAGE.—The term 'leverage' includes—

“(A) debentures purchased or guaranteed by the Secretary;

“(B) participating securities purchased or guaranteed by the Secretary; and

“(C) preferred securities outstanding as of the date of enactment of this subtitle.

“(6) LICENSE.—The term 'license' means a license issued by the Secretary as provided in section 384D(c).

“(7) LIMITED LIABILITY COMPANY.—The term 'limited liability company' means a business entity that is organized and operating in accordance with a State limited liability company law approved by the Secretary.

“(8) MEMBER.—The term 'member' means, with respect to a Rural Business Investment Company that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company.

“(9) OPERATIONAL ASSISTANCE.—The term 'operational assistance' means management, marketing, and other technical assistance that assists a rural business concern with business development.

“(10) PARTICIPATION AGREEMENT.—The term 'participation agreement' means an agreement, between the Secretary and a Rural Business Investment Company granted final approval under section 384D(d), that requires the Rural Business Investment Company to make investments in smaller enterprises in rural areas.

“(11) PRIVATE CAPITAL.—

“(A) IN GENERAL.—The term 'private capital' means the total of—

“(i) the paid-in capital and paid-in surplus of a corporate Rural Business Investment Company, the contributed capital of the partners of a partnership Rural Business Investment Company, or the equity investment of the members of a limited liability company Rural Business Investment Company; and

“(ii) unfunded binding commitments, from investors that meet criteria established by the Secretary to contribute capital to the Rural Business Investment Company, except that unfunded commitments may be counted as private capital for purposes of approval by the Secretary of any request for leverage, but leverage shall not be funded based on the commitments.

“(B) EXCLUSIONS.—The term 'private capital' does not include—

“(i) any funds borrowed by a Rural Business Investment Company from any source;

“(ii) any funds obtained through the issuance of leverage; or

“(iii) any funds obtained directly or indirectly from the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State), except for—

“(I) 50 percent of funds from the National Rural Cooperative and Business Equity Fund;

“(II) funds obtained from the business revenues (excluding any governmental appropriation) of any federally chartered or government-sponsored enterprise established prior to the date of enactment of this subtitle;

“(III) funds invested by an employee welfare benefit plan or pension plan; and

“(IV) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the Rural Business Investment Company)..

“(12) QUALIFIED NONPRIVATE FUNDS.—The term 'qualified nonprivate funds' means any—

“(A) funds directly or indirectly invested in any applicant or Rural Business Investment Company on or before the date of enactment of this subtitle, by any Federal agency, other than the Department of Agriculture, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term 'private capital'; and

``(B) funds invested in any applicant or Rural Business Investment Company by 1 or more entities of any State (including by a political subdivision, agency, or instrumentality of the State and including any guarantee extended by those entities) in an aggregate amount that does not exceed 33 percent of the private capital of the applicant or Rural Business Investment Company.

``(13) RURAL BUSINESS CONCERN.—The term 'rural business concern' means—

``(A) a public, private, or cooperative for-profit or nonprofit organization;

``(B) a for-profit or nonprofit business controlled by an Indian tribe on a Federal or State reservation or other federally recognized Indian tribal group; or

``(C) any other person or entity;

that primarily operates in a rural area, as determined by the Secretary.

``(14) RURAL BUSINESS INVESTMENT COMPANY.—The term 'Rural Business Investment Company' means a company that—

``(A) has been granted final approval by the Secretary under section 384D(d); and

``(B) has entered into a participation agreement with the Secretary.

``(15) SMALLER ENTERPRISE.—The term 'smaller enterprise' means any rural business concern that, together with its affiliates—

``(A) has—

``(i) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this subtitle to the rural business concern; and

``(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this subtitle to the rural business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses) except that, for purposes of this clause, if the rural business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the total of—

``(I) if the rural business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this clause), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

``(II) the net income (so determined) less any deduction for State (and local) income taxes calculated under subclause (I), multiplied by the marginal Federal income tax rate that would have applied if the rural business concern were a corporation; or

``(B) satisfies the standard industrial classification size standards established by the Administrator of the Small Business Administration for the industry in which the rural business concern is primarily engaged.

“SEC. 384B. PURPOSES.

``The purposes of the Rural Business Investment Program established under this subtitle are—

``(1) to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental venture capital investments in smaller enterprises primarily located in rural areas; and

``(2) to establish a developmental venture capital program, with the mission of addressing the unmet equity investment needs of small enterprises located in rural areas, by authorizing the Secretary—

``(A) to enter into participation agreements with Rural Business Investment Companies;

``(B) to guarantee debentures of Rural Business Investment Companies to enable each Rural Business Investment Company to make developmental venture capital investments in smaller enterprises in rural areas; and

``(C) to make grants to Rural Business Investment Companies, and to other entities, for the purpose of providing operational assistance to smaller enterprises financed, or expected to be financed, by Rural Business Investment Companies.

“SEC. 384C. ESTABLISHMENT.

``In accordance with this subtitle, the Secretary shall establish a Rural Business Investment Program, under which the Secretary may—

``(1) enter into participation agreements with companies granted final approval under section 384D(d) for the purposes set forth in section 384B;

``(2) guarantee the debentures issued by Rural Business Investment Companies as provided in section 384E; and

``(3) make grants to Rural Business Investment Companies, and to other entities, under section 384H.

“SEC. 384D. SELECTION OF RURAL BUSINESS INVESTMENT COMPANIES.

``(a) ELIGIBILITY.—A company shall be eligible to apply to participate, as a Rural Business Investment Company, in the program established under this subtitle if—

``(1) the company is a newly formed for-profit entity or a newly formed for-profit subsidiary of such an entity;

``(2) the company has a management team with experience in community development financing or relevant venture capital financing; and

``(3) the company will invest in enterprises that will create wealth and job opportunities in rural areas, with an emphasis on smaller businesses.

``(b) APPLICATION.—To participate, as a Rural Business Investment Company, in the program established under this subtitle, a company meeting the eligibility requirements of subsection (a) shall submit an application to the Secretary that includes—

``(1) a business plan describing how the company intends to make successful developmental venture capital investments in identified rural areas;

``(2) information regarding the community development finance or relevant venture capital qualifications and general reputation of the management of the company;

``(3) a description of how the company intends to work with community organizations and to seek to address the unmet capital needs of the communities served;

``(4) a proposal describing how the company intends to use the grant funds provided under this subtitle to provide operational assistance to smaller enterprises financed by the company, including information regarding whether the company intends to use licensed professionals, when necessary, on the staff of the company or from an outside entity;

``(5) with respect to binding commitments to be made to the company under this subtitle, an estimate of the ratio of cash to in-kind contributions;

``(6) a description of the criteria to be used to evaluate whether and to what extent the company meets the purposes of the program established under this subtitle;

``(7) information regarding the management and financial strength of any parent firm, affiliated firm, or any other firm essential to the success of the business plan of the company; and

``(8) such other information as the Secretary may require.

``(c) ISSUANCE OF LICENSE.—

``(1) SUBMISSION OF APPLICATION.—Each applicant for a license to operate as a Rural Business Investment Company under this subtitle shall submit to the Secretary an application, in a form and including such documentation as may be prescribed by the Secretary.

``(2) PROCEDURES.—

``(A) STATUS.—Not later than 90 days after the initial receipt by the Secretary of an application under this subsection, the Secretary shall provide the applicant with a written report describing the status of the application and any requirements remaining for completion of the application.

``(B) APPROVAL OR DISAPPROVAL.—Within a reasonable time after receiving a completed application submitted in accordance with this subsection and in accordance with such requirements as the Secretary may prescribe by regulation, the Secretary shall—

``(i) approve the application and issue a license for the operation to the applicant, if the requirements of this section are satisfied; or

``(ii) disapprove the application and notify the applicant in writing of the disapproval.

``(3) MATTERS CONSIDERED.—In reviewing and processing any application under this subsection, the Secretary—

``(A) shall determine whether—

``(i) the applicant meets the requirements of subsection (d); and

``(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this subtitle;

``(B) shall take into consideration—

``(i) the need for and availability of financing for rural business concerns in the geographic area in which the applicant is to commence business;

``(ii) the general business reputation of the owners and management of the applicant; and

``(iii) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

``(C) shall not take into consideration any projected shortage or unavailability of grant funds or leverage.

``(d) APPROVAL; DESIGNATION.—The Secretary may approve an applicant to operate as a Rural Business Investment Company under this subtitle and designate the applicant as a Rural Business Investment Company, if—

``(1) the Secretary determines that the application satisfies the requirements of subsection (b);

``(2) the area in which the Rural Business Investment Company is to conduct its operations, and establishment of branch offices or agencies (if authorized by the articles), are approved by the Secretary; and

``(3) the applicant enters into a participation agreement with the Secretary.

“SEC. 384E. DEBENTURES.

``(a) IN GENERAL.—The Secretary may guarantee the timely payment of principal and interest, as scheduled, on debentures issued by any Rural Business Investment Company.

``(b) TERMS AND CONDITIONS.—The Secretary may make guarantees under this section on such terms and conditions as the

Secretary considers appropriate, except that the term of any debenture guaranteed under this section shall not exceed 15 years.

"(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee under this section.

"(d) MAXIMUM GUARANTEE.—Under this section, the Secretary may—

"(1) guarantee the debentures issued by a Rural Business Investment Company only to the extent that the total face amount of outstanding guaranteed debentures of the Rural Business Investment Company does not exceed 300 percent of the private capital of the Rural Business Investment Company, as determined by the Secretary; and

"(2) provide for the use of discounted debentures.

"SEC. 384F. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

"(a) ISSUANCE.—The Secretary may issue trust certificates representing ownership of all or a fractional part of debentures issued by a Rural Business Investment Company and guaranteed by the Secretary under this subtitle, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

"(b) GUARANTEE.—

"(1) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary or agents of the Secretary for purposes of this section.

"(2) LIMITATION.—Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

"(3) PREPAYMENT OR DEFAULT.—

"(A) IN GENERAL.—In the event a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest the prepaid debenture represents in the trust or pool.

"(B) INTEREST.—Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

"(C) REDEMPTION.—At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

"(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

"(d) SUBROGATION AND OWNERSHIP RIGHTS.—

"(1) SUBROGATION.—If the Secretary pays a claim under a guarantee issued under this section, the claim shall be subrogated fully to the rights satisfied by the payment.

"(2) OWNERSHIP RIGHTS.—No Federal, State, or local law shall preclude or limit the exercise by the Secretary of the ownership rights of the Secretary in a debenture residing in a trust or pool against which 1 or more trust certificates are issued under this section.

"(e) MANAGEMENT AND ADMINISTRATION.—

"(1) REGISTRATION.—The Secretary shall provide for a central registration of all trust certificates issued under this section.

"(2) CREATION OF POOLS.—The Secretary may—

"(A) maintain such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of trusts or pools backed by debentures guaranteed under this subtitle; and

"(B) issue trust certificates to facilitate the creation of those trusts or pools.

"(3) FIDELITY BOND OR INSURANCE REQUIREMENT.—Any agent performing functions on behalf of the Secretary under this paragraph shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

"(4) REGULATION OF BROKERS AND DEALERS.—The Secretary may regulate brokers and dealers in trust certificates issued under this section.

"(5) ELECTRONIC REGISTRATION.—Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

"SEC. 384G. FEES.

"(a) IN GENERAL.—The Secretary may charge such fees as the Secretary considers appropriate with respect to any guarantee or grant issued under this subtitle.

"(b) TRUST CERTIFICATE.—Notwithstanding subsection (a), the Secretary shall not collect a fee for any guarantee of a trust certificate under section 384F, except that any agent of the Secretary may collect a fee approved by the Secretary for the functions described in section 384F(e)(2).

"(c) LICENSE.—

"(1) IN GENERAL.—The Secretary may prescribe fees to be paid by each applicant for a license to operate as a Rural Business Investment Company under this subtitle.

"(2) USE OF AMOUNTS.—Fees collected under this subsection—

"(A) shall be deposited in the account for salaries and expenses of the Secretary; and

"(B) are authorized to be appropriated solely to cover the costs of licensing examinations.

"SEC. 384H. OPERATIONAL ASSISTANCE GRANTS.

"(a) IN GENERAL.—

"(1) AUTHORITY.—In accordance with this section, the Secretary may make grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

"(2) TERMS.—Grants made under this subsection shall be made over a multiyear period (not to exceed 10 years) under such other terms as the Secretary may require.

"(3) USE OF FUNDS.—The proceeds of a grant made under this paragraph may be used by the Rural Business Investment Company receiving the grant only to—

"(A) provide operational assistance in connection with an equity investment (made with capital raised after the effective date of this subtitle) in a business located in a rural area; or

"(B) pay operational expenses of the Rural Business Investment Company.

"(4) SUBMISSION OF PLANS.—A Rural Business Investment Company shall be eligible for a grant under this section only if the Rural Business Investment Company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

"(5) GRANT AMOUNT.—

"(A) RURAL BUSINESS INVESTMENT COMPANIES.—The amount of a grant made under this subsection to a Rural Business Investment Company shall be equal to the lesser of—

"(i) 50 percent of the amount of resources (in cash or in kind) raised by the Rural Business Investment Company; or

"(ii) $1,000,000.

"(B) OTHER ENTITIES.—The amount of a grant made under this subsection to any entity other than a Rural Business Investment Company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to Rural Business Investment Companies under this subtitle.

"(b) SUPPLEMENTAL GRANTS.—

"(1) IN GENERAL.—The Secretary may make supplemental grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle under such terms as the Secretary may require, to provide additional operational assistance to smaller enterprises financed, or expected to be financed, by the Rural Business Investment Companies and other entities.

"(2) MATCHING REQUIREMENT.—The Secretary may require, as a condition of any supplemental grant made under this subsection, that the Rural Business Investment Company or entity receiving the grant provide from resources (in cash or in kind), other than resources provided by the Secretary, a matching contribution equal to the amount of the supplemental grant.

"SEC. 384I. RURAL BUSINESS INVESTMENT COMPANIES.

"(a) ORGANIZATION.—For the purpose of this subtitle, a Rural Business Investment Company shall—

"(1) be an incorporated body, a limited liability company, or a limited partnership organized and chartered or otherwise existing under State law solely for the purpose of performing the functions and conducting the activities authorized by this subtitle;

"(2)(A) if incorporated, have succession for a period of not less than 30 years unless earlier dissolved by the shareholders of the Rural Business Investment Company; and

"(B) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

"(3) possess the powers reasonably necessary to perform the functions and conduct the activities.

"(b) ARTICLES.—The articles of any Rural Business Investment Company—

"(1) shall specify in general terms—

"(A) the purposes for which the Rural Business Investment Company is formed;

"(B) the name of the Rural Business Investment Company;

"(C) the area or areas in which the operations of the Rural Business Investment Company are to be carried out;

"(D) the place where the principal office of the Rural Business Investment Company is to be located; and

"(E) the amount and classes of the shares of capital stock of the Rural Business Investment Company;

"(2) may contain any other provisions consistent with this subtitle that the Rural Business Investment Company may determine appropriate to adopt for the regulation of the business of the Rural Business Investment Company and the conduct of the affairs of the Rural Business Investment Company; and

"(3) shall be subject to the approval of the Secretary.

"(c) CAPITAL REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the private capital of each Rural Business Investment Company shall be not less than—

"(A) $5,000,000; or

"(B) $10,000,000, with respect to each Rural Business Investment Company authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Secretary under this subtitle.

“(2) Exception.—The Secretary may, in the discretion of the Secretary and based on a showing of special circumstances and good cause, permit the private capital of a Rural Business Investment Company described in paragraph (1)(B) to be less than $10,000,000, but not less than $5,000,000, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

“(3) Adequacy.—In addition to the requirements of paragraph (1), the Secretary shall—

“(A) determine whether the private capital of each Rural Business Investment Company is adequate to ensure a reasonable prospect that the Rural Business Investment Company will be operated soundly and profitably, and managed actively and prudently in accordance with the articles of the Rural Business Investment Company;

“(B) determine that the Rural Business Investment Company will be able to comply with the requirements of this subtitle; and

“(C) require that at least 75 percent of the capital of each Rural Business Investment Company is invested in rural business concerns.

“(d) Diversification of Ownership.—The Secretary shall ensure that the management of each Rural Business Investment Company licensed after the date of enactment of this subtitle is sufficiently diversified from and unaffiliated with the ownership of the Rural Business Investment Company so as to ensure independence and objectivity in the financial management and oversight of the investments and operations of the Rural Business Investment Company.

“SEC. 384J. FINANCIAL INSTITUTION INVESTMENTS.

“(a) In General.—Except as otherwise provided in this section and notwithstanding any other provision of law, the following banks, associations, and institutions may invest in any Rural Business Investment Company or in any entity established to invest solely in Rural Business Investment Companies:

“(1) Any national bank.

“(2) Any member bank of the Federal Reserve System.

“(3) Any Federal savings association.

“(4) Any Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

“(5) Any insured bank that is not a member of the Federal Reserve System, to the extent permitted under applicable State law.

“(b) Limitation.—No bank, association, or institution described in subsection (a) may make investments described in subsection (a) that are greater than 5 percent of the capital and surplus of the bank, association, or institution.

“(c) Limitation on Rural Business Investment Companies Controlled by Farm Credit System Institutions.—If a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) holds more than 30 percent of the voting shares of a Rural Business Investment Company, either alone or in conjunction with other System institutions (or affiliates), the Rural Business Investment Company shall not provide equity investments in, or provide other financial assistance to, entities that are not otherwise eligible to receive financing from the Farm Credit System under that Act (12 U.S.C. 2001 et seq.).

“SEC. 384K. REPORTING REQUIREMENT.

“Each Rural Business Investment Company that participates in the program established under this subtitle shall provide to the Secretary such information as the Secretary may require, including—

“(1) information relating to the measurement criteria that the Rural Business Investment Company proposed in the program application of the Rural Business Investment Company; and

“(2) in each case in which the Rural Business Investment Company under this subtitle makes an investment in, or a loan or grant to, a business that is not located in a rural area, a report on the number and percentage of employees of the business who reside in those areas.

“SEC. 384L. EXAMINATIONS.

“(a) In General.—Each Rural Business Investment Company that participates in the program established under this subtitle shall be subject to examinations made at the direction of the Secretary in accordance with this section.

“(b) Assistance of Private Sector Entities.—An examination under this section may be conducted with the assistance of a private sector entity that has the qualifications and the expertise necessary to conduct such an examination.

“(c) Costs.—

“(1) In general.—The Secretary may assess the cost of an examination under this section, including compensation of the examiners, against the Rural Business Investment Company examined.

“(2) Payment.—Any Rural Business Investment Company against which the Secretary assesses costs under this paragraph shall pay the costs.

“(d) Deposit of Funds.—Funds collected under this section shall—

“(1) be deposited in the account that incurred the costs for carrying out this section;

“(2) be made available to the Secretary to carry out this section, without further appropriation; and

“(3) remain available until expended.

“SEC. 384M. INJUNCTIONS AND OTHER ORDERS.

“(a) In General.—

“(1) Application by secretary.—Whenever, in the judgment of the Secretary, a Rural Business Investment Company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute a violation of a provision of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may apply to the appropriate district court of the United States for an order enjoining the act or practice, or for an order enforcing compliance with the provision, rule, regulation, order, or participation agreement.

“(2) Jurisdiction; relief.—The court shall have jurisdiction over the action and, on a showing by the Secretary that the Rural Business Investment Company or other person has engaged or is about to engage in an act or practice described in paragraph (1), a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

“(b) Jurisdiction.—

“(1) In general.—In any proceeding under subsection (a), the court as a court of equity may, to such extent as the court considers necessary, take exclusive jurisdiction over the Rural Business Investment Company and the assets of the Rural Business Investment Company, wherever located.

“(2) Trustee or receiver.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver to hold or administer the assets.

“(c) Secretary As Trustee or Receiver.—

“(1) Authority.—The Secretary may act as trustee or receiver of a Rural Business Investment Company.

“(2) Appointment.—On the request of the Secretary, the court shall appoint the Secretary to act as a trustee or receiver of a Rural Business Investment Company unless the court considers the appointment inequitable or otherwise inappropriate by reason of any special circumstances involved.

“SEC. 384N. ADDITIONAL PENALTIES FOR NONCOMPLIANCE.

“(a) In General.—With respect to any Rural Business Investment Company that violates or fails to comply with this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may, in accordance with this section—

“(1) void the participation agreement between the Secretary and the Rural Business Investment Company; and

“(2) cause the Rural Business Investment Company to forfeit all of the rights and privileges derived by the Rural Business Investment Company under this subtitle.

“(b) Adjudication of Noncompliance.—

“(1) In general.—Before the Secretary may cause a Rural Business Investment Company to forfeit rights or privileges under subsection (a), a court of the United States of competent jurisdiction must find that the Rural Business Investment Company committed a violation, or failed to comply, in a cause of action brought for that purpose in the district, territory, or other place subject to the jurisdiction of the United States, in which the principal office of the Rural Business Investment Company is located.

“(2) Parties authorized to file causes of action.—Each cause of action brought by the United States under this subsection shall be brought by the Secretary or by the Attorney General.

“SEC. 384O. UNLAWFUL ACTS AND OMISSIONS; BREACH OF FIDUCIARY DUTY.

“(a) Parties Deemed To Commit a Violation.—Whenever any Rural Business Investment Company violates this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), by reason of the failure of the Rural Business Investment Company to comply with this subtitle or by reason of its engaging in any act or practice that constitutes or will constitute a violation of this subtitle, the violation shall also be deemed to be a violation and an unlawful act committed by any person that, directly or indirectly, authorizes, orders, participates in, causes, brings about, counsels, aids, or abets in the commission of any acts, practices, or transactions that constitute or will constitute, in whole or in part, the violation.

“(b) Fiduciary Duties.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of a Rural Business Investment Company to engage in any act or practice, or to omit any act or practice, in breach of the fiduciary duty of the officer, director, employee, agent, or participant if, as a result of the act or practice, the Rural Business Investment Company suffers or is in imminent danger of suffering financial loss or other damage.

“(c) Unlawful Acts.—Except with the written consent of the Secretary, it shall be unlawful—

"(1) for any person to take office as an officer, director, or employee of any Rural Business Investment Company, or to become an agent or participant in the conduct of the affairs or management of a Rural Business Investment Company, if the person—

"(A) has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

"(B) has been found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud, or breach of trust; and

"(2) for any person to continue to serve in any of the capacities described in paragraph (1), if—

"(A) the person is convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

"(B) the person is found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

"SEC. 384P. REMOVAL OR SUSPENSION OF DIRECTORS OR OFFICERS.

"Using the procedures established by the Secretary for removing or suspending a director or an officer of a Rural Business Investment Company, the Secretary may remove or suspend any director or officer of any Rural Business Investment Company.

"SEC. 384Q. CONTRACTING OF FUNCTIONS.

"Notwithstanding any other provision of law, the Secretary shall enter into an interagency agreement with the Administrator of the Small Business Administration to carry out, on behalf of the Secretary, the day-to-day management and operation of the program authorized by this subtitle.

"SEC. 384R. REGULATIONS.

"The Secretary may promulgate such regulations as the Secretary considers necessary to carry out this subtitle.

"SEC. 384S. FUNDING.

"(a) In General.—Not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture—

"(1) such sums as may be necessary for the cost of guaranteeing $350,000,000 of debentures under this subtitle; and

"(2) $50,000,000 to make grants under this subtitle.

"(b) Receipt and Acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

"(c) Availability of Funds.—Funds transferred under subsection (a) shall remain available until expended.".

SEC. 603. FULL FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.

(a) Definition of Application.—In this section, the term "application" does not include an application for a loan, loan guarantee, or grant that, as of the date of enactment of this Act, is in the preapplication phase of consideration under regulations of the Secretary of Agriculture in effect on the date of enactment of this Act.

(b) Account.—There is established in the Treasury of the United States an account to be known as the "Rural America Infrastructure Development Account" (referred to in this section as the "Account") to fund rural development loans, loan guarantees, and grants described in subsection (d) that are pending on the date of enactment of this Act.

(c) Authorization of Appropriations.—There is authorized to be appropriated such sums as are necessary to carry out this section.

(d) Use of Funds.—

(1) Eligible programs.—Subject to paragraph (2), the Secretary shall use the funds in the Account to provide funds for applications that are pending on the date of enactment of this Act for—

(A) community facility direct loans under section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1));

(B) community facility grants under paragraph (19), (20), or (21) of section 306(a) of that Act (7 U.S.C. 1926(a));

(C) water or waste disposal grants or direct loans under paragraph (1) or (2) of section 306(a) of that Act (7 U.S.C. 1926(a));

(D) rural water or wastewater technical assistance and training grants under section 306(a)(14) of that Act (7 U.S.C. 1926(a)(14));

(E) emergency community water assistance grants under section 306A of that Act (7 U.S.C. 1926a);

(F) business and industry guaranteed loans authorized under section 310B(a)(1)(A) of that Act (7 U.S.C. 1932(a)(1)(A)); and

(G) solid waste management grants under section 310B(b) of that Act (7 U.S.C. 1932(b)).

(2) Limitations.—

(A) Appropriated amounts.—Funds in the Account shall be available to the Secretary to provide funds for pending applications for loans, loan guarantees, and grants described in paragraph (1) only to the extent that funds for the loans, loan guarantees, and grants appropriated in the annual appropriations Act for fiscal year 2002 have been exhausted.

(B) Program requirements.—The Secretary may use the Account to provide funds for a pending application for a loan, loan guarantee, or grant described in paragraph (1) only if the Secretary processes, reviews, and approves the application in accordance with regulations in effect on the date of enactment of this Act.

SEC. 604. RURAL ENDOWMENT PROGRAM.

(a) In General.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 602) is amended by adding at the end the following:

"Subtitle I—Rural Endowment Program

"SEC. 385A. PURPOSE.

"The purpose of this subtitle is to provide rural communities with technical and financial assistance to implement comprehensive community development strategies to reduce the economic and social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

"SEC. 385B. DEFINITIONS.

"In this subtitle:

"(1) Comprehensive community development strategy.—The term 'comprehensive community development strategy' means a community development strategy described in section 385C(e).

"(2) Eligible rural area.—

"(A) In general.—The term 'eligible rural area' means an area with a population of 25,000 inhabitants or less, as determined by the Secretary using the most recent decennial census.

"(B) Exclusions.—The term 'eligible rural area' does not include—

"(i) any area designated by the Secretary as a rural empowerment zone or rural enterprise community; or

"(ii) an urbanized area immediately adjacent to an incorporated city or town with a population of more than 25,000 inhabitants.

"(3) Endowment fund.—The term 'endowment fund' means a long-term fund that an approved program entity is required to establish under section 385C(f)(3).

"(4) Performance-based benchmarks.—The term 'performance-based benchmarks' means a set of annualized goals and tasks established by a recipient of a grant under the Program, in collaboration with the Secretary, for the purpose of measuring performance in meeting the comprehensive community development strategy of the recipient.

"(5) Program.—The term 'Program' means the Rural Endowment Program established under section 385C(a).

"(6) Program entity.—The term 'program entity' means—

"(A) a private nonprofit community-based development organization;

"(B) a unit of local government (including a multijurisdictional unit of local government);

"(C) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

"(D) a consortium comprised of an organization described in subparagraph (A) and a unit of local government; or

"(E) a consortium of entities specified in subparagraphs (A) through (D);

that serves an eligible rural area.

"(7) Program-related investment.—The term 'program-related investment' means—

"(A) a loan, loan guarantee, grant, payment of a technical fee, or other expenditure provided for an affordable housing, community facility, small business, environmental improvement, or other community development project that is part of a comprehensive community development strategy; and

"(B) support services relating to a project described in subparagraph (A).

"SEC. 385C. RURAL ENDOWMENT PROGRAM.

"(a) Establishment.—

"(1) In general.—The Secretary may establish a program, to be known as the 'Rural Endowment Program', to provide approved program entities with assistance in developing and implementing comprehensive community development strategies for eligible rural areas.

"(2) Purposes.—The purposes of the Program are—

"(A) to enhance the ability of an eligible rural area to engage in comprehensive community development;

"(B) to leverage private and public resources for the benefit of community development efforts in eligible rural areas;

"(C) to make available staff of Federal agencies to directly assist the community development efforts of an approved program entity or eligible rural area; and

"(D) to strengthen the asset base of an eligible rural area to further long-term, ongoing community development.

"(b) Applications.—

"(1) In general.—To receive an endowment grant under the Program, the eligible entity shall submit an application at such time, in such form, and containing such information as the Secretary may require.

"(2) Regional applications.—

"(A) In general.—Where appropriate, the Secretary shall encourage regional applications from program entities serving more than 1 eligible rural area.

“(B) Criteria for applications.—To be eligible for an endowment grant for a regional application, the program entities that submit the application shall demonstrate that—

“(i) a comprehensive community development strategy for the eligible rural areas is best accomplished through a regional approach; and

“(ii) the combined population of the eligible rural areas covered by the comprehensive community development strategy is 75,000 inhabitants or less.

“(C) Amount of endowment grants.—For the purpose of subsection (f)(2), 2 or more program entities that submit a regional application shall be considered to be a single program entity.

“(3) Preference.—The Secretary shall give preference to a joint application submitted by a private, nonprofit community development corporation and a unit of local government.

“(c) Entity Approval.—The Secretary shall approve a program entity to receive grants under the Program, if the program entity meets criteria established by the Secretary, including the following:

“(1) Distressed rural area.—The program entity shall serve a rural area that suffers from economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

“(2) Capacity to implement strategy.—The program entity shall demonstrate the capacity to implement a comprehensive community development strategy.

“(3) Goals.—The goals described in the application submitted under subsection (b) shall be consistent with this section.

“(4) Participation process.—The program entity shall demonstrate the ability to convene and maintain a multi-stakeholder, community-based participation process.

“(d) Planning Grants to Conditionally Approved Program Entities.—

“(1) In general.—The Secretary may award supplemental grants to approved program entities to assist the approved program entities in the development of a comprehensive community development strategy under subsection (e).

“(2) Eligibility for supplemental grants.—In determining whether to award a supplemental grant to an approved program entity, the Secretary shall consider the economic need of the approved program entity.

“(3) Limitations on amount of grants.—Under this subsection, an approved program entity may receive a supplemental grant in an amount of not more than $100,000.

“(e) Endowment Grant Award.—

“(1) In general.—To be eligible for an endowment grant under the Program, an approved program entity shall develop, and obtain the approval of the Secretary for, a comprehensive community development strategy that—

“(A) is designed to reduce economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation;

“(B) addresses a broad range of the development needs of a community, including economic, social, and environmental needs, for a period of not less than 10 years;

“(C) is developed with input from a broad array of local governments and business, civic, and community organizations;

“(D) specifies measurable performance-based outcomes for all activities; and

“(E) includes a financial plan for achieving the outcomes and activities of the comprehensive community development strategy that identifies sources for, or a plan to meet, the requirement for a non-Federal share under subsection (f)(4)(B).

“(2) Final approval.—

“(A) In general.—An approved program entity shall receive final approval if the Secretary determines that—

“(i) the comprehensive community development strategy of the approved program entity meets the requirements of this section;

“(ii) the management and organizational structure of the approved program entity is sufficient to oversee fund and development activities;

“(iii) the approved program entity has established an endowment fund; and

“(iv) the approved program entity will be able to provide the non-Federal share required under subsection (f)(4)(B).

“(B) Conditions.—As part of the final approval, the approved program entity shall agree to—

“(i) achieve, to the maximum extent practicable, performance-based benchmarks; and

“(ii) comply with the terms of the comprehensive community development strategy for a period of not less than 10 years.

“(f) Endowment Grants.—

“(1) In general.—Under the Program, the Secretary may make endowment grants to approved program entities with final approval to implement an approved comprehensive community development strategy.

“(2) Amount of grants.—An endowment grant to an approved program entity shall be in an amount of not more than $6,000,000, as determined by the Secretary based on—

“(A) the size of the population of the eligible rural area for which the endowment grant is to be used;

“(B) the size of the eligible rural area for which the endowment grant is to be used;

“(C) the extent of the comprehensive community development strategy to be implemented using the endowment grant award; and

“(D) the extent to which the community suffers from economic or social distress resulting from—

“(i) poverty;

“(ii) high unemployment;

“(iii) outmigration;

“(iv) plant closings;

“(v) agricultural downturn;

“(vi) declines in the natural resource-based economy; or

“(vii) environmental degradation.

“(3) Endowment funds.—

“(A) Establishment.—On notification from the Secretary that the program entity has been approved under subsection (c), the approved program entity shall establish an endowment fund.

“(B) Funding of endowment.—Federal funds provided in the form of an endowment grant under the Program shall—

“(i) be deposited in the endowment fund;

“(ii) be the sole property of the approved program entity;

“(iii) be used in a manner consistent with this subtitle; and

“(iv) be subject to oversight by the Secretary for a period of not more than 10 years.

“(C) Interest.—Interest earned on Federal funds in the endowment fund shall be—

“(i) retained by the grantee; and

“(ii) treated as Federal funds are treated under subparagraph (B).

“(D) Limitation.—The Secretary shall promulgate regulations on matching funds and returns on program-related investments only to the extent that such funds or proceeds are used in a manner consistent with this subtitle.

“(4) Conditions.—

“(A) Disbursement.—

“(i) In general.—Each endowment grant award shall be disbursed during a period not to exceed 5 years beginning during the fiscal year containing the date of final approval of the approved program entity under subsection (e)(3).

“(ii) Manner of disbursement.—Subject to subparagraph (B), the Secretary may disburse a grant award in 1 lump sum or in incremental disbursements made each fiscal year.

“(iii) Incremental disbursements.—If the Secretary elects to make incremental disbursements, for each fiscal year after the initial disbursement, the Secretary shall make a disbursement under clause (i) only if the approved program entity—

“(I) has met the performance-based benchmarks of the approved program entity for the preceding fiscal year; and

“(II) has provided the non-Federal share required for the preceding fiscal year under subparagraph (B).

“(iv) Advance disbursements.—The Secretary may make disbursements under this paragraph notwithstanding any provision of law limiting grant disbursements to amounts necessary to cover expected expenses on a term basis.

“(B) Non-federal share.—

“(i) In general.—Except as provided in clause (ii), for each disbursement under subparagraph (A), the Secretary shall require the approved program entity to provide a non-Federal share in an amount equal to 50 percent of the amount of funds received by the approved program entity under the disbursement.

“(ii) Lower non-federal share.—In the case of an approved program entity that serves a small, poor rural area (as determined by the Secretary), the Secretary may—

“(I) reduce the non-Federal share to not less than 20 percent; and

“(II) allow the non-Federal share to be provided in the form of in-kind contributions.

“(iii) Binding commitments; plan.—For the purpose of meeting the non-Federal share requirement with respect to the first disbursement of an endowment grant award to the approved program entity under the Program, an approved program entity shall—

“(I) have, at a minimum, binding commitments to provide the non-Federal share required with respect to the first disbursement of the endowment grant award; and

“(II) if the Secretary is making incremental disbursements of a grant, develop a viable plan for providing the remaining amount of the required non-Federal share.

“(C) Limitations.—

“(i) In general.—Subject to clause (ii), of each disbursement, an approved program entity shall use—

“(I) not more than 10 percent for administrative costs of carrying out program-related investments;

“(II) not more than 20 percent for the purpose of maintaining a loss reserve account; and

“(III) the remainder for program-related investments contained in the comprehensive community development strategy.

“(ii) Loss reserve account.—If all disbursed funds available under a grant are expended in accordance with clause (i) and the grant recipient has no expected losses to cover for a fiscal year, the recipient may use funds in the loss reserve account described in clause (i)(II) for program-related investments described in clause (i)(III) for which no reserve for losses is required.

“(g) Federal Agency Assistance.—Under the Program, the Secretary shall provide and coordinate technical assistance for grant recipients by designated field staff of Federal agencies.

“(h) Private Technical Assistance.—

“(1) In general.—Under the Program, the Secretary may make grants to qualified intermediaries to provide technical assistance and capacity building to approved program entities under the Program.

“(2) Duties.—A qualified intermediary that receives a grant under this subsection shall—

“(A) provide assistance to approved program entities in developing, coordinating, and overseeing investment strategy;

“(B) provide technical assistance in all aspects of planning, developing, and managing the Program; and

“(C) facilitate Federal and private sector involvement in rural community development.

“(3) Eligibility.—To be considered a qualified intermediary under this subsection, an intermediary shall—

“(A) be a private, nonprofit community development organization;

“(B) have expertise in Federal or private rural community development policy or programs; and

“(C) have experience in providing technical assistance, planning, and capacity building assistance to rural communities and nonprofit entities in eligible rural areas.

“(4) Maximum amount of grants.—A qualified intermediary may receive a grant under this subsection of not more than $100,000.

“(5) Funding.—Of the amounts made available under section 385D, the Secretary may use to carry out this subsection not more than $2,000,000 for each of not more than 2 fiscal years.

“SEC. 385D. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated such sums as are necessary to carry out this subtitle for each of fiscal years 2002 through 2006.”.

SEC. 605. ENHANCEMENT OF ACCESS TO BROADBAND SERVICE IN RURAL AREAS.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

“TITLE VI—RURAL BROADBAND ACCESS

“SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

“(a) Purpose.—The purpose of this section is to provide grants, loans, and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

“(b) Definitions.—In this section:

“(1) Broadband service.—The term ‘broadband service’ means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, or video.

“(2) Eligible rural community.—The term ‘eligible rural community’ means any incorporated or unincorporated place that has not more than 20,000 inhabitants, based on the most recent available population statistics of the Bureau of the Census.

“(c) Grants.—The Secretary shall make grants to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

“(d) Loans and Loan Guarantees.—The Secretary shall make or guarantee loans to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

“(e) Eligible Entities.—To be eligible to obtain a grant under this section, an entity must—

“(1) be eligible to obtain a loan or loan guarantee to furnish, improve, or extend a rural telecommunications service under this Act; and

“(2) submit to the Secretary a proposal for a project that meets the requirements of this section.

“(f) Broadband Service.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b)(1).

“(g) Technological Neutrality.—For purposes of determining whether or not to make a grant, loan, or loan guarantee for a project under this section, the Secretary shall not take into consideration the type of technology proposed to be used under the project.

“(h) Terms and Conditions for Loans and Loan Guarantees.—A loan or loan guarantee under subsection (d) shall—

“(1) be made available in accordance with the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.);

“(2) bear interest at an annual rate of, as determined by the Secretary—

“(A) 4 percent per annum; or

“(B) the current applicable market rate; and

“(3) have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

“(i) Use of Loan Proceeds to Refinance Loans for Deployment of Broadband Service.—Notwithstanding any other provision of this Act, the proceeds of any loan made by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act if the use of the proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

“(j) Funding.—

“(1) In general.—Not later than 30 days after the date of enactment of this title, on October 1, 2002, and on each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $100,000,000, to remain available until expended.

“(2) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

“(k) Termination of Authority.—

“(1) In general.—No grant, loan, or loan guarantee may be made under this section after September 30, 2006.

“(2) Effect on validity of grant, loan, or loan guarantee.—Notwithstanding paragraph (1), any grant, loan, or loan guarantee made under this section before the date specified in paragraph (1) shall be valid.”.

SEC. 606. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively;

(2) by striking subsection (a) and inserting the following:

“(a) Definition of Value-Added Agricultural Product.—The term ‘value-added agricultural product’ means any agricultural commodity or product that—

“(1)(A) has undergone a change in physical state; or

“(B) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary; and

“(2) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced—

“(A) the customer base for the agricultural commodity or product has been expanded; and

“(B) a greater portion of the revenue derived from the processing of the agricultural commodity or product is available to the producer of the commodity or product.

“(b) Grant Program.—

“(1) Purposes.—The purposes of this subsection are—

“(A) to increase the share of the food and agricultural system profit received by agricultural producers;

“(B) to increase the number and quality of rural self-employment opportunities in agriculture and agriculturally-related businesses and the number and quality of jobs in agriculturally-related businesses;

“(C) to help maintain a diversity of size in farms and ranches by stabilizing the number of small and mid-sized farms;

“(D) to increase the diversity of food and other agricultural products available to consumers, including nontraditional crops and products and products grown or raised in a manner that enhances the value of the products to the public; and

“(E) to conserve and enhance the quality of land, water, and energy resources, wildlife habitat, and other landscape values and amenities in rural areas.

“(2) Grants.—From amounts made available under paragraph (6), the Secretary shall make award competitive grants—

“(A) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—

“(i) to develop a business plan for viable marketing opportunities for the value-added agricultural product; or

“(ii) to develop strategies that are intended to create marketing opportunities for the producer; and

“(B) to an eligible nonprofit entity (as determined by the Secretary) to assist the entity—

“(i) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or

“(ii) to develop strategies that are intended to create marketing opportunities in emerging markets for the value-added agricultural product.

"(3) Amount of Grant.—

"(A) In General.—The total amount provided under this subsection to a grant recipient may not exceed $500,000.

"(B) Priority.—The Secretary shall give priority to grant proposals for less than $200,000 submitted under this subsection.

"(4) Grantee Strategies.—A grantee under paragraph (2) shall use the grant—

"(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

"(B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

"(5) Grants for Marketing or Processing Certified Organic Agricultural Products.—

"(A) In General.—Out of any amount that is made available to the Secretary for a fiscal year under paragraph (2), the Secretary shall use not less than 5 percent of the amount for grants to assist producers of certified organic agricultural products in post-farm marketing or processing of the products through a business or cooperative ventures that—

"(i) expand the customer base of the certified organic agricultural products; and

"(ii) increase the portion of product revenue available to the producers.

"(B) Certified Organic Agricultural Product.—For the purposes of this paragraph, a certified organic agricultural product does not have to meet the requirements of the definition of 'value-added agricultural product' under subsection (a).

"(C) Insufficient Applications.—If, for any fiscal year, the Secretary receives an insufficient quantity of applications for grants described in subparagraph (A) to use the funds reserved under subparagraph (A), the Secretary may use the excess reserved funds to make grants for any other purpose authorized under this subsection.

"(6) Authorization of Appropriations.—There is authorized to be appropriated to carry out this subsection $75,000,000 for each of fiscal years 2002 through 2006.";

(3) in subsection (c)(1) (as redesignated)—

(A) by striking "subsection (a)(2)" and inserting "subsection (b)(2)";

(B) by striking "$5,000,000" and inserting "7.5 percent"; and

(C) by striking "subsection (a)" and inserting "subsection (b)"; and

(4) in subsection (d) (as redesignated), by striking "subsections (a) and (b)" and inserting "subsections (b) and (c)".

SEC. 607. NATIONAL RURAL DEVELOPMENT INFORMATION CLEARINGHOUSE.

Section 2381 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b) is amended to read as follows:

"SEC. 2381. NATIONAL RURAL DEVELOPMENT INFORMATION CLEARINGHOUSE.

"(a) Establishment.—The Secretary shall establish and maintain, within the rural development mission area of the Department of Agriculture, a National Rural Development Information Clearinghouse (referred to in this section as the 'Clearinghouse') to perform the functions specified in subsection (b).

"(b) Functions.—The Clearinghouse shall collect information and data from, and disseminate information and data to, any person or public or private entity about programs and services provided by Federal, State, local, and tribal agencies, institutions of higher education, and private, for-profit, and nonprofit organizations and institutions under which a person or public or private entity residing or operating in a rural area may be eligible for any kind of financial, technical, or other assistance, including business, venture capital, economic, credit and community development assistance, health care, job training, education, and emotional and financial counseling.

"(c) Modes of Collection and Dissemination of Information.—In addition to other modes for the collection and dissemination of the types of information and data specified under subsection (b), the Secretary shall ensure that the Clearinghouse maintains an Internet website that provides for dissemination and collection, through voluntary submission or posting, of the information and data.

"(d) Federal Agencies.—On request of the Secretary and to the extent permitted by law, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to enable the Clearinghouse to carry out this section.

"(e) State, Local, and Tribal Agencies, Institutions of Higher Education, and Nonprofit and For-Profit Organizations.—The Secretary shall request State, local, and tribal agencies, institutions of higher education, and private, for-profit, and nonprofit organizations and institutions to provide to the Clearinghouse information concerning applicable programs or services described in subsection (b).

"(f) Promotion of Clearinghouse.—The Secretary prominently shall promote the existence and availability of the Clearinghouse in all activities of the Department of Agriculture relating to rural areas of the United States.

"(g) Funding.—

"(1) In General.—Subject to paragraph (2), the Secretary shall use to operate and maintain the Clearinghouse not more than $600,000 of the funds available to the Rural Housing Service, the Rural Utilities Service, and the Rural Business-Cooperative Service for each fiscal year.

"(2) Limitation.—Funds available to the Rural Housing Service, the Rural Utilities Service, and the Rural Business-Cooperative Service for the payment of loan costs (as defined in section 502 of Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) shall not be used to operate and maintain the Clearinghouse.".

Subtitle B—National Rural Development Partnership

SEC. 611. SHORT TITLE.

This subtitle may be cited as the "National Rural Development Partnership Act of 2001".

SEC. 612. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

"SEC. 377. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

"(a) Definitions.—In this section:

"(1) Agency with Rural Responsibilities.—The term 'agency with rural responsibilities' means any executive agency (as defined in section 105 of title 5, United States Code) that—

"(A) implements Federal law targeted at rural areas, including—

"(i) the Act of April 24, 1950 (commonly known as the 'Granger-Thye Act') (64 Stat. 82, chapter 9);

"(ii) the Intergovernmental Cooperation Act of 1968 (82 Stat. 1098);

"(iii) section 41742 of title 49, United States Code;

"(iv) the Rural Development Act of 1972 (86 Stat. 657);

"(v) the Rural Development Policy Act of 1980 (94 Stat. 1171);

"(vi) the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

"(vii) amendments made to section 334 of the Public Health Service Act (42 U.S.C. 254g) by the Rural Health Clinics Act of 1983 (97 Stat. 1345); and

"(viii) the Rural Housing Amendments of 1983 (97 Stat. 1240) and the amendments made by the Rural Housing Amendments of 1983 to title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.); or

"(B) administers a program that has a significant impact on rural areas, including—

"(i) the Appalachian Regional Commission;

"(ii) the Department of Agriculture;

"(iii) the Department of Commerce;

"(iv) the Department of Defense;

"(v) the Department of Education;

"(vi) the Department of Energy;

"(vii) the Department of Health and Human Services;

"(viii) the Department of Housing and Urban Development;

"(ix) the Department of the Interior;

"(x) the Department of Justice;

"(xi) the Department of Labor;

"(xii) the Department of Transportation;

"(xiii) the Department of the Treasury;

"(xiv) the Department of Veterans Affairs;

"(xv) the Environmental Protection Agency;

"(xvi) the Federal Emergency Management Administration;

"(xvii) the Small Business Administration;

"(xviii) the Social Security Administration;

"(xix) the Federal Reserve System;

"(xx) the United States Postal Service;

"(xxi) the Corporation for National Service;

"(xxii) the National Endowment for the Arts and the National Endowment for the Humanities; and

"(xxiii) other agencies, commissions, and corporations.

"(2) Coordinating Committee.—The term 'Coordinating Committee' means the National Rural Development Coordinating Committee established by subsection (c).

"(3) Partnership.—The term 'Partnership' means the National Rural Development Partnership continued by subsection (b).

"(4) State Rural Development Council.—The term 'State rural development council' means a State rural development council that meets the requirements of subsection (d).

"(b) Partnership.—

"(1) In General.—The Secretary shall continue the National Rural Development Partnership composed of—

"(A) the Coordinating Committee; and

"(B) State rural development councils.

"(2) Purposes.—The purposes of the Partnership are—

"(A) to empower and build the capacity of States and rural communities within States to design unique responses to their own special rural development needs, with local determinations of progress and selection of projects and activities;

"(B) to encourage participants to be flexible and innovative in establishing new partnerships and trying fresh, new approaches to rural development issues, with responses to rural development that use different approaches to fit different situations; and

"(C) to encourage all partners in the Partnership (Federal, State, local, and tribal governments, the private sector, and nonprofit organizations) to be fully engaged and share equally in decisions.

"(3) GOVERNING PANEL.—

"(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

"(B) ANNUAL REPORTS.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

"(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership shall be that of a partner and facilitator, with Federal agencies authorized—

"(A) to cooperate with States to implement the Partnership;

"(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

"(C) to ensure that the head of each agency referred to in subsection (a)(1)(B) designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and

"(D) to enter into cooperative agreements with, and to provide grants and other assistance to, State rural development councils.

"(5) ROLE OF PRIVATE AND NONPROFIT SECTOR ORGANIZATIONS.—Private and nonprofit sector organizations are encouraged—

"(A) to act as full partners in the Partnership and State rural development councils; and

"(B) to cooperate with participating government organizations in developing innovative approaches to the solution of rural development problems.

"(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee.

"(2) COMPOSITION.—The Coordinating Committee shall be composed of—

"(A) 1 representative of each agency with rural responsibilities that elects to participate in the Coordinating Committee; and

"(B) representatives, approved by the Secretary, of—

"(i) national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

"(ii) national public interest groups;

"(iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and

"(iv) the private sector.

"(3) DUTIES.—The Coordinating Committee shall—

"(A) provide support for the work of the State rural development councils;

"(B) facilitate coordination among Federal programs and activities, and with State, local, tribal, and private programs and activities, affecting rural development;

"(C) enhance the effectiveness, responsiveness, and delivery of Federal programs in rural areas;

"(D) gather and provide to Federal authorities information and input for the development and implementation of Federal programs impacting rural economic and community development;

"(E) notwithstanding any other provision of law, review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas;

"(F) provide technical assistance to State rural development councils for the implementation of Federal programs;

"(G) notwithstanding any other provision of law, develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and

"(H) require each State receiving funds under this section to submit an annual report on the use of the funds by the State, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

"(4) ELECTION NOT TO PARTICIPATE.—An agency with rural responsibilities that elects not to participate in the Partnership and the Coordinating Committee shall submit to Congress a report that describes—

"(A) how the programmatic responsibilities of the Federal agency that target or have an impact on rural areas are better achieved without participation by the agency in the Partnership; and

"(B) a more effective means of partnership-building and collaboration to achieve the programmatic responsibilities of the agency.

"(d) STATE RURAL DEVELOPMENT COUNCILS.—

"(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State may elect to participate in the Partnership by entering into an agreement with the Secretary to establish a State rural development council.

"(2) STATE DIVERSITY.—Each State rural development council shall—

"(A) have a nonpartisan membership that is broad and representative of the economic, social, and political diversity of the State; and

"(B) carry out programs and activities in a manner that reflects the diversity of the State.

"(3) DUTIES.—A State rural development council shall—

"(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that target or have an impact on rural areas of the State;

"(B) enhance the effectiveness, responsiveness, and delivery of Federal and State programs in rural areas of the State;

"(C) gather and provide to the Coordinating Committee and other appropriate organizations information on the condition of rural areas in the State;

"(D) monitor and report on policies and programs that address, or fail to address, the needs of the rural areas of the State;

"(E) provide comments to the Coordinating Committee and other appropriate organizations on policies, regulations, and proposed legislation that affect or would affect the rural areas of the State;

"(F) notwithstanding any other provision of law, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments;

"(G) use grant or cooperative agreement funds provided by the Partnership under an agreement entered into under paragraph (1) to—

"(i) retain an Executive Director and such support staff as are necessary to facilitate and implement the directives of the State rural development council; and

"(ii) pay expenses associated with carrying out subparagraphs (A) through (F); and

"(H)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and

"(ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

"(4) AUTHORITIES.—A State rural development council may—

"(A) solicit funds to supplement and match funds provided under paragraph (3)(G); and

"(B) engage in activities, in addition to those specified in paragraph (3), appropriate to accomplish the purposes for which the State rural development council is established.

"(5) COMMENTS OR RECOMMENDATIONS.—A State rural development council may provide comments and recommendations to an agency with rural responsibilities related to the activities of the State rural development council within the State.

"(6) ACTIONS OF STATE RURAL DEVELOPMENT COUNCIL MEMBERS.—When carrying out a program or activity authorized by a State rural development council or this subtitle, a member of the council shall be regarded as a full-time employee of the Federal Government for purposes of chapter 171 of title 28, United States Code, and the Federal Advisory Committee Act (5 U.S.C. App.).

"(7) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

"(A) IN GENERAL.—The State Director for Rural Development of a State, other employees of the Department of Agriculture, and employees of other Federal agencies that elect to participate in the Partnership shall fully participate in the governance and operations of State rural development councils on an equal basis with other members of the State rural development councils.

"(B) CONFLICTS.—A Federal employee who participates in a State rural development council shall not participate in the making of any council decision if the agency represented by the Federal employee has any financial or other interest in the outcome of the decision.

"(C) FEDERAL GUIDANCE.—The Office of Government Ethics, in consultation with the Attorney General, shall issue guidance to all Federal employees that participate in State rural development councils that describes specific decisions that—

"(i) would constitute a conflict of interest for the Federal employee; and

"(ii) from which the Federal employee must recuse himself or herself.

"(e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—

"(1) DETAIL OF EMPLOYEES.—

"(A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail an employee of the agency with rural responsibilities to the Partnership without reimbursement for a period of up to 12 months.

"(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.

"(2) ADDITIONAL SUPPORT.—The Secretary shall provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

"(f) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

"(B) AMOUNT OF FINANCIAL ASSISTANCE.—In providing financial assistance to State rural development councils, the Secretary and heads of other Federal agencies shall provide assistance that, to the maximum extent practicable, is—

"(i) uniform in amount; and

"(ii) targeted to newly created State rural development councils.

"(C) FEDERAL SHARE.—The Secretary shall develop a plan to decrease, over time, the Federal share of the cost of the core operations of State rural development councils.

"(2) FEDERAL AGENCIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency to provide funds to the Partnership with other agencies, in order to carry out the purposes described in subsection (b)(2), the Partnership shall be eligible to receive grants, gifts, contributions, or technical assistance from, or enter into contracts with, any Federal agency.

"(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that target or have an impact on rural areas to provide assistance to, and enter into contracts with, the Partnership, as described in subparagraph (A).

"(3) CONTRIBUTIONS.—The Partnership may accept private contributions.

"(4) FEDERAL FINANCIAL SUPPORT FOR STATE RURAL DEVELOPMENT COUNCILS.—Notwithstanding any other provision of law, a Federal agency may use funds made available under paragraph (1) or (2) to enter into a cooperative agreement, contract, or other agreement with a State rural development council to support the core operations of the State rural development council, regardless of the legal form of organization of the State rural development council.

"(g) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of the amount of Federal funds received under an agreement under subsection (d)(1).

"(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

"(A) to support 1 or more specific program or project activities; or

"(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

"(h) TERMINATION.—The authority provided under this section shall terminate on the date that is 5 years after the date of enactment of this section.".

Subtitle C—Consolidated Farm and Rural Development Act

SEC. 621. WATER OR WASTE DISPOSAL GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended—

(1) by striking "(2) The" and inserting the following:

"(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

"(A) AUTHORITY.—

"(i) IN GENERAL.—The";

(2) by striking "$590,000,000" and inserting "$1,500,000,000";

(3) by striking "The amount" and inserting the following:

"(ii) AMOUNT.—The amount";

(4) by striking "paragraph" and inserting "subparagraph";

(5) by striking "The Secretary shall" and inserting the following:

"(iii) GRANT RATE.—The Secretary shall"; and

(6) by adding at the end the following:

"(B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

"(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing loans to eligible borrowers for—

"(I) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

"(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

"(ii) ELIGIBLE BORROWERS.—To be eligible to obtain a loan from a revolving fund under clause (i), a borrower shall be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

"(iii) MAXIMUM AMOUNT OF LOANS.—The amount of a loan made to an eligible borrower under this subparagraph shall not exceed—

"(I) $100,000 for costs described in clause (i)(I); and

"(II) $100,000 for costs described in clause (i)(II).

"(iv) TERM.—The term of a loan made to an eligible borrower under this subparagraph shall not exceed 10 years.

"(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

"(vi) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subparagraph $30,000,000 for each of fiscal years 2002 through 2006.".

SEC. 622. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking "2002" and inserting "2006".

SEC. 623. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by added at the end the following:

"(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

"(A) IN GENERAL.—The Secretary shall establish a national rural water and wastewater circuit rider program that is based on the rural water circuit rider program of the National Rural Water Association that (as of the date of enactment of this paragraph) receives funding from the Secretary, acting through the Rural Utilities Service.

"(B) RELATIONSHIP TO EXISTING PROGRAM.—The program established under subparagraph (A) shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading "RURAL COMMUNITY ADVANCEMENT PROGRAM" of title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.

"(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $15,000,000 for each of fiscal years 2003 through 2006.".

SEC. 624. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 623) is amended by added at the end the following:

"(23) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.—

"(A) GRANTS.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

"(B) PRIORITY.—In determining which organizations will receive a grant under this paragraph, the Secretary shall provide a priority to an organization that—

"(i) serves a rural area that, during the most recent 5-year period—

"(I) had a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

"(II) had a median household income that is less than the nonmetropolitan median household income of the applicable State; and

"(ii) has a history of providing substantive assistance to local governments and economic development organizations.

"(C) FEDERAL SHARE.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

"(D) MAXIMUM AMOUNT OF GRANTS.—The amount of a grant provided to an organization under this paragraph shall not exceed $100,000.

"(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $30,000,000 for each of fiscal years 2003 through 2006.".

SEC. 625. CERTIFIED NONPROFIT ORGANIZATIONS SHARING EXPERTISE.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 624) is amended by added at the end the following:

"(24) CERTIFIED NONPROFIT ORGANIZATIONS SHARING EXPERTISE.—

"(A) CERTIFIED ORGANIZATIONS.—

"(i) IN GENERAL.—To be certified by the Secretary to provide technical assistance in 1 or more rural development fields, an organization shall—

"(I) be a nonprofit organization (which may include an institution of higher education) with experience in providing technical assistance in the applicable rural development field;

"(II) develop a plan, approved by the Secretary, describing the manner in which grant funds will be used and the source of non-Federal funds; and

"(III) meet such other criteria as the Secretary may establish, based on the needs of eligible entities for the technical assistance.

"(iii) LIST.—The Secretary shall make available to the public a list of certified organizations in each area that the Secretary determines have substantial experience in providing the assistance described in subparagraph (B).

"(B) Grants.—The Secretary may provide grants to certified organizations to pay for costs of providing technical assistance to local governments and nonprofit entities to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

"(C) Authorization of appropriations.—There is authorized to be appropriated to carry out this paragraph $20,000,000 for each of fiscal years 2003 through 2006.".

SEC. 626. LOAN GUARANTEES FOR CERTAIN RURAL DEVELOPMENT LOANS.

(a) Loan Guarantees for Water, Wastewater, and Essential Community Facilities Loans.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)) (as amended by section 625) is amended by adding at the end the following:

"(25) Loan guarantees for water, wastewater, and essential community facilities loans.—

"(A) In general.—The Secretary may guarantee under this title a loan made to finance a community facility or water or waste facility project, including a loan financed by the net proceeds of a bond described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.

"(B) Requirements.—To be eligible for a loan guarantee under subparagraph (A), an individual or entity offering to purchase the loan must demonstrate to the Secretary that the person has—

"(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

"(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.".

(b) Loan Guarantees for Certain Loans.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

"(h) Loan Guarantee for Certain Loans.—The Secretary may guarantee loans made in subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(25).".

SEC. 627. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 626(a)) is amended by adding at the end the following:

"(26) Rural firefighters and emergency medical personnel grant program.—

"(A) In general.—The Secretary may make grants to units of general local government and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

"(B) Use of funds.—

"(i) Scholarships.—

"(I) In general.—Not less than 60 percent of the amounts made available for competitively awarded grants under this paragraph shall be used to provide grants to fund partial scholarships for training of individuals at training centers approved by the Secretary.

"(II) Priority.—In awarding grants under this clause, the Secretary shall give priority to grant applicants with relatively low transportation costs considering the location of the grant applicant and the proposed location of the training.

"(ii) Grants for training centers.—

"(I) Existing centers.—

"(aa) In general.—A grant under subparagraph (A) may be used to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel.

"(bb) Limitation.—Not more than $2,000,000 shall be provided to any single training center for any fiscal year under this subclause.

"(II) Establishment of new centers.—

"(aa) In general.—A grant under subparagraph (A) may be used to provide the Federal share of the costs of establishing a regional training center for firefighters and emergency medical personnel.

"(bb) Federal share.—The amount of a grant under this subclause for a training center shall not exceed 50 percent of the cost of establishing the training center.

"(C) Funding.—

"(i) In general.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this paragraph—

"(I) not later than 30 days after the date of enactment of this Act, $10,000,000; and

"(II) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $30,000,000.

"(ii) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under clause (i), without further appropriation.

"(iii) Availability of funds.—Funds transferred under clause (i) shall remain available until expended.".

SEC. 628. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking "2002" and inserting "2006".

SEC. 629. WATER AND WASTE FACILITY GRANTS FOR NATIVE AMERICAN TRIBES.

Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c(e)) is amended by striking subsection (e) and inserting the following:

"(e) Authorization of Appropriations.—

"(1) In general.—Subject to paragraph (2), there is authorized to be appropriated—

"(A) for grants under this section, $30,000,000 for each fiscal year;

"(B) for loans under this section, $30,000,000 for each fiscal year; and

"(C) for grants under this section to benefit Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), $20,000,000 for each fiscal year.

"(2) Exception.—An entity eligible to receive funding through a grant made under section 306D shall not be eligible for a grant from funds made available under subparagraph (1)(C).".

SEC. 630. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking "and 2002" and inserting "through 2006".

SEC. 631. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking "2002" and inserting "2006".

SEC. 632. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following:

"(3) Authorization of appropriations.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2002 through 2006.".

SEC. 633. BUSINESS AND INDUSTRY LOAN MODIFICATIONS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (g) and inserting the following:

"(g) Business and Industry Direct and Guaranteed Loans.—

"(1) Loan guarantees for the purchase of cooperative stock.—

"(A) New and expanding cooperatives.—

"(i) In general.—The Secretary may guarantee a loan under subsection (a) to farmers, ranchers, or cooperatives for the purpose of purchasing start-up capital stock for the expansion or creation of a cooperative venture that will process agricultural commodities or otherwise process value-added agricultural products.

"(ii) Financial condition.—In determining the appropriateness of a loan guarantee under this subparagraph, the Secretary—

"(I) shall fully review the feasibility and other relevant aspects of the cooperative venture to be established;

"(II) may not require a review of the financial condition or statements of any individual farmer or rancher involved in the cooperative, other than the applicant for a guarantee under this subparagraph; and

"(III) shall base any guarantee, to the maximum extent practicable, on the merits of the cooperative venture to be established.

"(iii) Collateral.—As a condition of making a loan guarantee under this subparagraph, the Secretary may not require additional collateral by a farmer or rancher, other than stock purchased or issued pursuant to the loan and guarantee of the loan.

"(iv) Eligibility.—To be eligible for a loan guarantee under this subparagraph, a farmer or rancher must produce the agricultural commodity that will be processed by the cooperative.

"(v) Processing contracts during initial period.—The cooperative, for which a farmer or rancher receives a guarantee to purchase stock under this subparagraph, may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

"(B) Existing cooperatives.—The Secretary may guarantee a loan under subsection (a) to a farmer or rancher to join a cooperative in order to sell the agricultural commodities or products produced by the farmer or rancher.

"(C) Financial information.—Financial information required by the Secretary from a farmer or rancher as a condition of making a loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

"(2) Loans to cooperatives.—

"(A) IN GENERAL.—The Secretary may make or guarantee a loan under subsection (a) to a cooperative that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area.

"(B) REFINANCING.—A cooperative organization owned by farmers or ranchers that is eligible for a business and industry loan under made or guaranteed under subsection (a) shall be eligible to refinance an existing loan with a lender if—

"(i) the cooperative organization—

"(I) is current and performing with respect to the existing loan; and

"(II) is not, and has not been, in default with respect to the existing loan; and

"(ii) there is adequate security or full collateral for the refinanced loan.

"(3) BUSINESS AND INDUSTRY LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan made or guaranteed under subsection (a) be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

"(4) FEES.—The Secretary may assess a 1-time fee for any loan guaranteed under subsection (a) in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.".

SEC. 634. VALUE-ADDED INTERMEDIARY RELENDING PROGRAM.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) (as amended by section 626(b)) is amended by adding at the end the following:

"(i) VALUE-ADDED INTERMEDIARY RELENDING PROGRAM.—

"(1) IN GENERAL.—In accordance with this subsection, the Secretary shall make loans under the terms and conditions of the intermediary relending program established under section 1323(b)(2)(C) of the Food Security Act of 1985 (7 U.S.C. 1932 note; Public Law 99-198).

"(2) LOANS.—Using funds made available to carry out this subsection, the Secretary shall make loans to eligible intermediaries to make loans to ultimate recipients, under the terms and conditions of the intermediary relending program, for projects to establish, enlarge, and operate enterprises that add value to agricultural commodities and products of agricultural commodities.

"(3) ELIGIBLE INTERMEDIARIES.—Intermediaries that are eligible to receive loans under paragraph (2) shall include State agencies.

"(4) PREFERENCE FOR BIOENERGY PROJECTS.—In making loans using loan funds made available under paragraph (2), an eligible intermediary shall give preference to bioenergy projects in accordance with regulations promulgated by the Secretary.

"(5) COMPOSITION OF CAPITAL.—The capital for a project carried out by an ultimate recipient and assisted with loan funds made available under paragraph (2) shall be comprised of—

"(A) not more than 15 percent of the total cost of a project; and

"(B) not less than 50 percent of the equity funds provided by agricultural producers.

"(6) LOAN CONDITIONS.—

"(A) TERMS OF LOANS.—A loan made to an intermediary using loan funds made available under paragraph (2) shall have a term of not to exceed 30 years.

"(B) INTEREST.—The interest rate on such a loan shall be—

"(i) in the case of each of the first 2 years of the loan period, 0 percent; and

"(ii) in the case of each of the remaining years of the loan period, 2 percent.

"(7) LIMITATIONS ON AMOUNT OF LOAN FUNDS PROVIDED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an intermediary or ultimate recipient shall be eligible to receive not more than $2,000,000 of the loan funds made available under paragraph (2).

"(B) STATE AGENCIES.—Subparagraph (A) shall not apply in the case of a State agency with respect to loan funds provided to the State agency as an intermediary.

"(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $15,000,000 for each of fiscal years 2003 through 2006.".

SEC. 635. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 508) is amended by adding at the end the following:

"SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

"If, after making a loan or a grant described in section 381E(d), the Secretary determines that the circumstances under which the loan or grant was made have sufficiently changed to make the project or activity for which the loan or grant was made available no longer appropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

"(1) will be carried out in the same area as the original project or activity;

"(2) meets the criteria for a loan or a grant described in section 381E(d); and

"(3) satisfies such additional requirements as are established by the Secretary.".

SEC. 636. SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) (as amended by section 526) is amended by striking subsection (g) and inserting the following:

"(g) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

"(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

"(A) farmer program loans the principal amount of which is $100,000 or less; and

"(B) business and industry guaranteed loans under section 310B(a)(1) the principal amount of which is—

"(i) in the case of a loan guarantee made during fiscal year 2002 or 2003, $400,000 or less; and

"(ii) in the case of a loan guarantee made during any subsequent fiscal year—

"(I) $400,000 or less; or

"(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, $600,000 or less.

"(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a) the grant award amount or principal loan amount, respectively, of which is $300,000 or less.

"(3) ADMINISTRATION.—In developing an application under this subsection, the Secretary shall—

"(A) consult with commercial and cooperative lenders; and

"(B) ensure that—

"(i) the form can be completed manually or electronically, at the option of the lender;

"(ii) the form minimizes the documentation required to accompany the form;

"(iii) the cost of completing and processing the form is minimal; and

"(iv) the form can be completed and processed in an expeditious manner.".

SEC. 637. DEFINITION OF RURAL AND RURAL AREA.

(a) IN GENERAL.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:

"(13) RURAL AND RURAL AREA.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

"(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a), the terms 'rural' and 'rural area' mean any area not in a city or town with a population in excess of 10,000 inhabitants, according to the most recent census of the United States.

"(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), and (21) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than 50,000 inhabitants.

"(D) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—For the purpose of business and industry direct and guaranteed loans under section 310B(a)(1), the terms 'rural' and 'rural area' mean any area other than a city or town that has a population of greater than 50,000 inhabitants and the immediately adjacent urbanized area of such city or town.

"(E) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS; NATIONAL RURAL DEVELOPMENT PARTNERSHIP.—In sections 306(a)(23) and 377, the term 'rural area' means—

"(i) all the territory of a State that is not within the boundary of any standard metropolitan statistical area; and

"(ii) all territory within any standard metropolitan statistical area within a census tract having a population density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date.

"(F) RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM; NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.—In section 378 and subtitle G, the term 'rural area' means an area that is located—

"(i) outside a standard metropolitan statistical area; or

"(ii) within a community that has a population of 50,000 inhabitants or less.".

(b) CONFORMING AMENDMENTS.—

(1) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (7).

(2) Section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 638. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act (as amended by section 612) is amended by adding at the end the following:

“SEC. 378. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term ‘economically disadvantaged microentrepreneur’ means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired due to diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry.

“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(3) INTERMEDIARY.—The term ‘intermediary’ means a private, nonprofit entity that provides assistance—

“(A) to a microenterprise development organization; or

“(B) for a microenterprise development program.

“(4) LOW-INCOME INDIVIDUAL.—The term ‘low-income individual’ means an individual with an income (adjusted for family size) of not more than the greater of—

“(A) 80 percent of median income of an area; or

“(B) 80 percent of the statewide nonmetropolitan area median income.

“(5) MICROCREDIT.—The term ‘microcredit’ means a business loan or loan guarantee of not more than $35,000 provided to a rural entrepreneur.

“(6) MICROENTERPISE.—The term ‘microenterprise’ means a sole proprietorship, joint enterprise, limited liability company, partnership, corporation, or cooperative that—

“(A) has 5 or fewer employees; and

“(B) is unable to obtain sufficient credit, equity, or banking services elsewhere, as determined by the Secretary.

“(7) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—

“(A) IN GENERAL.—The term ‘microenterprise development organization’ means a nonprofit entity that provides training and technical assistance to rural entrepreneurs and access to capital or another service described in subsection (c) to rural entrepreneurs.

“(B) INCLUSIONS.—The term ‘microenterprise development organization’ includes an organization described in subparagraph (A) with a demonstrated record of delivering services to economically disadvantaged microentrepreneurs.

“(8) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term ‘microenterprise development organization’ means a program administered by a organization serving a rural area.

“(9) MICROENTREPRENEUR.—The term ‘microentrepreneur” means the owner, operator, or developer of a microenterprise.

“(10) PROGRAM.—The term ‘program’ means the rural entrepreneur and microenterprise program established under subsection (b)(1).

“(11) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means—

“(A) a microenterprise development organization or microenterprise development program that has a demonstrated record of delivering microenterprise services to rural entrepreneurs, as demonstrated by the development of an effective plan of action and the possession of necessary resources to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary;

“(B) an intermediary that has a demonstrated record of delivery assistance to microenterprise development organizations or microenterprise development programs;

“(C) a microenterprise development organization or microenterprise development program that—

“(i) serves rural entrepreneurs; and

“(ii) enters into an agreement with a local community, in conjunction with a State or local government or Indian tribe, to provide assistance described in subsection (c);

“(D) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe; or

“(E) a group of 2 or more organizations or Indian tribes described in subparagraph (A), (B), (C), or (D) that agree to act jointly as a qualified organization under this section.

“(12) RURAL CAPACITY BUILDING SERVICE.—The term ‘rural capacity building service’ means a service provided to an organization that—

“(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

“(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

“(13) RURAL ENTREPRENEUR.—The term ‘rural entrepreneur’ means a microentrepreneur, or prospective microentrepreneur—

“(A) the principal place of business of which is in a rural area; and

“(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

“(14) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Rural Business-Cooperative Service.

“(15) TRAINING AND TECHNICAL ASSISTANCE.—

“(A) IN GENERAL.—The term ‘training and technical assistance’ means assistance provided to rural entrepreneurs to develop the skills the rural entrepreneurs need to plan, market, and manage their own business.

“(B) INCLUSIONS.—The term ‘training and technical assistance’ includes assistance provided for the purpose of—

“(i) enhancing business planning, marketing, management, or financial management skills; and

“(ii) obtaining microcredit.

“(16) TRIBAL GOVERNMENT.—The term ‘tribal government’ means the governing body of an Indian tribe.

“(b) ESTABLISHMENT.—

“(1) IN GENERAL.—From amounts made available under subsection (h), the Secretary shall establish a rural entrepreneur and microenterprise program.

“(2) PURPOSE.—The purpose of the program shall be to provide low- and moderate-income individuals with—

“(A) the skills necessary to establish new small businesses in rural areas; and

“(B) continuing technical assistance as the individuals begin operating the small businesses.

“(c) ASSISTANCE.—

“(1) IN GENERAL.—The Secretary may make a grant under this section to a qualified organization to—

“(A) provide training, technical assistance, or microcredit to a rural entrepreneur;

“(B) provide training, operational support, or a rural capacity building service to a qualified organization to assist the qualified organization in developing microenterprise training, technical assistance, and other related services;

“(C) assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

“(D) to carry out such other projects and activities as the Secretary determines are consistent with the purposes of this section.

“(2) ALLOCATION.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount of funds made available for a fiscal year to make grants under this section, the Secretary shall ensure that—

“(i) not less than 75 percent of funds are used to carry out activities described in paragraph (1)(A); and

“(ii) not more than 25 percent of the funds are used to carry out activities described in subparagraphs (B) through (D) of paragraph (1).

“(B) LIMITATION ON GRANT AMOUNT.—No single qualified organization may receive more than 10 percent of the total funds that are made available for a fiscal year to carry out this section.

“(C) ADMINISTRATIVE EXPENSES.—Not more than 15 percent of assistance received by a qualified organization for a fiscal year under this section may be used for administrative expenses.

“(d) SUBGRANTS.—Subject to such regulations as the Secretary may promulgate, a qualified organization that receives a grant under this section may use the grant to provide assistance to other qualified organizations, such as small or emerging qualified organizations.

“(e) LOW-INCOME INDIVIDUALS.—The Secretary shall ensure that not less than 50 percent of the grants made under this section is used to benefit low-income individuals identified by the Secretary, including individuals residing on Indian reservations.

“(f) DIVERSITY.—In making grants under this section, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

“(1) of varying sizes; and

“(2) that serve racially and ethnically diverse populations.

“(g) COST SHARING.—

“(1) FEDERAL SHARE.—The Federal share of the cost of a project carried out using funds from a grant under this section shall be 75 percent.

“(2) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in paragraph (1) may be provided—

“(A) in cash (including through fees, grants (including community development block grants), and gifts); or

“(B) in kind.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.”.

SEC. 639. RURAL SENIORS.

(a) INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.—Subtitle D of the Consolidated Farm and Rural Development Act

(7 U.S.C. 1981 et seq.) (as amended by section 638) is amended by adding at the end the following:

“SEC. 379. INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.

“(a) In General.—The Secretary shall establish an interagency coordinating committee (referred to in this section as the ‘Committee’) to examine the special problems of rural seniors.

“(b) Membership.—The Committee shall be comprised of—

“(1) the Undersecretary of Agriculture for Rural Development, who shall serve as chairperson of the Committee;

“(2) 2 representatives of the Secretary of Health and Human Services, of whom—

“(A) 1 shall have expertise in the field of health care; and

“(B) 1 shall have expertise in the field of programs under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

“(3) 1 representative of the Secretary of Housing and Urban Development;

“(4) 1 representative of the Secretary of Transportation; and

“(5) representatives of such other Federal agencies as the Secretary may designate.

“(c) Duties.—The Committee shall—

“(1) study health care, transportation, technology, housing, accessibility, and other areas of need of rural seniors;

“(2) identify successful examples of senior care programs in rural communities that could serve as models for other rural communities; and

“(3) not later than 1 year after the date of enactment of this section, submit to the Secretary, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate recommendations for legislative and administrative action.

“(d) Funding.—Funds available to any Federal agency may be used to carry out interagency activities under this section.”.

(b) Grants for Programs for Rural Seniors.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by subsection (a)) is amended by adding at the end the following:

“SEC. 379A. GRANTS FOR PROGRAMS FOR RURAL SENIORS.

“(a) In General.—The Secretary shall make grants to nonprofit organizations (including cooperatives) to pay the Federal share of the cost of programs that—

“(1) provide facilities, equipment, and technology for seniors in a rural area; and

“(2) may be replicated in other rural areas.

“(b) Federal Share.—The Federal share of a grant under this section shall be not more than 20 percent of the cost of a program described in subsection (a).

“(c) Leveraging.—In selecting programs to receive grants under section, the Secretary shall give priority to proposals that leverage resources to meet multiple rural community goals.

“(d) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2003 through 2006.”.

(c) Reservation of Community Facilities Program Funds for Senior Facilities.—Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following:

“(C) Reservation of funds for senior facilities.—

“(i) In general.—For each fiscal year, not less than 12.5 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing senior facilities, or carrying out other projects that mainly benefit seniors, in rural areas.

“(ii) Release.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.”.

SEC. 640. CHILDREN'S DAY CARE FACILITIES.

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) (as amended by section 639(c)) is amended by adding at the end the following:

“(D) Reservation of funds for children's day care facilities.—

“(i) In general.—For each fiscal year, not less than 10 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas.

“(ii) Release.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.”.

SEC. 641. RURAL TELEWORK.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 639(b)) is amended by adding at the end the following:

“SEC. 379B. RURAL TELEWORK.

“(a) Definitions.—In this section:

“(1) Eligible organization.—The term ‘eligible organization’ means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization that meets the requirements of this section and such other requirements as are established by the Secretary.

“(2) Institute.—The term ‘institute’ means a regional rural telework institute established using a grant under subsection (b).

“(3) Telework.—The term ‘telework’ means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

“(b) Rural Telework Institute.—

“(1) In general.—The Secretary shall make a grant to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (4).

“(2) Eligible organizations.—The Secretary shall establish criteria that an organization shall meet to be eligible to receive a grant under this subsection.

“(3) Deadline for initial grant.—Not later than 1 year after the date on which funds are first made available to carry out this subsection, the Secretary shall make the initial grant under this subsection.

“(4) Projects.—The institute shall use grant funds obtained under this subsection to carry out a 5-year project—

“(A) to serve as a clearinghouse for telework research and development;

“(B) to conduct outreach to rural communities and rural workers;

“(C) to develop and share best practices in rural telework throughout the United States;

“(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

“(E) to share information about the design and implementation of telework arrangements;

“(F) to support private sector businesses that are transitioning to telework;

“(G) to support and assist telework projects and individuals at the State and local level; and

“(H) to perform such other functions as the Secretary considers appropriate.

“(5) Non-federal share.—

“(A) In general.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to—

“(i) during each of the first, second, and third years of a project, 50 percent of the amount of the grant; and

“(ii) during each of the fourth and fifth years of the project, 100 percent of the amount of the grant.

“(B) Indian tribes.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

“(C) Form.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, and services.

“(c) Telework Grants.—

“(1) In general.—Subject to paragraphs (2) through (5), the Secretary shall make grants to eligible entities to pay the Federal share of the cost of—

“(A) obtaining equipment and facilities to establish or expand telework locations in rural areas; and

“(B) operating telework locations in rural areas.

“(2) Eligible organizations.—To be eligible to receive a grant under this subsection, an eligible entity shall—

“(A) be a nonprofit organization or educational institution in a rural area; and

“(B) submit to, and receive the approval of, the Secretary of an application for the grant that demonstrates that the eligible entity has adequate resources and capabilities to establish or expand a telework location in a rural area.

“(3) Non-federal share.—

“(A) In general.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to 50 percent of the amount of the grant.

“(B) Indian tribes.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

“(C) Sources.—The non-Federal contributions required under subparagraph (A)—

“(i) may be in the form of in-kind contributions, including office equipment, office space, and services; and

“(ii) may not be made from funds made available for community development block grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

“(4) Duration.—The Secretary may not provide a grant under this subsection to establish, expand, or operate a telework location in a rural area after the date that is 2 years after the establishment of the telework location.

“(5) Maximum amount of grant.—The amount of a grant provided to an eligible entity under this subsection shall not exceed $500,000.

“(d) Applicability of Certain Federal Law.—An entity that receives funds under this section shall be subject to the provisions of Federal law (including regulations), administered by the Secretary of Labor or the Equal Employment Opportunity Commission, that govern the responsibilities of employers to employees.

"(e) Regulations.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"(f) Authorization of Appropriation.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2002 through 2006, of which $5,000,000 shall be provided to establish an institute under subsection (b).".

SEC. 642. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 641)) is amended by adding at the end the following:

"SEC. 379C. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

"(a) In General.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities for the Federal share of the cost of acquiring radio transmitters to increase coverage of rural areas by the emergency weather radio broadcast system of the National Oceanic and Atmospheric Administration.

"(b) Eligibility.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

"(1) a binding commitment from a tower owner to place the transmitter on a tower; and

"(2) a description of how the tower placement will increase coverage of a rural area by the emergency weather radio broadcast system of the National Oceanic and Atmospheric Administration.

"(c) Federal Share.—A grant provided under this section shall be not more than 75 percent of the cost of acquiring a radio transmitter described in subsection (a).

"(d) Authorization.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.".

SEC. 643. DELTA REGIONAL AUTHORITY.

(a) Authorization of Appropriations.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-12(a)) is amended by striking "2002" and inserting "2006".

(b) Termination of Authority.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking "2002" and inserting "2006".

SEC. 644. SEARCH GRANTS FOR SMALL COMMUNITIES.

The Consolidated Farm and Rural Development Act (as amended by section 604) is amended by adding at the end the following:

"Subtitle J—SEARCH Grants for Small Communities

"SEC. 386A. DEFINITIONS.

"In this subtitle:

"(1) Council.—The term 'council' means an independent citizens' council established by section 386B(d).

"(2) Environmental project.—

"(A) In general.—The term 'environmental project' means a project that—

"(i) improves environmental quality; and

"(ii) is necessary to comply with an environmental law (including a regulation).

"(B) Inclusion.—The term 'environmental project' includes an initial feasibility study of a project.

"(3) Region.—The term 'region' means a geographic area of a State, as determined by the Governor of the State.

"(4) SEARCH grant.—The term 'SEARCH grant' means a grant for special environmental assistance for the regulation of communities and habitat awarded under section 386B(e)(3).

"(5) Small community.—The term 'small community' means an incorporated or unincorporated rural community with a population of 2,500 inhabitants or less.

"(6) State.—The term 'State' has the meaning given the term in section 381A(1).

"SEC. 386B. SEARCH GRANT PROGRAM.

"(a) In General.—There is established the SEARCH Grant Program.

"(b) Application.—

"(1) In general.—Not later than October 1 of each fiscal year, a State may submit to the Secretary an application to receive a grant under subsection (c) for the fiscal year.

"(2) Requirements.—An application under paragraph (1) shall contain—

"(A) a certification by the State that the State has appointed members to the council of the State under subsection (c)(2)(C); and

"(B) such information as the Secretary may reasonably require.

"(c) Grants to States.—

"(1) In general.—Not later than 60 days after the date on which the Office of Management and Budget apportions any amounts made available under this subtitle, for each fiscal year after the date of enactment of this subtitle, the Secretary shall, on request by a State—

"(A) determine whether any application submitted by the State under subsection (b) meets the requirements of subsection (b)(2); and

"(B) subject to paragraph (2), subsection (e)(4)(B)(ii), and section 386D(b), if the Secretary determines that the application meets the requirements of subsection (b)(2), award a grant of not to exceed $1,000,000 to the State, to be used by the council of the State to award SEARCH grants under subsection (e).

"(2) Grants to certain states.—The aggregate amount of grants awarded to States other than Alaska, Hawaii, or 1 of the 48 contiguous States, under this subsection shall not exceed $1,000,000 for any fiscal year.

"(d) Independent Citizens' Council.—

"(1) Establishment.—There is established in each State an independent citizens' council to carry out the duties described in this section.

"(2) Composition.—

"(A) In general.—Each council shall be composed of 9 members, appointed by the Governor of the State.

"(B) Representation; residence.—Each member of a council shall—

"(i) represent an individual region of the State, as determined by the Governor of the State in which the council is established;

"(ii) reside in a small community of the State; and

"(iii) be representative of the populations of the State.

"(C) Appointment.—Before a State receives funds under this subtitle, the State shall appoint members to the council for the fiscal year, except that not more than 1 member shall be an agent, employee, or official of the State government.

"(D) Chairperson.—Each council shall select a chairperson from among the members of the council, except that a member who is an agent, employee, or official of the State government shall not serve as chairperson.

"(E) Federal representation.—

"(i) In general.—An officer, employee, or agent of the Federal Government may participate in the activities of the council—

"(I) in an advisory capacity; and

"(II) at the invitation of the council.

"(ii) Rural development state directors.—On the request of the council of a State, the State Director for Rural Development of the State shall provide advice and consultation to the council.

"(3) SEARCH grants.—

"(A) In general.—Each council shall review applications for, and recommend awards of, SEARCH grants to small communities that meet the eligibility criteria under subsection (c).

"(B) Recommendations.—In awarding a SEARCH grant, a State—

"(i) shall follow the recommendations of the council of the State;

"(ii) shall award the funds for any recommended environmental project in a timely and expeditious manner; and

"(iii) shall not award a SEARCH grant to a grantee or project in violation of any law of the State (including a regulation).

"(C) No matching requirement.—A small community that receives a SEARCH grant under this section shall not be required to provide matching funds.

"(e) SEARCH Grants for Small Communities.—

"(1) Eligibility.—A SEARCH grant shall be awarded under this section only to a small community for 1 or more environmental projects for which the small community—

"(A) needs funds to carry out initial feasibility or environmental studies before applying to traditional funding sources; or

"(B) demonstrates, to the satisfaction of the council, that the small community has been unable to obtain sufficient funding from traditional funding sources.

"(2) Application.—

"(A) Date.—The council shall establish such deadline by which small communities shall submit applications for grants under this section as will permit the council adequate time to review and make recommendations relating to the applications.

"(B) Location of application.—A small community shall submit an application described in subparagraph (A) to the council in the State in which the small community is located.

"(C) Content of application.—An application described in subparagraph (A) shall include—

"(i) a description of the proposed environmental project (including an explanation of how the project would assist the small community in complying with an environmental law (including a regulation));

"(ii) an explanation of why the project is important to the small community;

"(iii) a description of all actions taken with respect to the project, including a description of any attempt to secure funding and a description of demonstrated need for funding for the project, as of the date of the application; and

"(iv) a SEARCH grant application form provided by the council, completed and with all required supporting documentation.

"(3) Review and recommendation.—

"(A) In general.—Except as provided in subparagraph (B), not later than March 5 of each fiscal year, each council shall—

"(i) review all applications received under paragraph (2); and

"(ii) recommend for award SEARCH grants to small communities based on—

"(I) an evaluation of the eligibility criteria under paragraph (1); and

"(II) the content of the application.

"(B) Extension of deadline.—The State may extend the deadline described in subparagraph (A) by not more than 10 days in a case in which the receipt of recommendations from a council under subparagraph (A)(ii) is delayed because of circumstances beyond the control of the council, as determined by the State.

"(4) Unexpended funds.—

"(A) In general.—If, for any fiscal year, any unexpended funds remain after SEARCH grants are awarded under subsection (d)(3)(B), the council may repeat the application and review process so that any remaining funds may be recommended for award, and awarded, not later than July 30 of the fiscal year.

"(B) Retention of funds.—

"(i) In general.—Any unexpended funds that are not awarded under subsection (d)(3)(B) or subparagraph (A) shall be retained by the State for award during the following fiscal year.

"(ii) Limitation.—A State that accumulates a balance of unexpended funds described in clause (i) of more than $3,000,000 shall be ineligible to apply for additional funds for SEARCH grants until such time as the State expends the portion of the balance that exceeds $3,000,000.

"SEC. 386C. REPORT.

"Not later than September 1 of the first fiscal year for which a SEARCH grant is awarded by a council, and annually thereafter, the council shall submit to the Secretary a report that—

"(1) describes the number of SEARCH grants awarded during the fiscal year;

"(2) identifies each small community that received a SEARCH grant during the fiscal year;

"(3) describes the project or purpose for which each SEARCH grant was awarded, including a statement of the benefit to public health or the environment of the environmental project receiving the grant funds; and

"(4) describes the status of each project or portion of a project for which a SEARCH grant was awarded, including a project or portion of a project for which a SEARCH grant was awarded for any fiscal year before the fiscal year in which the report is submitted.

"SEC. 386D. FUNDING.

"(a) Authorization of Appropriations.—There is authorized to be appropriated to carry out section 386B(c) $51,000,000, of which not to exceed $1,000,000 shall be used to make grants under section 386B(c)(2).

"(b) Actual Appropriation.—If funds to carry out section 386B(c) are made available for a fiscal year in an amount that is less than the amount authorized under subsection (a) for the fiscal year, the appropriated funds shall be divided equally among the 50 States.

"(c) Unused Funds.—If, for any fiscal year, a State does not apply, or does not qualify, to receive funds under section 386B(b), the funds that would have been made available to the State under section 386B(c) on submission by the State of a successful application under section 386B(b) shall be redistributed for award under this subtitle among States, the councils of which awarded 1 or more SEARCH grants during the preceding fiscal year.

"(d) Other Expenses.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this subtitle (other than section 386B(c)).".

Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 651. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) Repeal of Corporation Authorization.—Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is repealed.

(b) Disposition of Assets.—On the date of enactment of this Act—

(1) the assets, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation (referred to in this section as the "Corporation"), including the funds in the Alternative Agricultural Research and Commercialization Revolving Fund as of the date of enactment of this Act, are transferred to the Secretary of Agriculture; and

(2) notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary shall have authority to manage and dispose of the assets transferred under paragraph (1) in a manner that, to the maximum extent practicable, provides the greatest return on investment.

(c) Use of Assets.—

(1) In general.—Funds transferred under subsection (b), and any income from assets or proceeds from the sale of assets transferred under subsection (b), shall be deposited into an account in the Treasury, and shall remain available to the Secretary until expended, without further appropriation, to pay—

(A) any outstanding claims or obligations of the Corporation; and

(B) the costs incurred by the Secretary in carrying out this section.

(2) Final disposition.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.

(d) Conforming Amendments.—

(1) The following provisions are repealed:

(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104–127).

(B) Section 9101(3)(Q) of title 31, United States Code.

(2) Section 401(c) of the Agricultural Research, Education, and Extension Reform Act of 1998 (7 U.S.C. 7621(c)) is amended by striking paragraph (1) and inserting the following:

"(1) Critical emerging issues.—Subject to paragraph (2), the Secretary shall use the funds in the Account for research, extension, and education grants (referred to in this section as 'grants') to address critical emerging agricultural issues related to—

"(A) future food production;

"(B) environmental quality and natural resource management; or

"(C) farm income.".

(3) Section 793(c)(1)(A)(ii)(II) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(1)(A)(ii)(II)) is amended by striking "subtitle G of title XVI and".

SEC. 652. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) In General.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking "2002" and inserting "2006".

(b) Conforming Amendment.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking "1997" and inserting "2006".

Subtitle E—Rural Electrification Act of 1936

SEC. 661. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

(a) In General.—The Rural Electrification Act of 1936 is amended by inserting after section 313 (7 U.S.C. 940c) the following:

"SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

"(a) In General.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis if the proceeds of the bonds or notes are used for electrification or telephone projects eligible for assistance under this Act, including the refinancing of bonds or notes issued for such projects.

"(b) Limitations.—

"(1) Outstanding loans.—A lender shall not receive a guarantee under this section for a bond or note if, at the time of the guarantee, the total principal amount of such guaranteed bonds or notes outstanding of the lender would exceed the principal amount of outstanding loans of the lender for electrification or telephone purposes that have been made concurrently with loans approved for such purposes under this Act.

"(2) Generation of electricity.—The Secretary shall not guarantee payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity.

"(3) Qualifications.—The Secretary may deny the request of a lender for the guarantee of a bond or note under this section if the Secretary determines that—

"(A) the lender does not have appropriate expertise or experience or is otherwise not qualified to make loans for electrification or telephone purposes;

"(B) the bond or note issued by the lender is not of reasonable and sufficient quality; or

"(C) the lender has not provided sufficient evidence that the proceeds of the bond or note are used for eligible projects described in subsection (a).

"(4) Interest rate reduction.—

"(A) In general.—Except as provided in subparagraph (B), a lender may not use any amount obtained from the reduction in funding costs as a result of the guarantee of a bond or note under this section to reduce the interest rate on a new or outstanding loan.

"(B) Concurrent loans.—A lender may use any amount described in subparagraph (A) to reduce the interest rate on a loan if the loan is—

"(i) made by the lender for electrification or telephone projects that are eligible for assistance under this Act; and

"(ii) made concurrently with a loan approved by the Secretary under this Act for such a project, as provided in section 307.

"(c) Fees.—

"(1) In general.—A lender that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary.

"(2) Amount.—The amount of an annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

"(3) Payment.—A lender shall pay the fees required under this subsection on a semiannual basis.

"(4) Rural economic development subaccount.—Subject to subsection (e)(2), fees collected under this subsection shall be—

"(A) deposited into the rural economic development subaccount maintained under section 313(b)(2)(A), to remain available until expended; and

"(B) used for the purposes described in section 313(b)(2)(B).

"(d) GUARANTEES.—

"(1) IN GENERAL.—A guarantee issued under this section shall—

"(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

"(B) be fully assignable and transferable; and

"(C) represent the full faith and credit of the United States.

"(2) LIMITATION.—To ensure that the Secretary has the resources necessary to properly examine the proposed guarantees, the Secretary may limit the number of guarantees issued under this section if the number of such guarantees exceeds 5 per year.

"(3) DEPARTMENT OPINION.—On the timely request of an eligible lender, the General Counsel of the Department of Agriculture shall provide the Secretary with an opinion regarding the validity and authority of a guarantee issued to the lender under this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

"(2) FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use up to ⅓ of the fees collected under subsection (c) for the cost of providing guarantees of bonds and notes under this section before depositing the remainder of the fees into the rural economic development subaccount maintained under section 313(b)(2)(A).

"(f) TERMINATION.—The authority provided under this section shall terminate on September 30, 2006.".

(b) ADMINISTRATION OF CUSHION OF CREDIT PAYMENTS PROGRAM.—Section 313(b)(2)(B) of the Rural Electrification Act of 1936 (7 U.S.C. 940c)(b)(2)(B)) is amended by inserting ", acting through the Rural Utilities Service," after "Secretary".

(c) ADMINISTRATION.—

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out the amendments made by this section.

(2) IMPLEMENTATION.—Not later than 240 days after the date of enactment of this Act, the Secretary shall implement the amendment made by this section.

SEC. 662. EXPANSION OF 911 ACCESS.

Title III of the Rural Electrification Act of 1936 (7 U.S.C. 931 et seq.) is amended by adding the following:

"SEC. 315. EXPANSION OF 911 ACCESS.

"(a) IN GENERAL.—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may make telephone loans under this title to State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand 911 access in underserved rural areas.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.".

TITLE VII—AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 701. DEFINITIONS.

(a) IN GENERAL.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by redesignating paragraphs (10) through (17) as paragraphs (11) through (18), respectively;

(2) by inserting after paragraph (9) the following:

"(10) INSULAR AREA.—The term 'insular area' means—

"(A) the Commonwealth of Puerto Rico;

"(B) Guam;

"(C) American Samoa;

"(D) the Commonwealth of the Northern Mariana Islands;

"(E) the Federated States of Micronesia;

"(F) the Republic of the Marshall Islands;

"(G) the Republic of Palau; and

"(H) the Virgin Islands of the United States."; and

(3) by striking paragraph (13) (as so redesignated) and inserting the following:

"(13) STATE.—The term 'State' means—

"(A) a State;

"(B) the District of Columbia; and

"(C) any insular area.".

(b) EFFECT OF AMENDMENTS.—The amendments made by subsection (a) shall not affect any basis for distribution of funds by formula (in effect on the date of enactment of this Act) to—

(1) the Federated States of Micronesia;

(2) the Republic of the Marshall Islands; or

(3) the Republic of Palau.

SEC. 702. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2002" and inserting "2006".

SEC. 703. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (a)—

(A) by striking "and" after "economics,"; and

(B) by inserting ", and rural economic, community, and business development" before the period;

(2) in subsection (b)—

(A) in paragraph (1), by inserting ", or in rural economic, community, and business development" before the semicolon;

(B) in paragraph (2), by inserting ", or in rural economic, community, and business development" before the semicolon;

(C) in paragraph (3), by inserting ", or teaching programs emphasizing rural economic, community, and business development" before the semicolon;

(D) in paragraph (4), by inserting ", or programs emphasizing rural economic, community, and business development," after "programs"; and

(E) in paragraph (5), by inserting ", or professionals in rural economic, community, and business development" before the semicolon;

(3) in subsection (d)—

(A) in paragraph (1), by inserting ", or in rural economic, community, and business development," after "sciences"; and

(B) in paragraph (2), by inserting ", or in the rural economic, community, and business development workforce," after "workforce"; and

(4) in subsection (l), by striking "2002" and inserting "2006".

SEC. 704. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1417 (7 U.S.C. 3152) the following:

"SEC. 1417A. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

"(a) AUTHORITY.—The Secretary may award grants to eligible institutions on a competitive basis for the construction, acquisition, modernization, renovation, alteration, and remodeling of food and agricultural research facilities such as buildings, laboratories, and other capital facilities (including acquisition of fixtures and equipment) in accordance with this section.

"(b) ELIGIBLE INSTITUTIONS.—The following institutions are eligible to compete for grants under subsection (a):

"(1) A State cooperative institution.

"(2) A Hispanic-serving institution.

"(c) CRITERIA FOR AWARD.—The Secretary shall award grants to support the national research purposes specified in section 1402 in a manner determined by the Secretary.

"(d) MATCHING.—

"(1) IN GENERAL.—The Secretary may establish such matching requirements for grants under subsection (a) as the Secretary considers appropriate.

"(2) FORM OF MATCH.—Matching requirements established by the Secretary may be met with unreimbursed indirect costs and in-kind contributions.

"(3) EVALUATION PREFERENCE.—The Secretary may include an evaluation preference for projects for which the applicant proposes funds for the direct costs of a project to meet the required match.

"(e) TARGETED INSTITUTIONS.—The Secretary may determine that a portion of funds made available to carry out this section shall be targeted to particular eligible institutions to enhance the capacity of the eligible institutions to carry out research.

"(f) ADMINISTRATION.—

"(1) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this section.

"(2) STATES WITH MORE THAN 1 ELIGIBLE INSTITUTION.—In a State having more than 1 eligible institution, the Secretary shall establish procedures in accordance with the purposes specified in section 1402 to ensure that the facility proposals of the eligible institutions in the State provide for a coordinated food and agricultural research program among eligible institutions in the State.

"(g) APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this section.

"(h) ADVISORY BOARD.—In carrying out this section, the Secretary shall consult with the Advisory Board.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.".

SEC. 705. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "2002" and inserting "2006".

SEC. 706. POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in subsection (c)(3), by striking "collect and analyze" and inserting "collect, analyze, and disseminate"; and

(2) in subsection (d), by striking "2002" and inserting "2006".

SEC. 707. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking "2002" and inserting "2006".

SEC. 708. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking "2002" and inserting "2006".

SEC. 709. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "2002" and inserting "2006".

SEC. 710. ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 711. RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking "2002" and inserting "2006".

SEC. 712. EDUCATION GRANTS PROGRAMS FOR HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking "2002" and inserting "2006".

SEC. 713. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking "2002" and inserting "2006".

SEC. 714. INDIRECT COSTS.

Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) is amended—

(1) by inserting "(a) IN GENERAL.—" before "Except";

(2) by striking "19 percent" and all that follows and inserting "the negotiated indirect cost rate established for an institution by the cognizant Federal audit agency for the institution."; and

(3) by adding at the end the following:

"(b) EXCEPTION.—Subsection (a) shall not apply to a grant awarded competitively under section 9 of the Small Business Act (15 U.S.C. 638).".

SEC. 715. RESEARCH EQUIPMENT GRANTS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1462 (7 U.S.C. 3310) the following:

"SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

"(a) IN GENERAL.—The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions described in subsection (b).

"(b) ELIGIBLE INSTITUTIONS.—The Secretary may make a grant under this section to—

"(1) a college or university; or

"(2) a State cooperative institution.

"(c) MAXIMUM AMOUNT.—The amount of a grant made to an eligible institution under this section may not exceed $500,000.

"(d) PROHIBITION ON CHARGE OF EQUIPMENT AS INDIRECT COSTS.—The cost of acquisition or depreciation of equipment purchased with a grant under this section shall not be—

"(1) charged as an indirect cost against another Federal grant; or

"(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2002 through 2006.".

SEC. 716. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended—

(1) in subsection (a), by striking "$850,000,000 for each of the fiscal years 1991 through 2002" and inserting "$1,500,000,000 for each of fiscal years 2002 through 2006"; and

(2) in subsection (b), by striking "2002" and inserting "2006".

SEC. 717. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "$420,000,000" and all that follows and inserting the following: "$500,000,000 for each of fiscal years 2002 through 2006.".

SEC. 718. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1469 (7 U.S.C. 3315) the following:

"SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

"Except as otherwise provided by law, funds made available to the Secretary to carry out a competitive agricultural research, education, or extension grant program under this or any other Act shall be available for obligation for a 2-year period beginning on October 1 of the fiscal year for which the funds are made available.".

SEC. 719. JOINT REQUESTS FOR PROPOSALS.

(a) PURPOSES.—The purposes of this section are—

(1) to reduce the duplication of administrative functions relating to grant awards and administration among Federal agencies conducting similar types of research, education, and extension programs;

(2) to maximize the use of peer review resources in research, education, and extension programs; and

(3) to reduce the burden on potential recipients that may offer similar proposals to receive competitive grants under different Federal programs in overlapping subject areas.

(b) AUTHORITY.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1473A (7 U.S.C. 3319a) the following:

"SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.

"(a) IN GENERAL.—In carrying out any competitive agricultural research, education, or extension grant program authorized under this or any other Act, the Secretary may cooperate with 1 or more other Federal agencies (including the National Science Foundation) in issuing joint requests for proposals, awarding grants, and administering grants, for similar or related research, education, or extension projects or activities.

"(b) TRANSFER OF FUNDS.—

"(1) SECRETARY.—The Secretary may transfer funds to, or receive funds from, a cooperating Federal agency for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

"(2) COOPERATING AGENCY.—The cooperating Federal agency may transfer funds to, or receive funds from, the Secretary for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

"(3) LIMITATIONS.—Funds transferred or received under this subsection shall be—

"(A) used only in accordance with the laws authorizing the appropriation of the funds; and

"(B) made available by grant only to recipients that are eligible to receive the grant under the laws.

"(c) ADMINISTRATION.—

"(1) SECRETARY.—The Secretary may delegate authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part, to a cooperating Federal agency.

"(2) COOPERATING FEDERAL AGENCY.—The cooperating Federal agency may delegate to the Secretary authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part.

"(d) REGULATIONS; RATES.—The Secretary and a cooperating Federal agency may agree to make applicable to recipients of grants—

"(1) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the Secretary; or

"(2) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the cooperating Federal agency.

"(e) JOINT PEER REVIEW PANELS.—Subject to section 1413B, the Secretary and a cooperating Federal agency may establish joint peer review panels for the purpose of evaluating grant proposals.".

SEC. 720. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking "2002" and inserting "2006".

SEC. 721. AQUACULTURE.

Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 722. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "2002" and inserting "2006".

SEC. 723. BIOSECURITY PLANNING AND RESPONSE PROGRAMS.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following:

"Subtitle N—Biosecurity

"CHAPTER 1—AGRICULTURE INFRASTRUCTURE SECURITY

"SEC. 1484. DEFINITIONS.

``In this chapter:

``(1) Agricultural research facility.—The term `agricultural research facility' means a facility—

``(A) at which agricultural research is regularly carried out or proposed to be carried out; and

``(B) that is—

``(i)(I) an Agricultural Research Service facility;

``(II) a Forest Service facility; or

``(III) an Animal and Plant Health Inspection Service facility;

``(ii) a Federal agricultural facility in the process of being planned or being constructed; or

``(iii) any other facility under the full control of the Secretary.

``(2) Commission.—The term `Commission' means the Agriculture Infrastructure Security Commission established under section 1486.

``(2) Fund.—The term `Fund' means the Agriculture Infrastructure Security Fund Account established by section 1485.

"SEC. 1485. AGRICULTURE INFRASTRUCTURE SECURITY FUND.

``(a) Establishment.—There is established in the Treasury of the United States an account, to be known as the `Agriculture Infrastructure Security Fund Account', consisting of funds appropriated to, or deposited into, the Fund under subsection (c).

``(b) Purposes.—The purposes of the Fund are to provide funding to protect and strengthen the Federal food safety and agricultural infrastructure that—

``(1) safeguards against animal and plant diseases and pests;

``(2) ensures the safety of the food supply; and

``(3) ensures sound science in support of food and agricultural policy.

``(c) Deposits Into Fund.—

``(1) In general.—There are authorized to be appropriated to the Fund such sums as are necessary for each of fiscal years 2002 through 2006.

``(2) Contributions and other proceeds.—The Secretary shall deposit into the Fund any funds received—

``(A) as proceeds from the sale of assets under subsection (e); or

``(B) as gifts under subsection (f).

``(3) Availability of funds.—Amounts in the Fund shall remain available until expended without further Act of appropriation.

``(4) Additional funds.—Funds made available under paragraph (1) shall be in addition to funds otherwise available to the Secretary to receive gifts and bequests or dispose of property (real, personal, or intangible).

``(d) Expenditures From Fund.—

``(1) In general.—Subject to paragraph (2), on request by the Secretary, the Secretary of the Treasury shall transfer from the Fund to the Secretary, and the Secretary shall accept and use without further appropriation, such amounts as the Secretary determines to be necessary to pay—

``(A) the costs of planning, design, development, construction, acquisition, modernization, leasing, and disposal of facilities, equipment, and technology used by the Department in carrying out programs relating to the purposes specified in subsection (b), notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or any other law that prescribes procedures for the procurement, use, or disposal of property or services by a Federal agency;

``(B) the costs of specialized services relating to the purposes specified in subsection (b);

``(C) the costs of cooperative arrangements authorized to be entered into (notwithstanding chapter 63 of title 31, United States Code) with State, local and tribal governments, and other public and private entities, to carry out programs relating to the purposes specified in subsection (b); and

``(D) administrative costs incurred in carrying out subparagraphs (A) through (C).

``(2) Limitations.—

``(A) Federal employees.—Amounts in the Fund shall not be used to create any new full or part-time permanent Federal employee position.

``(B) Administrative expenses.—Beginning in fiscal year 2003, not more than 1 percent of the amounts in the Fund on October 1 of a fiscal year may be used in the fiscal year for administrative expenses of the Secretary in carrying out the activities described in paragraph (1).

``(e) Sale of Assets.—

``(1) Disposal authority.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary by sale may dispose of all or any part of any right or title in land (excluding National Forest System land), facilities, or equipment in the full control of the Department (including land and facilities at the Beltsville Agricultural Research Center) used for the purposes specified in subsection (b).

``(2) Disposition of proceeds.—Proceeds from any sale conducted by the Secretary under paragraph (1) shall be deposited into the Fund in accordance with subsection (c)(2)(A).

``(f) Gifts.—

``(1) In general.—To carry out the purposes specified in subsection (b), the Secretary may accept gifts and bequests of funds, property (real, personal, and intangible), equipment, services, and other in-kind contributions from State, local, and tribal governments, colleges and universities, individuals, and other public and private entities.

``(2) Prohibited source.—

``(A) In general.—For the purposes of this subsection, the Secretary shall not consider a State or local government, Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), other public entity, or college or university, to be a prohibited source under any Department rule or policy that prohibits the acceptance of gifts from individuals and entities that do business with the Department.

``(B) Exception.—Notwithstanding any Department rule or policy that prohibits the acceptance of gifts by the Department from individuals or private entities that do business with the Department or that, for any other reason, are considered to be prohibited sources, the Secretary may accept gifts under this subsection if the Secretary determines that it is in the public interest to accept the gift.

``(3) Disposition of gifts.—The Secretary shall deposit any gift of funds under this subsection into the Fund in accordance with subsection (c)(2)(B).

"SEC. 1486. AGRICULTURE INFRASTRUCTURE SECURITY COMMISSION.

``(a) Establishment.—The Secretary shall establish a commission to be known as the `Agriculture Infrastructure Security Commission' to carry out the duties described in subsection (f).

``(b) Membership.—

``(1) Appointment.—

``(A) Voting members.—

``(i) In general.—The Commission shall be composed of 15 voting members, appointed by the Secretary in accordance with clause (ii), based on nominations solicited from the public.

``(ii) Qualifications.—The Secretary shall appoint members that—

``(I) represent a balance of the public and private sectors; and

``(II) have combined expertise in—

``(aa) facilities development, modernization, construction, security, consolidation, and closure;

``(bb) plant diseases and pests;

``(cc) animal diseases and pests;

``(dd) food safety;

``(ee) biosecurity;

``(ff) the needs of farmers and ranchers;

``(gg) public health;

``(hh) State, local, and tribal government; and

``(ii) any other area related to agriculture infrastructure security, as determined by the Secretary.

``(B) Nonvoting members.—The Commission shall be composed of the following nonvoting members:

``(i) The Secretary.

``(ii) 4 representatives appointed by the Secretary of Health and Human Services, 1 each from—

``(I) the Public Health Service;

``(II) the National Institutes of Health;

``(III) the Centers for Disease Control and Prevention; and

``(IV) the Food and Drug Administration.

``(iii) 1 representative appointed by the Attorney General.

``(iv) 1 representative appointed by the Director of Homeland Security.

``(v) Not more than 4 representatives of the Department appointed by the Secretary.

``(2) Date of appointment.—The appointment of each member of the Commission shall be made not later than 90 days after the date of enactment of this subtitle.

``(c) Term; Vacancies.—

``(1) Term.—The term of office of a member of the Commission shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms (as determined by the Secretary).

``(2) Vacancies.—A vacancy on the Commission shall be filled in the same manner as the original appointment was made.

``(d) Meetings.—

``(1) In general.—The Commission shall meet at the call of—

``(A) the Chairperson;

``(B) a majority of the voting members of the Commission; or

``(C) the Secretary.

``(2) Federal advisory committee act.—

``(A) In general.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to the Commission.

``(B) Open meetings; records.—Subject to subparagraph (C)—

``(i) a meeting of the Commission shall be—

``(I) publicly announced in advance; and

``(II) open to the public; and

``(ii) the Commission shall—

``(I) keep detailed minutes of each meeting and other appropriate records of the activities of the Commission; and

``(II) make the minutes and records available to the public on request.

“(C) EXCEPTION.—When required in the interest of national security—

“(i) the Chairperson may choose not to give public notice of a meeting;

“(ii) the Chairperson may close all or a portion of any meeting to the public, and the minutes of the meeting, or portion of a meeting, shall not be made available to the public; and

“(iii) by majority vote, the Commission may redact the minutes of a meeting that was open to the public.

“(e) CHAIRPERSON.—The Secretary shall select a Chairperson from among the voting members of the Commission.

“(f) DUTIES.—

“(1) IN GENERAL.—The Commission shall—

“(A) advise the Secretary on the uses of the Fund;

“(B) review all agricultural research facilities for—

“(i) research importance; and

“(ii) importance to agriculture infrastructure security;

“(C) identify any agricultural research facility that should be closed, realigned, consolidated, or modernized to carry out the research agenda of the Secretary and protect agriculture infrastructure security;

“(D) develop recommendations concerning agricultural research facilities; and

“(E)(i) evaluate the agricultural research facilities acquisition and modernization system (including acquisitions by gift, grant, or any other form of agreement) used by the Department; and

“(ii) based on the evaluation, recommend improvements to the system.

“(2) STRATEGIC PLAN.—To assist the Commission in carrying out the duties described in paragraph (1), the Commission shall use the 10-year strategic plan prepared by the Strategic Planning Task Force established under section 4 of the Research Facilities Act (7 U.S.C. 390b).

“(3) REPORT.—

“(A) IN GENERAL.—Not later than 240 days after the date of enactment of this subtitle, and each June 1 thereafter, the Commission shall prepare and submit to the Secretary, the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report on the findings and recommendations under paragraph (1).

“(B) WRITTEN RESPONSE.—Not later than 90 days after the date of receipt of a report from the Commission under subparagraph (A), the Secretary shall provide to the Commission a written response concerning the manner and extent to which the Secretary will implement the recommendations in the report.

“(C) PUBLIC AVAILABILITY.—

“(i) IN GENERAL.—Subject to clause (ii), the report submitted by the Commission, and any response made by the Secretary, under this subsection shall be available to the public.

“(ii) EXCEPTION.—

“(I) NATIONAL SECURITY.—The Commission or the Secretary may determine that any report or response, or any portion of a report or response, shall not be publicly released in the interest of national security.

“(II) FREEDOM OF INFORMATION ACT.—On such a determination, the report or response, a portion of the report or response, or any records relating to the report or response, shall not be released under section 552 of title 5, United States Code.

“(g) COMMISSION PERSONNEL MATTERS.—

“(1) COMPENSATION OF MEMBERS.—

“(A) NON-FEDERAL EMPLOYEES.—A voting member of the Commission who is not a regular full-time employee of the Federal Government shall, while attending meetings of the Commission or otherwise engaged in the business of the Commission (including travel time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the daily equivalent of the annual rate specified at the time of such service under GS-15 of the General Schedule established under section 5332 of title 5, United States Code.

“(B) TRAVEL EXPENSES.—A voting member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

“(2) STAFF.—The Secretary shall provide the Commission with any personnel and other resources as the Secretary determines appropriate.

“(h) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2002 through 2006.

“(2) AGRICULTURE INFRASTRUCTURE SECURITY FUND.—For the purpose of establishing the Commission, the Secretary shall use such sums from the Fund as the Secretary determines to be appropriate.

“CHAPTER 2—OTHER BIOSECURITY PROGRAMS

“SEC. 1487. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

“(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts for agricultural research, extension, and education under this Act, there are authorized to be appropriated for agricultural research, education, and extension activities for biosecurity planning and response such sums as are necessary for each of fiscal years 2002 through 2006.

“(b) USE OF FUNDS.—Using any authority available to the Secretary, the Secretary shall use funds made available under this section to carry out agricultural research, education, and extension activities (including through competitive grants) necessary—

“(1) to reduce the vulnerability of the United States food and agricultural system to chemical or biological attack;

“(2) to continue joint research initiatives between the Agricultural Research Service, universities, and industry on counterbioterrorism efforts (including continued funding of a consortium in existence on the date of enactment of this subtitle of which the Agricultural Research Service and universities are members);

“(3) to make competitive grants to universities and qualified research institutions for research on counterbioterrorism; and

“(4) to counter or otherwise respond to chemical or biological attack.

“SEC. 1488. AGRICULTURE BIOTERRORISM RESEARCH FACILITIES.

“(a) DEFINITIONS.—In this section:

“(1) CONSTRUCTION.—The term ‘construction’ includes—

“(A) the construction of new buildings; and

“(B) the expansion, renovation, remodeling, and alteration of existing buildings.

“(2) COST.—

“(A) IN GENERAL.—The term ‘cost’ means any construction cost, including architects’ fees.

“(B) EXCLUSIONS.—The term ‘cost’ does not include the cost of—

“(i) acquiring land or an interest in land; or

“(ii) constructing any offsite improvement.

“(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a college or university that—

“(A) is a land grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

“(B) as determined by the Secretary, has—

“(i) demonstrated expertise in the area of animal and plant diseases;

“(ii) substantial animal and plant diagnostic laboratories; and

“(iii) well-established working relationships with—

“(I) the agricultural industry; and

“(II) farm and commodity organizations.

“(b) MODERNIZATION AND CONSTRUCTION OF FACILITIES.—

“(1) IN GENERAL.—To enhance the security of agriculture in the United States against threats posed by bioterrorism, the Secretary shall make construction grants, on a competitive basis, to eligible entities.

“(2) LIMITATION ON GRANTS.—An eligible entity shall not receive grant funds under this section that, in any fiscal year, exceed $10,000,000.

“(c) REQUIREMENTS FOR GRANTS.—

“(1) IN GENERAL.—The Secretary shall make a grant to an eligible entity under this section only if, with respect to any facility constructed using grant funds, the eligible entity—

“(A) submits to the Secretary, in such form, in such manner, and containing such agreements, assurances, and information as the Secretary may require, an application for the grant;

“(B) is determined by the Secretary to be competent to engage in the type of research for which the facility is proposed to be constructed;

“(C) provides such assurances as the Secretary determines to be satisfactory that—

“(i) for not less than 20 years after the date of completion of the facility, the facility shall be used for the purposes of the research for which the facility was constructed, as described in the grant application;

“(ii) sufficient funds are available to pay the non-Federal share of the cost of constructing the facility;

“(iii) sufficient funds will be available, as of the date of completion of the construction, for the effective use of the facility for the purposes of the research for which the facility was constructed; and

“(iv) the proposed construction—

“(I) will increase the capability of the eligible entity to conduct research for which the facility was constructed; or

“(II) is necessary to improve or maintain the quality of the research of the eligible entity;

“(D) meets such reasonable qualifications as may be established by the Secretary with respect to—

“(i) the relative scientific and technical merit of the applications, and the relative effectiveness of facilities proposed to be constructed, in expanding the quality of, and the capacity of eligible entities to carry out, biosecurity research;

“(ii) the quality of the research to be carried out in each facility constructed;

“(iii) the need for the research activities to be carried out within the facility as those activities relate to research needs of the

United States in securing, and ensuring the safety of, the food supply of the United States;

"(iv) the age and condition of existing research facilities of the eligible entity; and

"(v) biosafety and biosecurity requirements necessary to protect facility staff, members of the public, and the food supply; and

"(E) has demonstrated a commitment to enhancing and expanding the research productivity of the eligible entity.

"(2) Priority.—In providing grants under this section, the Secretary shall give priority to an eligible entity that, as determined by the Secretary, has demonstrated expertise in—

"(A) animal and plant disease prevention;

"(B) pathogen and toxin mitigation;

"(C) cereal disease resistance;

"(D) grain milling and processing;

"(E) livestock production practices;

"(F) vaccine development;

"(G) meat processing;

"(H) pathogen detection and control; or

"(I) food safety.

"(d) Amount of Grant.—The amount of a grant awarded under this section shall be determined by the Secretary.

"(e) Federal Share.—The Federal share of the cost of any construction carried out using funds from a grant provided under this section shall not exceed 50 percent.

"(f) Guidelines.—Not later than 180 days after the date of enactment of this subtitle, the Secretary shall issue guidelines with respect to the provision of grants under this section.

"(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2003 through 2005.".

(b) Sense of Congress on Increasing Capacity for Research on Biosecurity and Animal and Plant Health Diseases.—It is the sense of Congress that funding for the Agricultural Research Service, the Animal and Plant Health Inspection Service, and other agencies of the Department of Agriculture with responsibilities for biosecurity should be increased as necessary to improve the capacity of the agencies to conduct research and analysis of, and respond to, bioterrorism and animal and plant diseases.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 731. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "2002" and inserting "2006".

SEC. 732. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended—

(1) by redesignating subsections (e) through (g) as subsections (f) through (h), respectively; and

(2) by inserting after subsection (d) the following:

"(e) Grant Priority.—In selecting projects for which grants shall be made under this section, the Secretary shall give priority to public and private research or educational institutions and organizations the goals of which include—

"(1) formation of interdisciplinary teams to review or conduct research on the environmental effects of the release of new genetically modified agricultural products;

"(2) conduct of studies relating to biosafety of genetically modified agricultural products;

"(3) evaluation of the cost and benefit for development of an identity preservation system for genetically modified agricultural products;

"(4) establishment of international partnerships for research and education on biosafety issues; or

"(5) formation of interdisciplinary teams to renew and conduct research on the nutritional enhancement and environmental benefits of genetically modified agricultural products.".

SEC. 733. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended

(1) in subsection (e), by adding at the end the following:

"(25) Animal infectious diseases research and extension.—

"(A) In general.—Research and extension grants may be made under this section for the purpose of developing—

"(i) prevention and control methodologies for animal infectious diseases that impact trade, including vesicular stomatitis, bovine tuberculosis, transmissible spongiform encephalopathy, brucellosis, and E. coli 0157:H7 infection;

"(ii) laboratory tests for quicker detection of infected animals and presence of diseases among herds;

"(iii) prevention strategies, including vaccination programs; and

"(iv) rapid diagnostic techniques for, and evaluation of, animal disease agents considered to be risks for agricultural bioterrorism attack.

"(B) Collaboration.—Research under subparagraph (A) may be conducted in collaboration with scientists from the Department, other Federal agencies, universities, and industry.

"(C) Evaluation of diagnostic techniques and vaccines.—Any research on or evaluation of diagnostic techniques and vaccines under subparagraph (A) shall include evaluation of diagnostic techniques and vaccines under field conditions in countries in which the animal disease occurs.

"(26) Program to combat childhood obesity.—Research and extension grants may be made under this section to consortia of institutions of higher education that specialize in obesity and nutrition research to develop and implement effective strategies to reduce the incidence of childhood obesity.

"(27) Integrated pest management.—Research and extension grants may be made under this section to land grant colleges and universities, other Federal agencies, and other interested persons to coordinate and improve research, education, and outreach on, and implementation on farms of, integrated pest management.

"(28) Beef cattle genetics.—

"(A) In general.—Research and extension grants for beef cattle genetics evaluation research may be made under this section to institutions of higher education, or consortia of institutions of higher education, that—

"(i) have expertise in beef cattle genetic evaluation research and technology; and

"(ii) have been actively involved, for at least 20 years, in the estimation and prediction of progeny differences for publication and use by seed stock producer breed associations.

"(B) Priority.—In making grants under subparagraph (A), the Secretary shall give priority to proposals to—

"(i) establish and coordinate priorities for genetic evaluation of domestic beef cattle;

"(ii) consolidate research efforts to reduce duplication of effort and maximize the return to beef industry;

"(iii) streamline the process between the development and adoption of new genetic evaluation methodologies by the industry;

"(iv) identify new traits and technologies for inclusion in genetic programs in order to—

"(I) reduce the costs of beef production; and

"(II) provide consumers with a high nutritional value, healthy, and affordable protein source; or

"(v) create decisionmaking tools that incorporate the increasing number of traits being evaluated and the increasing amount of information from DNA technology into genetic improvement programs, with the goal of optimizing the overall efficiency, product quality and safety, and health of the domestic beef cattle herd resource."; and

(2) in subsection (h), by striking "2002" and inserting "2006".

SEC. 734. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking "2002" and inserting "2006".

SEC. 735. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)—

(A) by inserting after "Board," the following: "and the National Organic Standards Board,";

(B) in paragraph (2), by striking "and" at the end;

(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

"(4) determining desirable traits for organic commodities using advanced genomics;

"(5) pursuing classical and marker-assisted breeding for publicly held varieties of crops and animals optimized for organic systems;

"(6) identifying marketing and policy constraints on the expansion of organic agriculture; and

"(7) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and to socioeconomic conditions."; and

(2) in subsection (e), by striking "2002" and inserting "2006".

SEC. 736. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "2002" and inserting "2006".

SEC. 737. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking "2002" and inserting "2006".

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) Funding.—

"(1) In general.—Out of any funds in the Treasury not otherwise appropriated, the

Secretary of the Treasury shall transfer to the Account to carry out this section—

“(A) on October 1, 1998 and each October 1 thereafter through October 1, 2001, $120,000,000; and

“(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $145,000,000.

“(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.”; and

(2) in subsection (e), by adding at the end the following:

“(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.”.

SEC. 742. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking “2002” and inserting “2006”.

SEC. 743. PRECISION AGRICULTURE.

Section 403(i)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)(1)) is amended by striking “2002” and inserting “2006”.

SEC. 744. BIOBASED PRODUCTS.

Section 404 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624) is amended—

(1) in subsection (e)(2), by striking “2001” and inserting “2006”; and

(2) in subsection (h), by striking “2002” and inserting “2006”.

SEC. 745. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking “2002” and inserting “2006”.

SEC. 746. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626) is amended—

(1) by redesignating subsection (e) as subsection (f);

(2) by inserting after subsection (d) the following:

“(e) TERM OF GRANT.—A grant under this section shall have a term of not more than 5 years.”; and

(3) in subsection (f) (as so redesignated), by striking “2002” and inserting “2006”.

SEC. 747. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking “2002” and inserting “2006”.

SEC. 748. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2002 through 2006.”.

SEC. 749. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking “2002” and inserting “2006”.

Subtitle D—Land-Grant Funding

CHAPTER 1—1862 INSTITUTIONS

SEC. 751. CARRYOVER.

Section 7 of the Hatch Act of 1887 (7 U.S.C. 361g) is amended by striking subsection (c) and inserting the following:

“(c) CARRYOVER.—

“(1) IN GENERAL.—The balance of any annual funds provided under this Act to a State agricultural experiment station for a fiscal year that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

“(2) FAILURE TO EXPEND FULL ALLOTMENT.—If any unexpended balance carried over by a State is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the State.”.

SEC. 752. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 7(e) of the Hatch Act of 1887 (7 U.S.C. 361g(e)) is amended by adding at the end the following:

“(5) The technology transfer activities conducted with respect to federally-funded agricultural research.”.

SEC. 753. COMPLIANCE WITH MULTISTATE AND INTEGRATION REQUIREMENTS.

(a) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended by striking subsection (h) and inserting the following:

“(h) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—

“(1) DEFINITION OF MULTISTATE ACTIVITY.—In this subsection, the term ‘multistate activity’ means a cooperative extension activity in which 2 or more States cooperate to resolve problems that concern more than 1 State.

“(2) REQUIREMENT.—

“(A) IN GENERAL.—To receive funding under subsections (b) and (c) for a fiscal year, a State must have expended on multistate activities, in the preceding fiscal year, an amount equivalent to not less than 25 percent of the funds paid to the State under subsections (b) and (c) for the preceding fiscal year.

“(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative extension funds expended by the State in the preceding fiscal year, including Federal, State, and local funds.

“(3) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for multistate activities under paragraph (2) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the State, as determined by the Secretary.

“(4) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this subsection.

“(5) APPLICABILITY.—This subsection does not apply to funds provided—

“(A) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)); or

“(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.”.

(b) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—Section 3 of the Hatch Act of 1887 (7 U.S.C. 361c) is amended by striking subsection (i) and inserting the following:

“(i) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—

“(1) IN GENERAL.—

“(A) REQUIREMENT.—To receive funding under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for a fiscal year, a State must have expended on activities that integrate cooperative research and extension (referred to in this section as ‘integrated activities’), in the preceding fiscal year, an amount equivalent to not less than 25 percent of the funds paid to the State under this section and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for the preceding fiscal year.

“(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative research and extension funds expended by the State in the prior fiscal year, including Federal, State, and local funds.

“(2) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for integrated activities under paragraph (1) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the State, as determined by the Secretary.

“(3) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 7 of this Act and under section 4 of the Smith-Lever Act (7 U.S.C. 344), as applicable, a description of the manner in which the State will meet the requirements of this subsection.

“(4) APPLICABILITY.—This subsection does not apply to funds provided—

“(A) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)); or

“(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

“(5) RELATIONSHIP TO OTHER REQUIREMENTS.—Funds described in paragraph (1)(B) that a State uses to calculate the required amount of expenditures for integrated activities under paragraph (1)(A) may also be used in the same fiscal year to calculate the amount of expenditures for multistate activities required under subsection (c)(3) of this section and section 3(h) of the Smith-Lever Act (7 U.S.C. 343(h)).”.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

CHAPTER 2—1994 INSTITUTIONS

SEC. 754. EXTENSION AT 1994 INSTITUTIONS.

Section 3(b) of the Smith-Lever Act (7 U.S.C. 343(b)) is amended by striking paragraph (3) and inserting the following:

“(3) EXTENSION AT 1994 INSTITUTIONS.—

“(A) IN GENERAL.—There are authorized to be appropriated for fiscal year 2002 and each subsequent fiscal year, for payment to 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)), such sums as are necessary for the purposes set forth in section 2, to remain available until expended.

“(B) DISTRIBUTION.—Amounts made available under subparagraph (A)—

“(i) shall be distributed on the basis of a formula to be developed and implemented by the Secretary, in consultation with the 1994 Institutions; and

“(ii) may include payments for extension activities carried out during 1 or more fiscal years.

“(C) COOPERATIVE AGREEMENT.—In accordance with such regulations as the Secretary may promulgate, a 1994 Institution may administer funds received under this paragraph through a cooperative agreement with an 1862 Institution or an 1890 Institution (as those terms are defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)).".

SEC. 755. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) TECHNICAL AMENDMENT TO REFLECT NAME CHANGES.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking paragraphs (1) through (30) and inserting the following:

"(1) Bay Mills Community College.
"(2) Blackfeet Community College.
"(3) Cankdeska Cikana Community College.
"(4) College of Menominee Nation.
"(5) Crownpoint Institute of Technology.
"(6) D-Q University.
"(7) Diné College.
"(8) Dull Knife Memorial College.
"(9) Fond du Lac Tribal and Community College.
"(10) Fort Belknap College.
"(11) Fort Berthold Community College.
"(12) Fort Peck Community College.
"(13) Haskell Indian Nations University.
"(14) Institute of American Indian and Alaska Native Culture and Arts Development.
"(15) Lac Courte Oreilles Ojibwa Community College.
"(16) Leech Lake Tribal College.
"(17) Little Big Horn College.
"(18) Little Priest Tribal College.
"(19) Nebraska Indian Community College.
"(20) Northwest Indian College.
"(21) Oglala Lakota College.
"(22) Salish Kootenai College.
"(23) Sinte Gleska University.
"(24) Sisseton Wahpeton Community College.
"(25) Si Tanka/Huron University.
"(26) Sitting Bull College.
"(27) Southwestern Indian Polytechnic Institute.
"(28) Stone Child College.
"(29) Turtle Mountain Community College.
"(30) United Tribes Technical College.
"(31) White Earth Tribal and Community College.".

(b) ACCREDITATION REQUIREMENT FOR RESEARCH GRANTS.—Section 533(a)(3) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "sections 534 and 535" and inserting "sections 534, 535, and 536".

(c) LAND-GRANT STATUS FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "$4,600,000 for each of fiscal years 1996 through 2002" and inserting "such sums as are necessary for each of fiscal years 2002 through 2006".

(d) CHANGE OF INDIAN STUDENT COUNT FORMULA.—Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "(as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397h(3)) for each 1994 Institution for the fiscal year" and inserting "(as defined in section 2(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)))".

(e) INCREASE IN INSTITUTIONAL PAYMENTS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "$50,000" and inserting "$100,000".

(f) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended—

(1) in subsection (b)(1), by striking "2002" and inserting "2006"; and

(2) in subsection (c), by striking "$1,700,000 for each of fiscal years 1996 through 2002" and inserting "such sums as are necessary for each of fiscal years 2002 through 2006".

(g) RESEARCH GRANTS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "2002" and inserting "2006".

SEC. 756. ELIGIBILITY FOR INTEGRATED GRANTS PROGRAM.

Section 406(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(b)) is amended by inserting "and 1994 Institutions" before "on a competitive basis".

CHAPTER 3—1890 INSTITUTIONS

SEC. 757. AUTHORIZATION PERCENTAGES FOR RESEARCH AND EXTENSION FORMULA FUNDS.

(a) EXTENSION.—Section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended—

(1) by striking "(a) There" and inserting the following:

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There";

(2) by striking the second sentence; and

(3) in the third sentence, by striking "Beginning" through "6 per centum" and inserting the following:

"(2) MINIMUM AMOUNT.—Beginning with fiscal year 2002, there shall be appropriated under this section for each fiscal year an amount that is not less than 15 percent";

(3) by striking "Funds appropriated" and inserting the following:

"(3) USES.—Funds appropriated"; and

(4) by striking "No more" and inserting the following:

"(4) CARRYOVER.—No more".

(b) RESEARCH.—Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) is amended—

(1) by striking "(a) There" and inserting the following:

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There";

(2) by striking the second sentence and inserting the following:

"(2) MINIMUM AMOUNT.—Beginning with fiscal year 2002, there shall be appropriated under this section for each fiscal year an amount that is not less than 25 percent of the total appropriations for the fiscal year under section 3 of the Hatch Act of 1887 (7 U.S.C. 361c).";

(3) by striking "Funds appropriated" and inserting the following:

"(3) USES.—Funds appropriated";

(4) by striking "The eligible" and inserting the following:

"(4) COORDINATION.—The eligible"; and

(5) by striking "No more" and inserting the following:

"(5) CARRYOVER.—No more".

SEC. 758. CARRYOVER.

Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a) (as amended by section 757(b)) is amended by striking paragraph (5) and inserting the following:

"(5) CARRYOVER.—

"(A) IN GENERAL.—The balance of any annual funds provided to an eligible institution for a fiscal year under this section that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

"(B) FAILURE TO EXPEND FULL AMOUNT.—If any unexpended balance carried over by an eligible institution is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the eligible institution.".

SEC. 759. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 1445(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(c)(3)) is amended by adding at the end the following:

"(F) The technology transfer activities conducted with respect to federally-funded agricultural research.".

SEC. 760. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "$15,000,000 for each of fiscal years 1996 through 2002" and inserting "$25,000,000 for each of fiscal years 2002 through 2006".

SEC. 761. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking "2002" each place it appears in subsections (a)(1) and (f) and inserting "2006".

SEC. 762. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended by striking subsections (c) and (d) and inserting the following:

"(c) MATCHING FORMULA.—

"(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the State shall provide matching funds from non-Federal sources.

"(2) AMOUNT.—The amount of the matching funds shall be equal to not less than—

"(A) for fiscal year 2003, 60 percent of the formula funds to be distributed to the eligible institution; and

"(B) for each of fiscal years 2004 through 2006, 110 percent of the amount required under this paragraph for the preceding fiscal year.

"(d) WAIVERS.—Notwithstanding subsection (f), for any of fiscal years 2003 through 2006, the Secretary may waive the matching funds requirement under subsection (c) for any amount above the level of 50 percent for an eligible institution of a State if the Secretary determines that the State will be unlikely to meet the matching requirement.".

CHAPTER 4—LAND-GRANT INSTITUTIONS

Subchapter A—General

SEC. 771. PRIORITY-SETTING PROCESS.

Section 102(c)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612(c)(1)) is amended—

(1) by striking "establish and implement a process for obtaining" and inserting "obtain public"; and

(2) by striking the period at the end and inserting the following: "through a process that reflects transparency and opportunity for input from producers of diverse agricultural crops and diverse geographic and cultural communities.".

SEC. 772. TERMINATION OF CERTAIN SCHEDULE A APPOINTMENTS.

(a) TERMINATION.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall terminate each appointment listed as an excepted position under schedule A of the General Schedule made by the Secretary to the Federal civil service of an individual who holds dual government appointments, and who carries out agricultural extension work in a program at a college or university eligible to receive funds, under—

(1) the Smith-Lever Act (7 U.S.C. 341 et seq.);

(2) section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221); or

(3) section 208(e) of the District of Columbia Public Postsecondary Education Reorganization Act (88 Stat. 1428).

(b) Continuation of Certain Federal Benefits.—

(1) In general.—Notwithstanding title 5, United States Code, and subject to paragraph (2), an individual described in subsection (a), during the period the individual is employed in an agricultural extension program described in subsection (a) without a break in service, shall continue to—

(A) be eligible to participate, to the same extent that the individual was eligible to participate (on the day before the date of enactment of this Act), in—

(i) the Federal Employee Health Benefits Program;

(ii) the Federal Employee Group Life Insurance Program;

(iii) the Civil Service Retirement System;

(iv) the Federal Employee Retirement System; and

(v) the Thrift Savings Plan; and

(B) receive Federal Civil Service employment credit to the same extent that the individual was receiving such credit on the day before the date of enactment of this Act.

(2) Limitations.—An individual may continue to be eligible for the benefits described in paragraph (1) if—

(A) in the case of an individual who remains employed in the agricultural extension program described in subsection (a) on the date of the enactment of this Act, the employing college or university continues to fulfill the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(B) in the case of an individual who changes employment to a second college or university described in subsection (a)—

(i) the individual continues to work in an agricultural extension program described in subsection (a), as determined by the Secretary of Agriculture;

(ii) the second college or university—

(I) fulfills the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(II) within 120 days before the date of the employment of the individual, had employed a different individual described in subsection (a) who had performed the same duties of employment; and

(iii) the individual was eligible for those benefits on the day before the date of enactment of this Act.

Subchapter B—Land-Grant Institutions in Insular Areas

SEC. 775. DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) (as amended by section 723) is amended by adding at the end the following:

"Subtitle 0—Land Grant Institutions in Insular Areas

"SEC. 1489. DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.

"(a) In General.—The Secretary may make competitive or noncompetitive grants to State cooperative institutions in insular areas to strengthen the capacity of State cooperative institutions to carry out distance food and agricultural education programs using digital network technologies.

"(b) Use.—Grants made under this section shall be used—

"(1) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom;

"(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education;

"(3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to individuals who seek to acquire or enhance technology skills in order to use technology in the classroom or instructional process;

"(4) to implement a joint project to provide education regarding technology in the classroom with a local educational agency, community-based organization, national nonprofit organization, or business, including a minority business or a business located in a HUBZone established under section 31 of the Small Business Act (15 U.S.C. 657a); or

"(5) to provide leadership development to administrators, board members, and faculty of eligible institutions with institutional responsibility for technology education.

"(c) Limitation on Use of Grant Funds.—Funds provided under this section shall not be used for the planning, acquisition, construction, rehabilitation, or repair of a building or facility.

"(d) Administration of Program.—The Secretary may carry out this section in a manner that recognizes the different needs and opportunities for State cooperative institutions in the Atlantic and Pacific Oceans.

"(e) Matching Requirement.—

"(1) In general.—The Secretary may establishment a requirement that a State cooperative institution receiving a grant under this section shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the grant.

"(2) Waivers.—If the Secretary establishes a matching requirement under paragraph (1), the requirement shall include an option for the Secretary to waive the requirement for an insular area State cooperative institution for any fiscal year if the Secretary determines that the institution will be unlikely to meet the matching requirement for the fiscal year.

"(f) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $4,000,000 for each of fiscal years 2002 through 2006.".

SEC. 776. MATCHING REQUIREMENTS FOR RESEARCH AND EXTENSION FORMULA FUNDS FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

(a) Experiment Stations.—Section 3(d) of the Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended by striking paragraph (4) and inserting the following:

"(4) Exception for insular areas.—

"(A) In general.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

"(B) Waivers.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.".

(b) Cooperative Agricultural Extension.—Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is amended by striking paragraph (4) and inserting the following:

"(4) Exception for insular areas.—

"(A) In general.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

"(B) Waivers.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.".

Subtitle E—Other Laws

SEC. 781. CRITICAL AGRICULTURAL MATERIALS.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "2002" and inserting "2006".

SEC. 782. RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking "2002" and inserting "2006".

SEC. 783. FEDERAL AGRICULTURAL RESEARCH FACILITIES.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking "2002" and inserting "2006".

SEC. 784. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

(1) in paragraph (2), by striking "in—" and all that follows and inserting ", as those needs are determined by the Secretary, in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board, not later than July 1 of each fiscal year for the purposes of the following fiscal year."; and

(2) in paragraph (10), by striking "2002" and inserting "2006".

SEC. 785. RISK MANAGEMENT EDUCATION FOR BEGINNING FARMERS AND RANCHERS.

(a) In General.—Section 524(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(3)) is amended by striking subparagraph (A) and inserting the following:

"(A) Authority.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a program under which competitive grants are made to qualified public and private entities (including land-grant colleges and universities, cooperative extension services, colleges or universities, and community colleges), as determined by the Secretary, for the purpose of—

"(i) educating producers generally about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies; or

"(ii) educating beginning farmers and ranchers—

"(I) in the areas described in clause (i); and

"(II) in risk management strategies, as part of programs that are specifically targeted at beginning farmers and ranchers.".

(b) Technical Correction.—Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) is amended by redesignating the second paragraph (2) and paragraph (3) as paragraphs (3) and (4), respectively.

SEC. 786. AQUACULTURE.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "2002" each place it appears and inserting "2006".

SEC. 787. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking "Of the amount" and all that follows through "to provide" and inserting "Subject to the availability of funds to carry out this section, the Secretary shall provide";

(2) in subsection (d), by striking "under subsection (a)" and inserting "for this section"; and

(3) by adding at the end the following:

"(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.".

Subtitle F—New Authorities

SEC. 791. DEFINITIONS.

In this subtitle:

(1) Department.—The term "Department" means the Department of Agriculture.

(2) Secretary.—The term "Secretary" means the Secretary of Agriculture.

SEC. 792. REGULATORY AND INSPECTION RESEARCH.

(a) Definitions.—In this section:

(1) Inspection or regulatory agency of the department.—The term "inspection or regulatory agency of the Department" includes—

(A) the Animal and Plant Health Inspection Service;

(B) the Food Safety and Inspection Service;

(C) the Grain Inspection, Packers, and Stockyards Administration; and

(D) the Agricultural Marketing Service.

(2) Urgent applied research needs.—The term "urgent applied research needs" includes research necessary to carry out—

(A) agricultural marketing programs;

(B) programs to protect the animal and plant resources of the United States; and

(C) educational programs or special studies to improve the safety of the food supply of the United States.

(b) Timely, Cost-Effective Research.—To meet the urgent applied research needs of inspection or regulatory agencies of the Department, the Secretary—

(1) may use a public or private source; and

(2) shall use the most practicable source to provide timely, cost-effective means of providing the research.

(c) Conflicts of Interest.—The Secretary shall establish guidelines to prevent any conflict of interest that may arise if an inspection or regulatory agency of the Department obtains research from any Federal agency the work or technology transfer efforts of which are funded in part by an industry subject to the jurisdiction of the inspection or regulatory agency of the Department.

(d) Regulations.—The Secretary may promulgate such regulations as are necessary to carry out this section.

SEC. 793. EMERGENCY RESEARCH TRANSFER AUTHORITY.

(a) In General.—Subject to subsection (b), in addition to any other authority that the Secretary may have to transfer appropriated funds, the Secretary may transfer up to 2 percent of any appropriation made available to an office or agency of the Department for a fiscal year for agricultural research, extension, marketing, animal and plant health, nutrition, food safety, nutrition education, or forestry programs to any other appropriation for an office or agency of the Department for emergency research, extension, or education activities needed to address imminent threats to animal and plant health, food safety, or human nutrition, including bioterrorism.

(b) Limitations.—The Secretary may transfer funds under subsection (a) only—

(1) on a determination by the Secretary that the need is so imminent that the need will not be timely met by annual, supplemental, or emergency appropriations;

(2) in an aggregate amount that does not exceed $5,000,000 for any fiscal year; and

(3) with the approval of the Director of the Office of Management and Budget.

SEC. 794. REVIEW OF AGRICULTURAL RESEARCH SERVICE.

(a) In General.—The Secretary shall conduct a review of the purpose, efficiency, effectiveness, and impact on agricultural research of the Agricultural Research Service.

(b) Administration.—In conducting the review, the Secretary shall use persons outside the Department, including—

(1) Federal scientists;

(2) college and university faculty;

(3) private and nonprofit scientists; or

(4) other persons familiar with the role of the Agricultural Research Service in conducting agricultural research in the United States.

(c) Report.—Not later than September 30, 2004, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the review.

(d) Funding.—The Secretary shall use to carry out this section not more than 0.1 percent of the amount of appropriations made available to the Agricultural Research Service for each of fiscal years 2002 through 2004.

SEC. 795. TECHNOLOGY TRANSFER FOR RURAL DEVELOPMENT.

(a) In General.—The Secretary, acting through the Rural Business-Cooperative Service and the Agricultural Research Service, shall establish a program to promote the availability of technology transfer opportunities of the Department to rural businesses and residents.

(b) Components of Program.—The program shall, to the maximum extent practicable, include—

(1) a website featuring information about the program and technology transfer opportunities of the Department;

(2) an annual joint program for State economic development directors and Department rural development directors regarding technology transfer opportunities of the Agricultural Research Service and other offices and agencies of the Department; and

(3) technology transfer opportunity programs at each Agricultural Research Service laboratory, conducted at least biennially, which may include participation by other local Federal laboratories, as appropriate.

(c) Funding.—The Secretary shall use to carry out this section—

(1) amounts made available to the Agricultural Research Service; and

(2) amounts made available to the Rural Business-Cooperative Service for salaries and expenses.

SEC. 796. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) Definition of Beginning Farmer or Rancher.—In this section, the term "beginning farmer or rancher" means a person that—

(1)(A) has not operated a farm or ranch; or

(B) has operated a farm or ranch for not more than 10 years; and

(2) meets such other criteria as the Secretary may establish.

(b) Program.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.

(c) Grants.—

(1) In general.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

(A) mentoring, apprenticeships, and internships;

(B) resources and referral;

(C) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

(D) innovative farm and ranch transfer strategies;

(E) entrepreneurship and business training;

(F) model land leasing contracts;

(G) financial management training;

(H) whole farm planning;

(I) conservation assistance;

(J) risk management education;

(K) diversification and marketing strategies;

(L) curriculum development;

(M) understanding the impact of concentration and globalization;

(N) basic livestock and crop farming practices;

(O) the acquisition and management of agricultural credit;

(P) environmental compliance;

(Q) information processing; and

(R) other similar subject areas of use to beginning farmers or ranchers.

(2) Eligibility.—To be eligible to receive a grant under this subsection, the recipient shall be a collaborative State, local, or regionally-based network or partnership of public or private entities, which may include—

(A) a State cooperative extension service;

(B) a Federal or State agency;

(C) a community-based and nongovernmental organization;

(D) a college or university (including an institution awarding an associate's degree) or foundation maintained by a college or university; or

(E) any other appropriate partner, as determined by the Secretary.

(3) Term of grant.—The term of a grant under this subsection shall not exceed 3 years.

(4) MATCHING REQUIREMENT.—To be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

(5) SET-ASIDE.—Not less than 25 percent of funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(A) limited resource beginning farmers or ranchers (as defined by the Secretary);

(B) socially disadvantaged beginning farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)); and

(C) farmworkers desiring to become farmers or ranchers.

(6) PROHIBITION.—A grant made under this subsection may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(7) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the funds made available to carry out this section for administrative costs incurred by the Secretary in carrying out this section.

(d) EDUCATION TEAMS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall establish beginning farmer and rancher education teams to develop curricula and conduct educational programs and workshops for beginning farmers or ranchers in diverse geographical areas of the United States.

(2) CURRICULUM.—In promoting the development of curricula, the Secretary shall, to the maximum extent practicable, include modules tailored to specific audiences of beginning farmers or ranchers, based on crop or regional diversity.

(3) COMPOSITION.—In establishing an education team for a specific program or workshop, the Secretary shall, to the maximum extent practicable—

(A) obtain the short-term services of specialists with knowledge and expertise in programs serving beginning farmers or ranchers; and

(B) use officers and employees of the Department with direct experience in programs of the Department that may be taught as part of the curriculum for the program or workshop.

(4) COOPERATION.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall cooperate, to the maximum extent practicable, with—

(i) State cooperative extension services;

(ii) Federal and State agencies;

(iii) community-based and nongovernmental organizations;

(iv) colleges and universities (including an institution awarding an associate's degree) or foundations maintained by a college or university; and

(v) other appropriate partners, as determined by the Secretary.

(B) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement to reflect the terms of any cooperation under subparagraph (A).

(e) CURRICULUM AND TRAINING CLEARINGHOUSE.—The Secretary shall establish an online clearinghouse that makes available to beginning farmers or ranchers education curricula and training materials and programs, which may include online courses for direct use by beginning farmers or ranchers.

(f) STAKEHOLDER INPUT.—In carrying out this section, the Secretary shall seek stakeholder input from—

(1) beginning farmers and ranchers;

(2) national, State, and local organizations and other persons with expertise in operating beginning farmer and rancher programs; and

(3) the Advisory Committee on Beginning Farmers and Ranchers established under section 5 of the Agricultural Credit Improvement Act of 1992 (7 U.S.C. 1929 note; Public Law 102-554).

(g) PARTICIPATION BY OTHER FARMERS AND RANCHERS.—Nothing in this section prohibits the Secretary from allowing farmers and ranchers who are not beginning farmers or ranchers from participating in programs authorized under this section to the extent that the Secretary determines that such participation is appropriate and will not detract from the primary purpose of educating beginning farmers and ranchers.

(h) FUNDING.—

(1) FEES AND CONTRIBUTIONS.—

(A) IN GENERAL.—The Secretary may—

(i) charge a fee to cover all or part of the costs of curriculum development and the delivery of programs or workshops provided by—

(I) a beginning farmer and rancher education team established under subsection (d); or

(II) the online clearinghouse established under subsection (e); and

(ii) accept contributions from cooperating entities under a cooperative agreement entered into under subsection (d)(4)(B) to cover all or part of the costs for the delivery of programs or workshops by the beginning farmer and rancher education teams.

(B) AVAILABILITY.—Fees and contributions received by the Secretary under subparagraph (A) shall—

(i) be deposited in the account that incurred the costs to carry out this section;

(ii) be available to the Secretary to carry out the purposes of the account, without further appropriation;

(iii) remain available until expended; and

(iv) be in addition to any funds made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

SEC. 797. SENSE OF CONGRESS REGARDING DOUBLING OF FUNDING FOR AGRICULTURAL RESEARCH.

It is the sense of Congress that—

(1) Federal funding for food and agricultural research has been essentially constant for 2 decades, putting at risk the scientific base on which food and agricultural advances have been made;

(2) the resulting increase in the relative proportion of private sector, industry investments in food and agricultural research has led to questions about the independence and objectivity of research and outreach conducted by the Federal and university research sectors; and

(3) funding for food and agricultural research should be at least doubled over the next 5 fiscal years—

(A) to restore the balance between public and private sector funding for food and agricultural research; and

(B) to maintain the scientific base on which food and agricultural advances are made.

SEC. 798. PRIORITY FOR FARMERS AND RANCHERS PARTICIPATING IN CONSERVATION PROGRAMS.

In carrying out new on-farm research or extension programs or projects authorized by this Act, an amendment made by this Act, or any Act enacted after the date of enactment of this Act, the Secretary shall give priority in carrying out the programs or projects to using farms or ranches of farmers or ranchers that participate in Federal agricultural conservation programs.

SEC. 798A. ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.

The Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing.

SEC. 798B. ORGANICALLY PRODUCED PRODUCT RESEARCH AND EDUCATION.

Not later than July 1, 2002, the Secretary, shall prepare, in consultation with the Advisory Committee on Small Farms, and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on—

(1) the implementation of the organic rule promulgated under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

(2) the impact of the organic rule program on small farms (as defined by the Advisory Committee on Small Farms).

SEC. 798C. INTERNATIONAL ORGANIC RESEARCH COLLABORATION.

The Secretary, acting through the Agricultural Research Service (including the National Agriculture Library), shall facilitate access by research and extension professionals in the United States to, and the use by those professionals of, organic research conducted outside the United States.

TITLE VIII—FORESTRY

SEC. 801. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704(d)) is amended by striking "2002" and inserting "2006".

SEC. 802. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the "McIntire-Stennis Cooperative Forestry Act".

SEC. 803. SUSTAINABLE FORESTRY OUTREACH INITIATIVE; RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following:

"SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

"The Secretary shall establish a program, to be known as the 'Sustainable Forestry Outreach Initiative', to educate landowners concerning—

"(1) the value and benefits of practicing sustainable forestry;

"(2) the importance of professional forestry advice in achieving sustainable forestry objectives; and

"(3) the variety of public and private sector resources available to assist the landowners in planning for and practicing sustainable forestry.".

(b) RENEWABLE RESOURCES EXTENSION ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended by striking the first sentence and inserting the following: "There is authorized to be appropriated to carry out this Act $30,000,000 for each of fiscal years 2002 through 2006.".

(2) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is

amended by striking “2000” and inserting “2006”.

SEC. 804. FORESTRY INCENTIVES PROGRAM.

Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

SEC. 805. FOREST LAND ENHANCEMENT PROGRAM.

(a) Findings.—Congress finds that—

(1) there is a growing dependence on nonindustrial private forest land to supply the necessary market commodities, and nonmarket values (such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources), required by a growing population;

(2) there is a strong demand for expanded assistance programs for owners of nonindustrial private forest land because the majority of the wood supply of the United States is derived from nonindustrial private forest land;

(3) the soil, carbon stores, water quality, and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest land;

(4) the products and services resulting from stewardship of nonindustrial private forest land provide income and employment that contribute to the economic health and diversity of rural communities;

(5)(A) wildfires threaten human lives, property, forests, and other resources; and

(B) Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire as dramatized by the catastrophic fire seasons of 1998 and 2000;

(6) owners of nonindustrial private forest land are being faced with increased pressure to convert their forest land to development and other uses;

(7)(A) complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for owners of small areas of nonindustrial private forest land; and

(B) investments described in subparagraph (A) should receive equal consideration under cost-sharing programs; and

(8) the investment of 1 Federal dollar in State and private forestry programs is estimated to leverage on average $9 from State, local, and private sources.

(b) Purposes.—The purposes of this section are—

(1) to strengthen the commitment of the Department of Agriculture to sustainable forestry; and

(2) to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest land in the United States.

(c) Forest Land Enhancement Program.—The Cooperative Forestry Assistance Act of 1978 (as amended by section 804) is amended by inserting after section 3 (16 U.S.C. 2102) the following:

“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

“(a) Definitions.—In this section:

“(1) Nonindustrial private forest land.—The term ‘nonindustrial private forest land’ means rural land, as determined by the Secretary, that—

“(A) has existing tree cover or is suitable for growing trees; and

“(B) is owned or controlled by an owner.

“(2) Owner.—The term ‘owner’, with respect to nonindustrial private forest land, means a nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decisionmaking authority over nonindustrial private forest land (including through a long-term lease or other land tenure system) for a period of time long enough to ensure compliance with the terms and conditions of the Program.

“(3) Program.—The term ‘Program’ means the Forest Land Enhancement Program established under subsection (b).

“(4) State forester.—The term ‘State forester’ means the director or other head of a State forestry agency or an equivalent State official.

“(b) Establishment.—

“(1) In general.—The Secretary shall establish a program, to be known as the ‘Forest Land Enhancement Program’, to encourage the long-term sustainability of nonindustrial private forest land in the United States by assisting the owners of the nonindustrial private forest land in more actively managing the nonindustrial private forest land and related resources by using Federal, State, and private sector resource management expertise, financial assistance, and educational programs.

“(2) Administration.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

“(3) Coordination.—The Secretary shall carry out the Program in coordination with State foresters.

“(c) Program Objectives.—In carrying out the Program, the Secretary shall target resources to achieve the following objectives:

“(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest land of the United States for timber, habitat for flora and fauna, water quality, and wetland.

“(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for forest resources and provide environmental benefits.

“(3) Reduction of the risks, and assistance in restoring, recovering, and mitigating the damage, to forests caused by fire, insects, invasive species, disease, and damaging weather.

“(4) Increase and enhancement of opportunities for carbon sequestration.

“(5) Enhancement of implementation of agroforestry practices.

“(6) Maintenance and enhancement of the forest landbase and leveraging of State and local financial and technical assistance to owners that promote the conservation and environmental values described in this subsection.

“(d) Eligibility.—

“(1) In general.—An owner of nonindustrial private forest land in a State shall be eligible for cost-sharing assistance under the Program if the owner—

“(A) enters into an agreement with the Secretary to develop and carry out an individual stewardship, forest, or stand management plan that addresses site-specific activities and practices in cooperation with, and approved by—

“(i) the State forester; or

“(ii) a private sector program in consultation with the State forester;

“(B) enters into an agreement with the Secretary to carry out activities approved under subsection (e) in accordance with the individual stewardship, forest, or stand management plan for a period of not less than 10 years, unless the State forester approves a modification to the plan; and

“(C) meets acreage restrictions determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19(b).

“(2) State priorities.—In consultation with each State forester and the State Forest Stewardship Coordinating Committee of each State, the Secretary may develop State priorities for cost sharing under the Program that will promote forest management objectives in the State.

“(3) Development of plan.—An owner shall be eligible for cost-sharing assistance under the Program for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

“(e) Approved Activities.—

“(1) Development.—In consultation with each State forester and the State Forest Stewardship Coordinating Committee of each State, the Secretary shall develop for each State a list of approved forest activities that will be eligible for cost-sharing assistance under the Program within the State.

“(2) Types of activities.—In developing a list of approved activities for a State under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for—

“(A) the sustainable growth and management of forests for timber production;

“(B) the restoration, use, and enhancement of forest wetland and riparian areas;

“(C) the protection of water quality and watersheds through the application of State-developed forestry best management practices;

“(D) energy conservation and carbon sequestration purposes;

“(E) habitat for flora and fauna;

“(F)(i) the control, detection, and monitoring of invasive species on forest land; and

“(ii) the prevention of the spread of, and provision for the restoration of land affected by, invasive species;

“(G) hazardous fuel reduction and other management activities that reduce the risks, and assist in restoring, recovering, and mitigating the damage, to forests caused by fire; and

“(H) other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee of the State.

“(f) Cooperation.—In carrying out the Program, the Secretary shall cooperate with—

“(1) other Federal, State, and local natural resource management agencies;

“(2) institutions of higher education; and

“(3) the private sector.

“(g) Reimbursement of Approved Activities.—

“(1) In general.—In the case of an owner that has entered into an agreement under subsection (d)(1) with respect to nonindustrial private forest land of the owner, the Secretary shall share such cost of carrying out approved activities on the nonindustrial private forest land of the owner as the Secretary determines to be appropriate.

“(2) Rate; payment schedule.—The Secretary shall determine—

“(A) the appropriate reimbursement rate for cost-sharing payments under paragraph (1); and

“(B) the schedule for making the payments.

“(3) Maximum.—

“(A) Percentage of cost of activities.—The Secretary shall not make cost-sharing payments under this subsection to an owner in an amount that exceeds 75 percent of the total cost, or a lower percentage as determined by the State forester, to the owner of carrying out the approved activities under the approved individual stewardship, forest, or stand management plan of the owner under subsection (d)(1)(A).

“(B) Payments to a single owner.—The maximum amount of cost-sharing payments to any 1 owner shall be determined by the Secretary.

“(4) Consultation.—The Secretary shall make determinations under this subsection in consultation with the State forester.

“(h) Recapture.—

“(1) In general.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner if the owner fails to carry out an approved activity specified in the individual stewardship, forest, or stand management plan for which the owner received cost-sharing payments under the Program.

“(2) Additional remedy.—The remedy described in paragraph (1) shall be in addition to any other remedy available to the Secretary.

“(i) Distribution.—The Secretary shall distribute funds available for cost sharing under the Program among owners of nonindustrial private forest land in the States after giving appropriate consideration to—

“(1) the total acreage of nonindustrial private forest land in each State;

“(2) the potential productivity of the nonindustrial private forest land in each State;

“(3) the number of owners eligible for cost sharing in each State;

“(4) the opportunities to enhance nontimber resources on the nonindustrial private forest land of each State;

“(5) the anticipated demand for timber and nontimber resources in each State;

“(6) the need to improve forest health in the State to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

“(7) the need and demand for agroforestry practices in each State.

“(j) Availability of Funds.—During the period of fiscal years 2002 through 2006, the Secretary shall use $100,000,000 of funds of the Commodity Credit Corporation to carry out the Program.”.

(d) Conforming Amendments.—

(1) Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking “forestry incentive program” and inserting “Forest Land Enhancement Program”.

(2) Section 12(a) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2108(a)) is amended in the second sentence by striking “money appropriated under section 4 of this Act or”.

(3) Section 126(a)(8) of the Internal Revenue Code of 1986 is amended by striking “forestry incentives program” and inserting “Forest Land Enhancement Program”.

SEC. 806. SUSTAINABLE FORESTRY COOPERATIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5 (16 U.S.C. 2103a) the following:

“SEC. 5A. SUSTAINABLE FORESTRY COOPERATIVE PROGRAM.

“(a) Definitions.—In this section:

“(1) Farmer or rancher.—The term ‘farmer or rancher’ means a person engaged in the production of an agricultural commodity (including livestock).

“(2) Forestry cooperative.—The term ‘forestry cooperative’ means an association that is—

“(A) owned and operated by nonindustrial private forest landowners; and

“(B) comprised of members—

“(i) of which at least 51 percent are farmers or ranchers; and

“(ii) that use sustainable forestry practices on nonindustrial private forest land to create a long-term, sustainable income stream.

“(3) Nonindustrial private forest land.—The term ‘nonindustrial private forest land’ has the meaning given the term ‘nonindustrial private forest lands’ in section 5(c).

“(b) Establishment.—The Secretary shall establish a program, to be known as the ‘sustainable forestry cooperative program’, under which the Secretary shall provide, to nonprofit organizations on a competitive basis, grants to establish, and develop and support, sustainable forestry practices carried out by members of, forestry cooperatives.

“(c) Use of Funds.—

“(1) In general.—Subject to paragraph (2), funds from a grant provided under this section shall be used for—

“(A) predevelopment, development, startup, capital acquisition, and marketing costs associated with a forestry cooperative; or

“(B) the development or support of a sustainable forestry practice of a member of a forestry cooperative.

“(2) Conditions.—

“(A) Development.—The Secretary shall provide funds under paragraph (1)(A) only to a nonprofit organization with demonstrated expertise in cooperative development, as determined by the Secretary.

“(B) Compliance with plan.—A sustainable forestry practice developed or supported through the use of funds from a grant under this section shall comply with any applicable standards for sustainable forestry contained in a management plan that—

“(i) meets the requirements of section 4(e); and

“(ii) is approved by the State forester (or equivalent State official).

“(d) Authorization of appropriations.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.”.

SEC. 807. STEWARDSHIP INCENTIVE PROGRAM.

Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

SEC. 808. FOREST FIRE RESEARCH CENTERS.

(a) Findings.—Congress finds that—

(1) there is an increasing threat of fire to millions of acres of forest land and rangeland throughout the United States;

(2) this threat is especially great in the interior States of the western United States, where the Forest Service estimates that 39,000,000 acres of National Forest System land are at high risk of catastrophic wildfire;

(3)(A) the degraded condition of forest land and rangeland is often the consequence of land management practices that emphasize the control and prevention of fires; and

(B) the land management practices disrupted the occurrence of frequent low-intensity fires that periodically remove flammable undergrowth;

(4) as a result of the land management practices—

(A) some forest land and rangeland in the United States no longer function naturally as ecosystems; and

(B) drought cycles and the invasion of insects and disease have resulted in vast areas of dead or dying trees, overstocked stands, and the invasion of undesirable species;

(5)(A) population movement into wildland-urban interface areas exacerbate the fire danger;

(B) the increasing number of larger, more intense fires pose grave hazards to human health, safety, property, and infrastructure in the areas; and

(C) smoke from wildfires, which contain fine particulate matter and other hazardous pollutants, pose substantial health risks to people living in the areas;

(6)(A) the budgets and resources of Federal, State, and local entities supporting firefighting efforts have been stretched to their limits;

(B) according to the Comptroller General, the average cost of attempting to put out fires in the interior West grew by 150 percent, from $134,000,000 in fiscal year 1986 to $335,000,000 in fiscal year 1994; and

(C) the costs of preparedness, including the costs of maintaining a readiness force to fight fires, rose about 70 percent, from $189,000,000 in fiscal year 1992 to $326,000,000 in fiscal year 1997;

(7) diminishing Federal resources (including the availability of personnel) have limited the ability of Federal fire researchers—

(A) to respond to management needs; and

(B) to use technological advancements for analyzing fire management costs;

(8) the Federal fire research program is funded at approximately ⅓ of the amount that is required to address emerging fire problems, resulting in the lack of a cohesive strategy to address the threat of catastrophic wildfires; and

(9) there is a critical need for cost-effective investments in improved fire management technologies.

(b) Forest Fire Research Centers.—The Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended by adding at the end the following:

“SEC. 11. FOREST FIRE RESEARCH CENTERS.

“(a) In General.—Subject to the availability of appropriations, the Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the ‘Secretary’) shall establish at least 2 forest fire research centers at institutions of higher education (which may include research centers in existence on the date of enactment of this section) that—

“(1) have expertise in natural resource development; and

“(2) are located in close proximity to other Federal natural resource, forest management, and land management agencies.

“(b) Locations.—Of the forest fire research centers established under subsection (a)—

“(1) at least 1 center shall be located in California, Idaho, Montana, Oregon, or Washington; and

“(2) at least 1 center shall be located in Arizona, Colorado, New Mexico, Nevada, or Wyoming.

“(c) Duties.—At each of the forest fire research centers established under subsection (a), the Secretary shall provide for—

“(1) the conduct of integrative, interdisciplinary research into the ecological, socioeconomic, and environmental impact of fire control and the use of management of ecosystems and landscapes to facilitate fire control; and

“(2) the development of mechanisms to rapidly transfer new fire control and management technologies to fire and land managers.

"(d) Advisory Committee.—

"(1) In general.—The Secretary, in consultation with the Secretary of the Interior, shall establish a committee composed of fire and land managers and fire researchers to determine the areas of emphasis and establish priorities for research projects conducted at forest fire research centers established under subsection (a).

"(2) Administration.—The Federal Advisory Committee Act (5 U.S.C. App.) and section 102 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612) shall not apply to the committee established under paragraph (1).

"(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.".

SEC. 809. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) Findings.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as an outlet for value-added excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) Wildfire Prevention and Hazardous Fuel Purchase Program.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 6 (16 U.S.C. 2103b) the following:

"SEC. 6A. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

"(a) Definitions.—In this section:

"(1) Biomass-to-energy facility.—The term 'biomass-to-energy facility' means a facility that uses forest biomass or other biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

"(2) Eligible community.—The term 'eligible community' means—

"(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

"(i) has a population of not more than 10,000 individuals;

"(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

"(iii) is located adjacent to public or private forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

"(I) a forest ecosystem;

"(II) wildlife; or

"(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

"(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

"(3) Forest biomass.—The term 'forest biomass' means fuel and biomass accumulation from precommercial thinnings, slash, and brush on public or private forest land.

"(4) Hazardous fuel.—The term 'hazardous fuel' means any excessive accumulation of forest biomass on public or private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 or 3 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000) that the Secretary determines poses a substantial present or potential hazard—

"(A) to the safety of a forest ecosystem;

"(B) to the safety of wildlife; or

"(C) in the case of wildfire in a year in which drought conditions are present, to human, community, or firefighter safety.

"(5) Indian tribe.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(6) Secretary.—The term 'Secretary' means—

"(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

"(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

"(b) Hazardous Fuel Grant Program.—

"(1) Grants.—

"(A) In general.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

"(B) Selection criteria.—The Secretary shall select recipients for grants under subparagraph (A) based on—

"(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

"(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

"(2) Grant amounts.—

"(A) In general.—A grant under this subsection shall—

"(i) be based on—

"(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

"(II) the cost of removal of hazardous fuels; and

"(ii) be in an amount that is at least equal to the product obtained by multiplying—

"(I) the number of tons of hazardous fuels delivered to a grant recipient; by

"(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

"(B) Limitation on individual grants.—

"(i) In general.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any fiscal year.

"(ii) Small biomass-to-energy facilities.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

"(3) Monitoring of grant recipient activities.—

"(A) In general.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

"(i) completely and accurately disclose the use of grant funds; and

"(ii) describe all transactions involved in the purchase of hazardous fuels.

"(B) Access.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases and uses hazardous fuels with funds from a grant under this subsection shall provide the Secretary with—

"(i) reasonable access to the biomass-to-energy facility; and

"(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

"(4) Monitoring of effect of treatments.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

"(5) Authorization of appropriations.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2002 through 2006.

"(c) Long-Term Forest Stewardship Contracts for Hazardous Fuels Removal.—

"(1) Annual assessment of treatment acreage.—

"(A) In general.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary of Agriculture and the Secretary of Energy shall jointly submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

"(B) Components.—The assessment shall—

"(i) be based on the treatment schedules contained in the report entitled 'Protecting People and Sustaining Resources in Fire-Adapted Ecosystems', dated October 13, 2000, and incorporated into the National Fire Plan (as identified by the Secretary);

"(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

"(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), including modifications in the restoration goals based on the effects of—

"(I) fire;

"(II) hazardous fuel treatments under the National Fire Plan (as identified by the Secretary); or

"(III) updates in data;

"(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

"(v) describe the management area prescriptions in the applicable land and resource management plan for the land on which the treatment is recommended; and

"(vi) give priority to areas described in subsection (a)(4)(A).

"(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan (as identified by the Secretary) would best be accomplished through forest stewardship end result contracting.

"(3) STEWARDSHIP END RESULT CONTRACTING.—

"(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan (as identified by the Secretary) on National Forest System land based on the treatment schedules provided in the annual assessments conducted under paragraph (1)(B)(i).

"(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the 'Stewardship End Result Contracting Demonstration Project') (16 U.S.C. 2104 note; Public Law 105–277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall not exceed 10 years.

"(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

"(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2002 through 2006.

"(d) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.".

SEC. 810. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds that—

(1) the severity and intensity of wildfires have increased dramatically over the past few decades as a result of past fire and land management policies;

(2) the record 2000 fire season is a prime example of what can be expected if action is not taken to reduce the risk of catastrophic wildfires;

(3) wildfires threaten not only the forested resources of the United States, but also the thousands of communities intermingled with wildland in the wildland-urban interface;

(4) wetland forests provide essential ecological services, such as filtering pollutants, buffering important rivers and estuaries, and minimizing flooding, that make the protection and restoration of those forests worthy of special focus;

(5) the National Fire Plan, if implemented to achieve appropriate priorities, is the proper, coordinated, and most effective means to address the issue of wildfires;

(6) while adequate authorities exist to address the problem of wildfires at the landscape level on Federal land, there is limited authority to take action on most private land where the largest threat to life and property lies; and

(7) there is a significant Federal interest in enhancing the protection of communities from wildfire.

(b) ENHANCED COMMUNITY FIRE PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following:

"SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

"(a) COOPERATIVE MANAGEMENT RELATING TO WILDFIRE THREATS.—Notwithstanding section 7 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206), the Secretary may cooperate with State foresters and equivalent State officials to—

"(1) assist in the prevention, control, suppression, and prescribed use of fires (including through the provision of financial, technical, and related assistance);

"(2) protect communities from wildfire threats;

"(3) enhance the growth and maintenance of trees and forests in a manner that promotes overall forest health; and

"(4) ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

"(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

"(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'community and private land fire assistance program' (referred to in this section as the 'Program')—

"(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

"(B) to provide increased assistance to Federal projects that establish landscape level protection from wildfires;

"(C) to expand outreach and education programs concerning fire prevention to homeowners and communities; and

"(D) to establish defensible space against wildfires around the homes and property of private landowners.

"(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Secretary and, with respect to non-Federal land described in paragraph (3), carried out through the State forester or equivalent State official.

"(3) COMPONENTS.—The Secretary may carry out under the Program, on National Forest System land and non-Federal land determined by the Secretary in consultation with State foresters and Committees—

"(A) fuel hazard mitigation and prevention;

"(B) invasive species management;

"(C) multiresource wildfire and community protection planning;

"(D) community and landowner education enterprises, including the program known as 'FIREWISE';

"(E) market development and expansion;

"(F) improved use of wood products; and

"(G) restoration projects.

"(4) PRIORITY.—In entering into contracts to carry out projects under the Program, the Secretary shall give priority to contracts with local persons or entities.

"(c) AUTHORITY.—The authority provided under this section shall be in addition to any authority provided under section 10.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $35,000,000 for each of fiscal years 2002 through 2006.".

SEC. 811. WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) there has been a dramatic shift in public attitudes and perceptions about forest management, particularly in the understanding and practice of sustainable forest management;

(2) it is commonly recognized that proper stewardship of forest land is essential to—

(A) sustain and restore watershed health;

(B) produce clean water; and

(C) maintain healthy aquatic systems;

(3) forests are increasingly important to the protection and sustainability of drinking water supplies for more than 1/2 of the population of the United States;

(4) forest loss and fragmentation in urbanizing areas are contributing to flooding, degradation of urban stream habitat and water quality, and public health concerns;

(5) scientific evidence and public awareness with respect to the manner in which forest management can positively affect water quality and quantity, and the manner in which trees, forests, and forestry practices (such as forest buffers) can serve as solutions to water quality problems in rural and urban areas, are increasing;

(6) the application of forestry best management practices developed at the State level has been found to greatly facilitate the achievement of water quality goals;

(7) significant efforts are underway to revisit and make improvements on needed forestry best management practices;

(8) according to the report of the Forest Service numbered FS–660 and entitled "Water and the Forest Service", forests are a requirement for maintenance of clean water because—

(A) approximately 66 percent of the freshwater resources of the United States originate on forests; and

(B) forests cover approximately 1/3 of the land area of the United States;

(9) because almost 500,000,000 acres, or approximately 2/3, of the forest land of the United States is owned by non-Federal entities, a significant burden is placed on private forest landowners to provide or maintain the clean water needed by the public for drinking, swimming, fishing, and a number of other water uses;

(10) because the decisions made by individual landowners and communities will affect the ability to maintain the health of rural and urban watersheds in the future, there is a need to integrate forest management, conservation, restoration, and stewardship in watershed management;

(11) although water management is the primary responsibility of States, the Federal Government has a responsibility to promote and encourage the ability of States and private forest landowners to sustain the delivery of clean, abundant water from forest land;

(12) as of the date of enactment of this Act, the availability of Federal assistance to support forest landowners to achieve the water goals identified in many Federal laws (including regulations) is lacking; and

(13) increased research for, education for, and technical and financial assistance provided to, forest landowners and communities

that relate to the protection of watersheds and improvement of water quality, are needed to realize the expectations of the general public for clean water and healthy aquatic systems.

(b) Purposes.—The purposes of this section are to—

(1) improve the understanding of landowners and the public with respect to the relationship between water quality and forest management;

(2) encourage landowners to maintain tree cover and use tree plantings and vegetative treatments as creative solutions to water quality and quantity problems associated with varying land uses;

(3) enhance and complement source water protection in watersheds that provide drinking water for municipalities;

(4) establish new partnerships and collaborative watershed approaches to forest management, stewardship, and protection; and

(5) provide technical and financial assistance to States to deliver a coordinated program that through the provision of technical, financial, and educational assistance to qualified individuals and entities—

(A) enhances State forestry best management practices programs; and

(B) protects and improves water quality on forest land.

(c) Program.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5A (as added by section 806) the following:

‘‘SEC. 5B. WATERSHED FORESTRY ASSISTANCE PROGRAM.

‘‘(a) Establishment.—Subject to the availability of appropriations, the Secretary shall establish a watershed forestry assistance program (referred to in this section as the ‘program’) to provide to States, through State foresters (as defined in section 4), technical, financial, and related assistance to—

‘‘(1) expand forest stewardship capacities and activities through State forestry best management practices and other means at the State level; and

‘‘(2) prevent water quality degradation, and address watershed issues, on non-Federal forest land.

‘‘(b) Watershed Forestry Education, Technical Assistance, and Planning.—

‘‘(1) Plan.—

‘‘(A) In general.—In carrying out the program, the Secretary shall cooperate with State foresters to develop a plan, to be administered by the Secretary and implemented by State foresters, to provide technical assistance to assist States in preventing and mitigating water quality degradation.

‘‘(B) Participation.—In developing the plan under subparagraph (A), the Secretary shall encourage participation of interested members of the public (including nonprofit private organizations and local watershed councils).

‘‘(2) Components.—The plan described in paragraph (1) shall include provisions to—

‘‘(A) build and strengthen watershed partnerships focusing on forest land at the national, State, regional, and local levels;

‘‘(B) provide State forestry best management practices and water quality technical assistance directly to private landowners;

‘‘(C) provide technical guidance relating to water quality management through forest management in degraded watersheds to land managers and policymakers;

‘‘(D)(i) complement State nonpoint source assessment and management plans established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

‘‘(ii) provide enhanced opportunities for coordination and cooperation among Federal and State agencies having responsibility for water and watershed management under that Act; and

‘‘(E) provide enhanced forest resource data and support for improved implementation of State forestry best management practices, including—

‘‘(i) designing and conducting effectiveness and implementation studies; and

‘‘(ii) meeting in-State water quality assessment needs, such as the development of water quality models that correlate the management of forest land to water quality measures and standards.

‘‘(c) Watershed Forestry Cost-Share Program.—

‘‘(1) Establishment.—In carrying out the program, the Secretary shall establish a watershed forestry cost-share program, to be administered by the Secretary and implemented by State foresters, to provide grants and other assistance for eligible programs and projects described in paragraph (2).

‘‘(2) Eligible programs and projects.—A community, nonprofit group, or landowner may receive a grant or other assistance under this subsection to carry out a State forestry best management practices program or a watershed forestry project if the program or project, as determined by the Secretary—

‘‘(A) is consistent with—

‘‘(i) State nonpoint source assessment and management plan objectives established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

‘‘(ii) the cost-share requirements of this section; and

‘‘(B) is designed to address critical forest stewardship, watershed protection, and restoration needs of a State through—

‘‘(i) the use of trees and forests as solutions to water quality problems in urban and agricultural areas;

‘‘(ii) community-based planning, involvement, and action through State, local and nonprofit partnerships;

‘‘(iii) the application of and dissemination of information on forestry best management practices relating to water quality;

‘‘(iv) watershed-scale forest management activities and conservation planning; and

‘‘(v) the restoration of wetland and stream side forests and establishment of riparian vegetative buffers.

‘‘(3) Allocation.—

‘‘(A) In general.—After taking into consideration the criteria described in subparagraph (B), the Secretary shall allocate among States, for award by State foresters under paragraph (4), the amounts made available to carry out this subsection.

‘‘(B) Criteria.—The criteria referred to in subparagraph (A) are—

‘‘(i) the number of acres of forest land, and land that could be converted to forest land, in each State;

‘‘(ii) the nonpoint source assessment and management plans of each State, as developed under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329);

‘‘(iii) the acres of wetland forests that have been lost or degraded or cases in which forests may play a role in restoring wetland resources;

‘‘(iv) the number of non-Federal forest landowners in each State; and

‘‘(v) the extent to which the priorities of States are designed to achieve a reasonable range of the purposes of the program and, as a result, contribute to the water-related goals of the United States.

‘‘(4) Award of grants and assistance.—

‘‘(A) In general.—In implementing the program under this subsection, the State forester, in coordination with the State Coordinating Committee established under section 19(b), shall provide annual grants and cost-share assistance to communities, nonprofit groups, and landowners to carry out eligible programs and projects described in paragraph (2).

‘‘(B) Application.—A community, nonprofit group, or landowner that seeks to receive cost-share assistance under this subsection shall submit to the State forester an application, in such form and containing such information as the State forester may prescribe, for the assistance.

‘‘(C) Prioritization.—In awarding cost-share assistance under this subsection, the Secretary shall give priority to eligible programs and projects that are identified by the State foresters and the State Stewardship Committees as having a greater need for assistance.

‘‘(D) Award.—On approval by the Secretary of an application under subparagraph (B), the State forester shall award to the applicant, from funds allocated to the State under paragraph (3), such amount of cost-share assistance as is requested in the application.

‘‘(5) Cost sharing.—

‘‘(A) Federal share.—The Federal share of the cost of carrying out any eligible program or project under this subsection shall not exceed 75 percent, of which not more than 50 percent may be in the form of assistance provided under this subsection.

‘‘(B) Non-federal share.—The non-Federal share of the cost of carrying out any eligible program or project under this subsection may be provided in the form of cash, services, or in-kind contributions.

‘‘(d) Watershed Forester.—A State may use a portion of the funds made available to the State under subsection (e) to establish and fill a position of ‘Watershed Forester’ to lead State-wide programs and coordinate watershed-level projects.

‘‘(e) Funding.—

‘‘(1) In general.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.

‘‘(2) Allocation.—Of the funds made available under paragraph (1)—

‘‘(A) 75 percent shall be used to carry out subsection (c); and

‘‘(B) 25 percent shall be used to carry out provisions of this section other than subsection (c).’’.

SEC. 812. GENERAL PROVISIONS.

Section 13 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109) is amended by striking subsection (f) and inserting the following:

‘‘(f) Grants, Contracts, and Other Agreements.—

‘‘(1) In general.—In accordance with paragraph (2), the Secretary may make such grants and enter into such contracts, agreements, or other arrangements as the Secretary determines are necessary to carry out this Act.

‘‘(2) Assistance.—Notwithstanding any other provision of this Act, the Secretary, with the concurrence of the applicable State forester or equivalent State official, may provide assistance under this Act directly to any public or private entity, organization, or individual—

‘‘(A) through a grant; or

‘‘(B) by entering into a contract or cooperative agreement.’’.

SEC. 813. STATE FOREST STEWARDSHIP COORDINATING COMMITTEES.

Section 19(b) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(b)) is amended—

(1) in paragraph (1)(B)(i), by inserting "United States Fish and Wildlife Service," before "Forest Service"; and

(2) in paragraph (2)—

(A) in subparagraph (C), by striking "and" at the end;

(B) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(E) submit to the Secretary, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an annual report that provides—

"(i) the list of members on the Committee described in paragraph (1)(B); and

"(ii) for those members that may be included on the Committee, but are not included because a determination that it is not practicable to include the members has been made, an explanation of the reasons for that determination.".

TITLE IX—ENERGY

SEC. 901. FINDINGS.

Congress finds that—

(1) there are many opportunities for the agricultural sector and rural areas to produce renewable energy and increase energy efficiency;

(2) investments in renewable energy and energy efficiency—

(A) enhance the energy security and independence of the United States;

(B) increase farmer and rancher income;

(C) promote rural economic development;

(D) provide environmental and public health benefits such as cleaner air and water; and

(E) improve electricity grid reliability, thereby reducing the likelihood of blackouts and brownouts, particularly during peak usage periods;

(3) the public strongly supports renewable energy generation and energy efficiency improvements as an important component of a national energy strategy;

(4)(A) the Federal Government is the country's largest consumer of a vast array of products, spending in excess of $200,000,000,000 per year;

(B) purchases and use of products by the Federal Government have a significant effect on the environment; and

(C) accordingly, the Federal Government should lead the way in purchasing biobased products so as to minimize environmental impacts while supporting domestic producers of biobased products;

(5) the agricultural sector is a leading producer of biobased products to meet domestic and international needs;

(6) agriculture can play a significant role in the development of fuel cell and hydrogen-based energy technologies, which are critical technologies for a clean energy future;

(7)(A) wind energy is 1 of the fastest growing clean energy technologies; and

(B) there are tremendous economic development and environmental quality benefits to be achieved by developing both large-scale and small-scale wind power projects on farms and in rural communities;

(8) farm-based renewable energy generation can become one of the major cash crops of the United States, improving the livelihoods of hundreds of thousands of family farmers, ranchers, and others and revitalizing rural communities;

(9)(A) evidence continues to mount that increases in atmospheric concentrations of greenhouse gases are contributing to global climate change; and

(B) agriculture can help in climate change mitigation by—

(i) storing carbon in soils, plants, and forests;

(ii) producing biofuels, chemicals, and power to replace fossil fuels and petroleum-based products; and

(iii) reducing emissions by capturing gases from animal feeding operations, changing agricultural land practices, and becoming more energy efficient;

(10) because agricultural production is energy-intensive; it is incumbent on the Federal Government to aid the agricultural sector in reducing energy consumption and energy costs;

(11)(A) one way to help farmers, ranchers, and others reduce energy use is through professional energy audits;

(B) energy audits provide recommendations for improved energy efficiency that, when acted on, offer an effective means of reducing overall energy use and saving money; and

(C) energy savings of 10 to 30 percent can typically be achieved, and greater savings are often realized;

(12) rural electric utilities are often geographically well situated to develop renewable and distributed energy supplies, enabling the utilities to diversify their energy portfolios and afford their members or customers alternative energy sources, which many such members and customers desire;

(13) fuel cells are a highly efficient, clean, and flexible technology for generating electricity from hydrogen that promises to improve the environment, electricity reliability, and energy security;

(14)(A) because fuel cells can be made in any size, fuel cells can be used for a wide variety of farm applications, including powering farm vehicles, equipment, houses, and other operations; and

(B) much of the initial use of fuel cells is likely to be in remote and off-grid applications in rural areas; and

(15) hydrogen is a clean and flexible fuel that can play a critical role in storing and transporting energy produced on farms from renewable sources (including biomass, wind, and solar energy).

SEC. 902. CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

The Consolidated Farm and Rural Development Act (as amended by section 646) is amended by adding at the end the following:

"Subtitle L—Clean Energy

"SEC. 387A. DEFINITIONS.

"In this subtitle:

"(1) BIOMASS.—

"(A) IN GENERAL.—The term 'biomass' means any organic material that is available on a renewable or recurring basis.

"(B) INCLUSIONS.—The term 'biomass' includes—

"(i) dedicated energy crops;

"(ii) trees grown for energy production;

"(iii) wood waste and wood residues;

"(iv) plants (including aquatic plants, grasses, and agricultural crops);

"(v) residues;

"(vi) fibers;

"(vii) animal wastes and other waste materials; and

"(viii) fats and oils (including recycled fats and oils).

"(C) EXCLUSIONS.—The term 'biomass' does not include—

"(i) old-growth timber (as determined by the Secretary);

"(ii) paper that is commonly recycled; or

"(iii) unsegregated garbage.

"(2) RENEWABLE ENERGY.—The term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

"(3) RURAL SMALL BUSINESS.—The term 'rural small business' has the meaning that the Secretary shall prescribe by regulation.

"CHAPTER 1—BIOBASED PRODUCT DEVELOPMENT

"SEC. 387B. BIOBASED PRODUCT PURCHASING REQUIREMENT.

"(a) DEFINITIONS.—In this section:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(2) BIOBASED PRODUCT.—The term 'biobased product' means a commercial or industrial product, as determined by the Secretary (other than food or feed), that uses biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials.

"(3) ENVIRONMENTALLY PREFERABLE.—The term 'environmentally preferable', with respect to a biobased product, refers to a biobased product that has a lesser or reduced effect on human health and the environment when compared with competing nonbiobased products that serve the same purpose.

"(b) BIOBASED PRODUCT PURCHASING.—

"(1) MANDATORY PURCHASING REQUIREMENT FOR LISTED BIOBASED PRODUCTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 180 days after the date of enactment of this subtitle, the head of each Federal agency shall ensure that, in purchasing any product, the Federal agency purchases a biobased product, rather than a comparable nonbiobased product, if the biobased product is listed on the list of biobased products published under subsection (c)(1).

"(B) BIOBASED PRODUCT NOT REASONABLY COMPARABLE.—A Federal agency shall not be required to purchase a biobased product under subparagraph (A) if the purchasing employee submits to the Secretary and the Administrator of the Office of Federal Procurement Policy a written determination that the biobased product is not reasonably comparable to nonbiobased products in price, performance, or availability.

"(C) CONFLICTING REQUIREMENTS.—The Secretary and the Administrator shall jointly promulgate regulations with which Federal agencies shall comply in cases of a conflict between the biobased product purchasing requirement under subparagraph (A) and a purchasing requirement under any other provision of law.

"(2) PURCHASING OF NONLISTED BIOBASED PRODUCTS.—The head of each Federal agency is encouraged to purchase, to the maximum extent practicable, available biobased products that are not listed on the list of biobased products published under subsection (c)(1) when the Federal agency is not required to purchase a biobased product that is on the list.

"(c) ADMINISTRATIVE ACTION.—

"(1) LIST OF BIOBASED PRODUCTS.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subtitle, and annually thereafter, the Secretary, in consultation with the Administrator and the Director of the National Institute of Standards and Technology, shall publish a list of biobased products.

"(B) Environmentally Preferable Biobased Products.—The Secretary shall not include on the list under paragraph (1) biobased products that are not environmentally preferable, as determined by the Secretary.

"(C) Grants.—The Secretary may award grants to, or enter into contracts or cooperative agreements with, eligible persons, businesses, or institutions (as determined by the Secretary) to assist in collecting data concerning the evaluation of and lifecycle analyses of biobased products for use in making the determinations necessary to carry out this paragraph.

"(2) Guidance.—Not later than 240 days after the date of enactment of this subtitle, the Office of Federal Procurement Policy and Federal Acquisition Regulation Council shall make the Federal Acquisition Regulation consistent with subsection (b).

"(d) Education and Outreach Program.—The Secretary, in cooperation with the Defense Acquisition University and the Federal Acquisition Institute, shall conduct education programs for all Federal procurement officers regarding biobased products and the requirements of subsection (b).

"(e) Labeling.—

"(1) In general.—The Secretary shall develop a program, similar to the Energy Star program of the Department of Energy and the Environmental Protection Agency, under which the Secretary authorizes producers of environmentally preferable biobased products to use a label that identifies the products as environmentally preferable biobased products.

"(2) Environmentally Preferable Biobased Products.—The Secretary shall monitor and take appropriate action regarding the use of labels under paragraph (1) to ensure that the biobased products using the labels do not include biobased products that are not environmentally preferable, as determined by the Secretary.

"(3) Contracting.—In carrying out paragraph (1), the Secretary may contract with appropriate entities with expertise in product labeling and standard setting.

"(f) Goal.—It shall be the goal of each Federal agency for each fiscal year to purchase biobased products of an aggregate value that is not less than 5 percent of the aggregate value of all products purchased by the Federal agency during the preceding fiscal year.

"(g) Reports.—As soon as practicable after the end of each fiscal year, the Secretary and the Office of Federal Procurement Policy shall jointly submit to Congress an annual report that, for the fiscal year, describes the extent of—

"(1) compliance by each Federal agency with subsection (b); and

"(2) the success of each Federal agency in achieving the goal established under subsection (f).

"(h) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.

"SEC. 387C. BIOREFINERY DEVELOPMENT GRANTS.

"(a) Purpose.—The purpose of this section is to assist in the development of new and emerging technologies for the conversion of biomass into petroleum substitutes, so as to—

"(1) develop transportation and other fuels and chemicals from renewable sources;

"(2) reduce the dependence of the United States on imported oil;

"(3) reduce greenhouse gas emissions;

"(4) diversify markets for raw agricultural and forestry products; and

"(5) create jobs and enhance the economic development of the rural economy.

"(b) Definitions.—In this section:

"(1) Advisory committee.—The term 'Advisory Committee' means the Biomass Research and Development Technical Advisory Committee established by section 306 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

"(2) Biorefinery.—The term 'biorefinery' means equipment and processes that—

"(A) convert biomass into bioenergy fuels and chemicals; and

"(B) may produce electricity as a byproduct.

"(3) Board.—The term 'Board' means the Biomass Research and Development Board established by section 305 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

"(4) Indian tribe.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(c) Grants.—The Secretary shall award grants to eligible entities to assist in paying the cost of development and construction of biorefineries to carry out projects to demonstrate the commercial viability of 1 or more processes for converting biomass to fuels or chemicals.

"(d) Eligible Entities.—A corporation, farm cooperative, association of farmers, national laboratory, university, State energy agency or office, Indian tribe, or consortium comprised of any of those entities shall be eligible to receive a grant under subsection (c).

"(e) Competitive Basis for Awards.—

"(1) In general.—The Secretary shall award grants under subsection (c) on a competitive basis in consultation with the Board and Advisory Committee.

"(2) Selection criteria.—

"(A) In general.—The Secretary shall select projects to receive grants under subsection (c) based on—

"(i) the likelihood that the projects will demonstrate the commercial viability of a process for converting biomass to fuels or chemicals; and

"(ii) the likelihood that the projects will produce electricity.

"(B) Factors.—The factors to be considered under subparagraph (A) shall include—

"(i) the potential market for the product or products;

"(ii) the quantity of petroleum the product will displace;

"(iii) the level of financial participation by the applicants;

"(iv) the availability of adequate funding from other sources;

"(v) the beneficial impact on resource conservation and the environment;

"(vi) the participation of producer associations and cooperatives;

"(vii) the timeframe in which the project will be operational;

"(viii) the potential for rural economic development; and

"(ix) the participation of multiple eligible entities.

"(f) Cost Sharing.—

"(1) In general.—Except as provided in paragraph (2), the amount of a grant for a project awarded under subsection (c) shall not exceed 30 percent of the cost of the project.

"(2) Increased grant amount.—The Secretary may increase the amount of a grant for a project under subsection (c) to not more than 50 percent in the case of a project that the Secretary finds particularly meritorious.

"(3) Form of grantee share.—

"(A) In general.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

"(B) Limitation.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

"(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

"SEC. 387D. BIODIESEL FUEL EDUCATION PROGRAM.

"(a) Findings.—Congress finds that—

"(1) biodiesel fuel use can help reduce greenhouse gas emissions and public health risks associated with air pollution;

"(2) biodiesel fuel use enhances energy security by reducing petroleum consumption;

"(3) biodiesel fuel is nearing the transition from the research and development phase to commercialization;

"(4) biodiesel fuel is still relatively unknown to the public and even to diesel fuel users; and

"(5) education of, and provision of technical support to, current and future biodiesel fuel users will be critical to the widespread use of biodiesel fuel.

"(b) Establishment.—The Secretary shall, under such terms and conditions as are appropriate, offer 1 or more competitive grants to eligible entities to educate Federal, State, regional, and local government entities and private entities that operate vehicle fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

"(c) Eligible Entities.—To receive a grant under subsection (b), an entity—

"(1) shall be a nonprofit organization; and

"(2) shall have demonstrated expertise in biodiesel fuel production, use, and distribution.

"(d) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006, to remain available until expended.

"CHAPTER 2—RENEWABLE ENERGY DEVELOPMENT AND ENERGY EFFICIENCY

"SEC. 387E. RENEWABLE ENERGY DEVELOPMENT LOAN AND GRANT PROGRAM.

"(a) In General.—The Secretary, acting through the Rural Business Cooperative Service, in addition to exercising authority to make loans and loan guarantees under other law, shall establish a program under which the Secretary shall make loans and loan guarantees and competitively award grants to assist farmers and ranchers in projects to establish new, or expand existing, farmer or rancher cooperatives, or other rural business ventures (as determined by the Secretary), to—

"(1) enable farmers and ranchers to become owners of sources of renewable electric energy and marketers of electric energy produced from renewable sources;

"(2) provide new income streams for farmers and ranchers;

"(3) increase the quantity of electricity available from renewable energy sources; and

"(4) provide environmental and public health benefits to rural communities and the United States as a whole.

"(b) Ownership Requirement.—At least 51 percent of the interest in a rural business venture assisted with a grant under subsection (a) shall be owned by farmers or ranchers.

“(c) Maximum Amount of Loans and Grants.—

“(1) Loans.—The amount of a loan made or guaranteed for a project under subsection (a) shall not exceed $10,000,000.

“(2) Grants.—The amount of a grant made for a project under subsection (a) shall not exceed $200,000 for a fiscal year.

“(d) Cost Sharing.—

“(1) In general.—The total amount of loans made or guaranteed or grants awarded under subsection (a) for a project shall not exceed 50 percent of the cost of the activity funded by the loan or grant.

“(2) Form of grantee share.—

“(A) In general.—The grantee share of the cost of the activity may be made in the form of cash or the provision of services, material, or other in-kind contributions.

“(B) Limitation.—The amount of the grantee share of the cost of an activity that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share, as determined under paragraph (1).

“(e) Interest Rate.—A loan made or guaranteed under subsection (a) shall bear an interest rate that does not exceed 4 percent.

“(f) Use of Funds.—

“(1) Permitted uses.—

“(A) Grants.—A recipient of a grant awarded under subsection (a) may use the grant funds to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for renewable electric energy generation and sale.

“(B) Loans.—A recipient of a loan or loan guarantee under subsection (a) may use the loan funds to provide capital for start-up costs associated with the rural business venture or the promotion of the aggregation of renewable electric energy sources.

“(2) Prohibited uses.—A recipient of a loan, loan guarantee, or grant under subsection (a) shall not use the loan or grant funds for planning, repair, rehabilitation, acquisition, or construction of a building.

“(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $16,000,000 for each of fiscal years 2002 through 2006.

“SEC. 387F. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.

“(a) In General.—The Secretary, acting through the Rural Business Cooperative Service, shall make competitive grants to eligible entities to enable the eligible entities to carry out a program to assist farmers, and ranchers, and rural small businesses (as determined by the Secretary) in becoming more energy efficient and in using renewable energy technology.

“(b) Eligible Entities.—Entities eligible to carry out a program under subsection (a) include—

“(1) a State energy or agricultural office;

“(2) a regional or State-based energy organization or energy organization of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

“(3) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or other college or university;

“(4) a farm bureau or organization;

“(5) a rural electric cooperative or utility;

“(6) a nonprofit organization; and

“(7) any other entity, as determined by the Secretary.

“(c) Merit Review.—

“(1) Merit review panel.—The Secretary shall establish a merit review panel to review applications for grants under subsection (a) that uses the expertise of other Federal agencies (including the Department of Energy and the Environmental Protection Agency), industry, and nongovernmental organizations.

“(2) Selection criteria.—In reviewing applications of eligible entities to receive grants under subsection (a), the merit review panel shall consider—

“(A) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;

“(B) the geographic scope of the program proposed by the eligible entity;

“(C) the number of farmers, ranchers, and rural small businesses to be assisted by the program;

“(D) the potential for energy savings and environmental and public health benefits resulting from the program; and

“(E) the plan of the eligible entity for educating farmers, ranchers, and rural small businesses on the benefits of energy efficiency and renewable energy development.

“(d) Use of Grant Funds.—A recipient of a grant under subsection (a) shall use the grant funds to—

“(1)(A) conduct energy audits for farmers, ranchers, and rural small businesses to provide farmers, ranchers, and rural small businesses recommendations for energy efficiency and renewable energy development opportunities; and

“(B) conduct workshops on that subject as appropriate;

“(2) make farmers, ranchers, and rural small businesses aware of, and ensure that they have access to—

“(A) financial assistance under section 387G; and

“(B) other Federal, State, and local financial assistance programs for which farmers, ranchers, and rural small businesses may be eligible; and

“(3) arrange private financial assistance to farmers, ranchers, and rural small businesses on favorable terms.

“(e) Cost Sharing.—

“(1) In general.—A recipient of a grant under subsection (a) that conducts an energy audit for a farmer, rancher, or rural small business under subsection (d)(1) shall require that, as a condition to the conduct of the energy audit, the farmer, rancher, or rural small business pay at least 25 percent of the cost of the audit.

“(2) Implementation of recommendations.—If a farmer, rancher, or rural small business substantially implements the recommendations made in connection with an energy audit, the Secretary may reimburse the farmer, rancher, or rural small business the amount that is equal to the share of the cost paid by the farmer, rancher, or rural small business under paragraph (1).

“(f) Reports.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on the implementation of this section.

“(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

“SEC. 387G. LOANS, LOAN GUARANTEES, AND GRANTS TO FARMERS, RANCHERS, AND RURAL SMALL BUSINESSES FOR RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS.

“(a) In General.—In addition to exercising authority to make loans and loan guarantees under other law, the Secretary shall make loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to—

“(1) purchase renewable energy systems; and

“(2) make energy efficiency improvements.

“(b) Eligibility of Farmers and Ranchers.—To be eligible to receive a grant under subsection (a) for a fiscal year, a farmer or rancher shall have produced not more than $1,000,000 in market value of agricultural products during the preceding fiscal year, as determined by the Secretary.

“(c) Cost Sharing.—

“(1) Renewable energy systems.—

“(A) In general.—

“(i) Grants.—The amount of a grant made under subsection (a) for a renewable energy system shall not exceed 15 percent of the cost of the renewable energy system.

“(ii) Loans.—The amount of a loan made or guaranteed under subsection (a) for a renewable energy system shall not exceed 35 percent of the cost of the renewable energy system.

“(B) Factors.—In determining the amount of a grant or loan under subparagraph (A), the Secretary shall take into consideration—

“(i) the type of renewable energy system to be purchased;

“(ii) the estimated quantity of energy to be generated or displaced by the renewable energy system;

“(iii) the expected environmental benefits of the renewable energy system;

“(iv) the extent to which the renewable energy system will be replicable; and

“(v) other factors as appropriate.

“(2) Energy efficiency improvements.—

“(A) In general.—

“(i) Grants.—The amount of a grant made under subsection (a) for an energy efficiency improvement shall not exceed 15 percent of the cost of the energy efficiency improvement.

“(ii) Loans.—The amount of a loan made or guaranteed under subsection (a) for an energy efficiency project shall not exceed 35 percent of the cost of the energy efficiency improvement.

“(B) Factors.—In determining the amount of a grant or loan under subparagraph (A), the Secretary shall take into consideration—

“(i) the estimated length of time it would take for the energy savings generated by the improvement to equal the cost of the improvement;

“(ii) the amount of energy savings expected to be derived from the improvement; and

“(iii) other factors as appropriate.

“(d) Interest Rate.—A loan made or guaranteed under subsection (a) shall bear interest at a rate not exceeding 4 percent.

“(e) Energy Audit and Renewable Energy Development Program.—

“(1) Preference.—In making loans, loan guarantees, and grants under subsection (a), the Secretary shall give preference to participants in the energy audit and renewable energy development program under section 387F.

“(2) Reservation of funding.—The Secretary shall reserve at least 25 percent of the funds made available to carry out this section for each of fiscal years 2002 through 2006 to participants in the energy audit and renewable energy development program under section 387F.

“(f) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $33,000,000 for each of fiscal years 2002 through 2006.

“SEC. 387H. HYDROGEN AND FUEL CELL TECHNOLOGIES PROGRAM.

“(a) In General.—The Secretary of Agriculture, in consultation with the Secretary of Energy, shall establish a program under which the Secretary of Agriculture shall competitively award grants to, or enter into contracts or cooperative agreements with, eligible entities for—

“(1) projects to demonstrate the use of hydrogen technologies and fuel cell technologies in farm, ranch, and rural applications; and

“(2) as appropriate, studies of the technical, environmental, and economic viability, in farm, ranch, and rural applications, of innovative hydrogen and fuel cell technologies not ready for demonstration.

“(b) Eligible Entities.—Under subsection (a), the Secretary may make a grant to or enter into a contract or cooperative agreement with—

“(1) a Federal research agency;

“(2) a national laboratory;

“(3) a college or university or a research foundation maintained by a college or university;

“(4) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

“(5) a State agricultural experiment station; or

“(6) an individual.

“(c) Selection Criteria.—In selecting projects for grants, contracts, and cooperative agreements under subsection (a)(1), the Secretary shall give preference to projects that demonstrate technologies that—

“(1) are innovative;

“(2) use renewable energy sources;

“(3) produce multiple sources of energy;

“(4) provide significant environmental benefits;

“(5) are likely to be economically competitive; and

“(6) have potential for commercialization as mass-produced, farm- or ranch-sized systems.

“(d) Cost Sharing.—The amount of financial assistance provided for a project under a grant, contract, or cooperative agreement under subsection (a) shall not exceed 50 percent of the cost of the project.

“(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.

“SEC. 387I. TECHNICAL ASSISTANCE FOR FARMERS AND RANCHERS TO DEVELOP RENEWABLE ENERGY RESOURCES.

“(a) In General.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service in consultation with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other entities as appropriate, may provide for education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources.

“(b) Administrative Expenses.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

“CHAPTER 3—CARBON SEQUESTRATION RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM

“SEC. 387J. RESEARCH.

“(a) Basic Research.—

“(1) In general.—Subject to the availability of appropriations, the Secretary shall carry out research to promote understanding of—

“(A) the net sequestration of organic carbon in soils and plants (including trees); and

“(B) net emissions of other greenhouse gases from agriculture.

“(2) Agricultural research service.—The Secretary, acting through the Agricultural Research Service, shall collaborate with other Federal agencies in developing data and carrying out research addressing carbon losses and gains in soils and plants (including trees) and net emissions of methane and nitrous oxide from cultivation and animal management activities.

“(3) Cooperative state research, education, and extension service.—

“(A) In general.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a competitive grant program to carry out research on the matters described in paragraph (1) by eligible entities.

“(B) Eligible entities.—Under subparagraph (A), the Secretary may make a grant to—

“(i) a Federal research agency;

“(ii) a national laboratory;

“(iii) a college or university or a research foundation maintained by a college or university;

“(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

“(v) a State agricultural experiment station; or

“(vi) an individual.

“(C) Consultation on research topics.—Before issuing a request for proposals for basic research under paragraph (1), the Cooperative State Research, Education, and Extension Service shall consult with the Agricultural Research Service and the Forest Service to ensure that proposed research areas are complementary with and do not duplicate other research projects funded by the Department or other Federal agencies.

“(D) Administrative expenses.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

“(b) Applied Research.—

“(1) In general.—The Secretary shall carry out applied research in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to—

“(A) promote understanding of—

“(i) how agricultural and forestry practices affect the sequestration of organic and inorganic carbon in soils and plants (including trees) and net emissions of other greenhouse gases;

“(ii) how changes in soil carbon pools in soils and plants (including trees) are cost-effectively measured, monitored, and verified; and

“(iii) how public programs and private market approaches can be devised to incorporate carbon sequestration in a broader societal greenhouse gas emission reduction effort;

“(B) develop methods for establishing baselines for measuring the quantities of carbon and other greenhouse gases sequestered; and

“(C) evaluate leakage and performance issues.

“(2) Requirements.—To the maximum extent practicable, applied research under paragraph (1) shall—

“(A) use existing technologies and methods; and

“(B) provide methodologies that are accessible to a nontechnical audience.

“(3) Minimization of adverse environmental impacts.—All applied research under paragraph (1) shall be conducted with an emphasis on minimizing adverse environmental impacts.

“(4) Natural resources and the environment.—The Secretary, acting through the Natural Resources Conservation Service and the Forest Service, shall collaborate with other Federal agencies in developing new measuring techniques and equipment or adapting existing techniques and equipment to enable cost-effective and accurate monitoring and verification, for a wide range of agricultural and forestry practices, of—

“(A) changes in carbon content in soils and plants (including trees); and

“(B) net emissions of other greenhouse gases.

“(5) Cooperative state research, education, and extension service.—

“(A) In general.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service and the Forest Service, shall establish a competitive grant program to encourage research on the matters described in paragraph (1) by eligible entities.

“(B) Eligible entities.—Under subparagraph (A), the Secretary may make a grant to—

“(i) a Federal research agency;

“(ii) a national laboratory;

“(iii) a college or university or a research foundation maintained by a college or university;

“(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

“(v) a State agricultural experiment station; or

“(vi) an individual.

“(C) Consultation on research topics.—Before issuing a request for proposals for applied research under paragraph (1), the Cooperative State Research, Education, and Extension Service and the Forest Service shall consult with the Natural Resources Conservation Service and the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate research projects funded by the Department of Agriculture or other Federal agencies.

“(D) Administrative expenses.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

“(c) Research Consortia.—

“(1) In general.—The Secretary may designate not more than 2 research consortia to carry out research projects under this section, with the requirement that the consortia propose to conduct basic research under subsection (a) and applied research under subsection (b).

“(2) Selection.—The consortia shall be selected on a competitive basis by the Cooperative State Research, Education, and Extension Service.

``(3) ELIGIBLE CONSORTIUM PARTICIPANTS.—Entities eligible to participate in a consortium include—

``(A) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));

``(B) a private research institution;

``(C) a State agency;

``(D) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

``(E) an agency of the Department of Agriculture;

``(F) a research center of the National Aeronautics and Space Administration, the Department of Energy, or any other Federal agency;

``(G) an agricultural business or organization with demonstrated expertise in areas covered by this section; and

``(H) a representative of the private sector with demonstrated expertise in the areas.

``(4) RESERVATION OF FUNDING.—If the Secretary designates 1 or 2 consortia, the Secretary shall reserve for research projects carried out by the consortium or consortia not more than 25 percent of the amounts made available to carry out this section for a fiscal year.

``(d) STANDARDS FOR MEASURING CARBON AND OTHER GREENHOUSE GAS CONTENT.—

``(1) CONFERENCE.—Not later than 3 years after the date of enactment of this subtitle, the Secretary shall convene a conference of key scientific experts on carbon sequestration from various sectors (including the government, academic, and private sectors) to—

``(A) discuss benchmark standards for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases;

``(B) propose techniques and modeling approaches for measuring carbon content with a level of precision that is discussed by the participants in the conference; and

``(C) evaluate results of analyses on baseline, permanence, and leakage issues.

``(2) DEVELOPMENT OF BENCHMARK STANDARDS.—The Secretary shall, with notice and an opportunity for comment, develop benchmark standards for measuring the carbon content of soils and plants (including trees) based on—

``(A) information from the conference held under paragraph (1);

``(B) research performed under this section; and

``(C) other information available to the Secretary.

``(3) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the conference and the designation of benchmark standards.

``(e) AUTHORIZATION OF APPROPRIATIONS.—

``(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

``(2) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

``SEC. 387K. DEMONSTRATION PROJECTS AND OUTREACH.

``(a) DEMONSTRATION PROJECTS.—

``(1) DEVELOPMENT OF MONITORING PROGRAMS.—

``(A) IN GENERAL.—The Secretary, in cooperation with local extension agents, experts from land grant universities, and other local agricultural or conservation organizations, shall develop user-friendly programs that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and net changes in greenhouse gas emissions.

``(B) BENCHMARK LEVELS OF PRECISION.—The Secretary shall administer programs developed under subparagraph (A) in a manner that achieves, to the maximum extent practicable, benchmark levels of precision in the measurement, in a cost-effective manner, of benefits and changes described in subparagraph (A).

``(2) PROJECTS.—

``(A) IN GENERAL.—The Secretary shall establish a program under which the monitoring programs developed under paragraph (1) are used in projects to demonstrate the feasibility of methods of measuring, verifying, and monitoring—

``(i) changes in organic carbon content and other carbon pools in soils and plants (including trees); and

``(ii) net changes in emissions of other greenhouse gases.

``(B) EVALUATION OF IMPLICATIONS.—The projects under subparagraph (A) shall include evaluation of the implications for reassessed baselines, carbon or other greenhouse gas leakage, and the permanence of sequestration.

``(C) SUBMISSION OF PROPOSALS.—Proposals for projects under subparagraph (A) shall be submitted by the appropriate agency of each State, in consultation with interested local jurisdictions and State agricultural and conservation organizations.

``(b) OUTREACH.—

``(1) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall widely disseminate information about the economic and environmental benefits that can be generated by adoption of conservation practices that increase sequestration of carbon and reduce emission of other greenhouse gases.

``(2) PROJECT RESULTS.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall provide for the dissemination to farmers, ranchers, private forest landowners, and appropriate State agencies in each State of information concerning—

``(A) the results of demonstration projects under subsection (a)(2); and

``(B) the manner in which the methods demonstrated in the projects might be applicable to the operations of the farmers and ranchers.

``(3) POLICY OUTREACH.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall disseminate information on the connection between global climate change mitigation strategies and agriculture and forestry, so that farmers and ranchers may better understand the global implications of the activities of farmers and ranchers.

``(c) AUTHORIZATION OF APPROPRIATIONS.—

``(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.

``(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for demonstration projects under subsection (a)(2).''.

SEC. 903. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

(a) IN GENERAL.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

``SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

``There is authorized to be appropriated to carry out this title $15,000,000 for each of fiscal years 2002 through 2006.''.

(b) TERMINATION OF AUTHORITY.—Section 311 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) (as redesignated by subsection (a)) is amended by striking ``December 31, 2005'' and inserting ``September 30, 2006''.

SEC. 904. RURAL ELECTRIFICATION ACT OF 1936.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

``SEC. 20. FINANCIAL AND TECHNICAL ASSISTANCE FOR RENEWABLE ENERGY PROJECTS.

``(a) DEFINITION OF RENEWABLE ENERGY.—In this section, the term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

``(b) LOANS, LOAN GUARANTEES, AND GRANTS.—The Secretary shall make loans, loan guarantees, and grants to rural electric cooperatives and other rural electric utilities to promote the development of economically and environmentally sustainable renewable energy projects to serve the needs of rural communities or for rural economic development.

``(c) INTEREST RATE.—A loan made or guaranteed under subsection (b) shall bear interest at a rate not exceeding 4 percent.

``(d) USE OF FUNDS.—

``(1) GRANTS.—A recipient of a grant under subsection (a) may use the grant funds to pay up to 75 percent of the cost of an economic feasibility study or technical assistance for a renewable energy project.

``(2) LOANS.—If a renewable energy project is determined to be economically feasible, a recipient of a loan or loan guarantee under subsection (a) may use the loan funds to pay a percentage of the cost of the project determined by the Secretary.

``(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $9,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 905. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) greenhouse gas emissions resulting from human activity present potential risks and potential opportunities for agricultural and forestry production;

(2) there is a need to identify cost-effective methods that can be used in the agricultural and forestry sectors to reduce the threat of climate change;

(3) deforestation and other land use changes account for approximately 1,600,000,000 of the 7,900,000,000 metric tons of the average annual worldwide quantity of carbon emitted during the 1990s;

(4) ocean and terrestrial systems each sequestered approximately 2,300,000,000 metric tons of carbon annually, resulting in a sequestration of 60 percent of the annual human-induced emissions of carbon during the 1990s;

(5) there are opportunities for increasing the quantity of carbon that can be stored in terrestrial systems through improved,

human-induced agricultural and forestry practices;

(6) increasing the carbon content of soil helps to reduce erosion, reduce flooding, minimize the effects of drought, prevent nutrients and pesticides from washing into water bodies, and contribute to water infiltration, air and water holding capacity, and good seed germination and plant growth;

(7) tree planting and wetland restoration could play a major role in sequestering carbon and reducing greenhouse gas concentrations in the atmosphere;

(8) nitrogen management is a cost-effective method of addressing nutrient overenrichment in the estuaries of the United States and of reducing emissions of nitrous oxide;

(9) animal feed and waste management can be cost-effective methods to address water quality issues and reduce emissions of methane; and

(10) there is a need to—

(A) demonstrate that carbon sequestration in soils, plants, and forests and reductions in greenhouse gas emissions through nitrogen and animal feed and waste management can be measured and verified; and

(B) develop and refine quantification, verification, and auditing methodologies for carbon sequestration and greenhouse gas emission reductions on a project by project basis.

(b) Program.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

"SEC. 409. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

"(a) Definitions.—In this section:

"(1) Eligible project.—The term 'eligible project' means a project that is likely to result in—

"(A) demonstrable reductions in net emissions of greenhouse gases; or

"(B) demonstrable net increases in the quantity of carbon sequestered in soils and forests.

"(2) Panel.—The term 'panel' means the panel of experts established under subsection (b)(4)(A).

"(3) Secretary.—The term 'Secretary' means the Secretary of Agriculture, acting in consultation with—

"(A) the Under Secretary of Agriculture for Natural Resources and Environment;

"(B) the Under Secretary of Agriculture for Research, Education, and Economics;

"(C) the Chief Economist of the Department; and

"(D) the panel.

"(b) Demonstration Program.—

"(1) Establishment.—Subject to the availability of appropriations, the Secretary shall establish a program to provide grants, on a competitive, cost-shared basis, to agricultural producers to assist in paying the costs incurred in measuring, estimating, monitoring, verifying, auditing, and testing methodologies involved in public-private partnerships for measurement and monitoring of greenhouse gas fluxes (including costs incurred in employing certified independent third persons to carry out those activities).

"(2) Conditions for receipt of grant.—As a condition of the acceptance of a grant under paragraph (1), an agricultural producer shall—

"(A) establish a carbon and greenhouse gas monitoring, verification, and reporting system that meets such requirements as the Secretary shall prescribe; and

"(B) under the system and through the use of an independent third party for any necessary monitoring, verifying, reporting, and auditing, measure and report to the Secretary the quantity of carbon sequestered, or the quantity of greenhouse gas emissions reduced, as a result of the conduct of an eligible project.

"(3) Criteria for award of grant.—

"(A) In general.—In awarding a grant for an eligible project under paragraph (1), the Secretary shall take into consideration—

"(i) the likelihood of the eligible project in succeeding in achieving greenhouse gas emissions reductions and net carbon sequestration increases; and

"(ii) the usefulness of the information to be obtained from the eligible project in determining how best to quantify, monitor, and verify sequestered carbon or reductions in greenhouse gas emissions.

"(B) Priority criteria.—The Secretary shall give priority in awarding a grant under paragraph (1) to an eligible project that—

"(i) involves multiple parties, a whole farm approach, or any other approach, such as the aggregation of land areas, that would—

"(I) increase the environmental benefits or reduce the transaction costs of the eligible project; and

"(II) reduce the costs of measuring, monitoring, and verifying any net sequestration of carbon or net reduction in greenhouse gas emissions;

"(ii) is designed to achieve long-term sequestration of carbon or long-term reductions in greenhouse gas emissions;

"(iii) is designed to address concerns concerning leakage;

"(iv) provides certain other benefits, such as improvements in—

"(I) soil fertility;

"(II) wildlife habitat;

"(III) water quality;

"(IV) soil erosion management;

"(V) the use of renewable resources to produce energy;

"(VI) the avoidance of ecosystem fragmentation; and

"(VII) the promotion of ecosystem restoration with native species; or

"(v) does not involve the conversion of native forest land or native grassland.

"(4) Panel.—

"(A) In general.—The Secretary shall establish a panel to provide advice and recommendations to the Secretary with respect to criteria for awarding grants under this subsection.

"(B) Composition.—The panel shall be composed of the following representatives, to be appointed by the Secretary:

"(i) Experts from each of—

"(I) the Department;

"(II) the Environmental Protection Agency; and

"(III) the Department of Energy.

"(ii) Experts from nongovernmental and academic entities.

"(5) Payment of grant funds.—The Secretary shall provide a grant awarded under this section in such number of installments as is necessary to ensure proper implementation of an eligible project.

"(c) Methodology Grant Program.—

"(1) Establishment.—The Secretary shall establish a program to provide grants to determine the best methodologies for estimating and measuring increases or decreases in—

"(A) agricultural greenhouse gas emissions; and

"(B) the quantity of carbon sequestered in soils, forests, and trees.

"(2) Eligible recipients.—The Secretary shall award a grant under paragraph (1), on a competitive basis, to a college or university, or other research institution, that seeks to demonstrate the viability of a methodology described in paragraph (1).

"(d) Dissemination of Information.—As soon as practicable after the date of enactment of this section, the Secretary shall establish an Internet site through which agricultural producers may obtain information concerning—

"(1) potential public-private partnerships for measurement and monitoring of greenhouse gas fluxes; and

"(2) activities of the Secretary under this section.

"(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.".

SEC. 906. SENSE OF CONGRESS CONCERNING NATIONAL RENEWABLE FUELS STANDARD.

It is the sense of Congress that—

(1) Congress supports and encourages adoption of a national renewable fuels program, under which the motor vehicle fuel placed into commerce by a refiner, blender, or importer shall be composed of renewable fuel measured according to a statutory formula for specified calendar years; and

(2) the Secretary of Agriculture should ensure that the policies and programs of the Department of Agriculture promote the production of fuels from renewable fuel sources.

SEC. 907. SENSE OF CONGRESS CONCERNING THE BIOENERGY PROGRAM OF THE DEPARTMENT OF AGRICULTURE.

It is the sense of Congress that—

(1) ethanol and biofuel production capacity will be needed to phase out the use of methyl tertiary butyl ether in gasoline and the dependence of the United States on foreign oil; and

(2) the bioenergy program of the Department of Agriculture under part 1424 of title 7, Code of Federal' Regulations, should be continued and expanded.

TITLE X—MISCELLANEOUS

Subtitle A—Country of Origin and Quality Grade Labeling

SEC. 1001. COUNTRY OF ORIGIN LABELING.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

"Subtitle C—Country of Origin Labeling

"SEC. 271. DEFINITIONS.

"In this subtitle:

"(1) Beef.—The term 'beef' means meat produced from cattle (including veal).

"(2) Covered commodity.—

"(A) In general.—The term 'covered commodity' means—

"(i) muscle cuts of beef, lamb, and pork;

"(ii) ground beef, ground lamb, and ground pork;

"(iii) farm-raised fish;

"(iv) a perishable agricultural commodity; and

"(v) peanuts.

"(B) Exclusions.—The term 'covered commodity' does not include—

"(i) processed beef, lamb, and pork food items; and

"(ii) frozen entrees containing beef, lamb, and pork.

"(3) Farm-raised fish.—The term 'farm-raised fish' includes—

"(A) farm-raised shellfish; and

"(B) fillets, steaks, nuggets, and any other flesh from a farm-raised fish or shellfish.

"(4) Food service establishment.—The term 'food service establishment' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

"(5) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

"(6) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms 'perishable agricultural commodity' and 'retailer' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

"(7) PORK.—The term 'pork' means meat produced from hogs.

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

"SEC. 272. NOTICE OF COUNTRY OF ORIGIN.

"(a) IN GENERAL.—

"(1) REQUIREMENT.—Except as provided in subsection (b), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

"(2) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity—

"(A) in the case of beef, lamb, and pork, is exclusively from an animal that is exclusively born, raised, and slaughtered in the United States; and

"(B) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and

"(C) in the case of a perishable agricultural commodities or peanut, is exclusively produced in the United States.

"(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—

"(1) prepared or served in a food service establishment; and

"(2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or

"(B) served to consumers at the food service establishment.

"(c) METHOD OF NOTIFICATION.—

"(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

"(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

"(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under section 274.

"(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

"(f) CERTIFICATION OF ORIGIN.—

"(1) MANDATORY IDENTIFICATION.—The Secretary shall not use a mandatory identification system to verify the country of origin of a covered commodity.

"(2) EXISTING CERTIFICATION PROGRAMS.—To certify the country of origin of a covered commodity, the Secretary may use as a model certification programs in existence on the date of enactment of this Act, including—

"(A) the carcass grading and certification system carried out under this Act;

"(B) the voluntary country of origin beef labeling system carried out under this Act;

"(C) voluntary programs established to certify certain premium beef cuts;

"(D) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or

"(E) the origin verification system established to carry out the market access program under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

"SEC. 273. ENFORCEMENT.

"(a) IN GENERAL.—Except as provided in subsection (b), section 253 shall apply to a violation of this subtitle.

"(b) WARNINGS.—If the Secretary determines that a retailer is in violation of section 272, the Secretary shall—

"(1) notify the retailer of the determination of the Secretary; and

"(2) provide the retailer a 30-day period, beginning on the date on which the retailer receives the notice under paragraph (1) from the Secretary, during which the retailer may take necessary steps to comply with section 272.

"(c) FINES.—If, on completion of the 30-day period described in subsection (c)(2), the Secretary determines that the retailer has willfully violated section 272, after providing notice and an opportunity for a hearing before the Secretary with respect to the violation, the Secretary may fine the retailer in an amount determined by the Secretary.

"SEC. 274. REGULATIONS.

"(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to carry out this subtitle.

"(b) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States with enforcement infrastructure to carry out this subtitle.

"SEC. 275. APPLICATION.

"This subtitle shall apply to the retail sale of a covered commodity beginning on the date that is 180 days after the date of the enactment of this subtitle.".

SEC. 1002. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) (as amended by section 1001) is amended by adding at the end the following:

"Subtitle D—Commodity-Specific Grading Standards

"SEC. 281. DEFINITION OF SECRETARY.

"In this subtitle, the term 'Secretary' means the Secretary of Agriculture.

"SEC. 282. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

"An imported carcass, part thereof, meat, or meat food product (as defined by the Secretary) shall not bear a label that indicates a quality grade issued by the Secretary.

"SEC. 283. REGULATIONS.

"The Secretary shall promulgate such regulations as are necessary to ensure compliance with, and otherwise carry out, this subtitle.".

Subtitle B—General Provisions

SEC. 1011. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

(a) IN GENERAL.—Title III of the Packers and Stockyards Act, 1921, is amended by inserting after section 317 (7 U.S.C. 217a) the following:

"SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

"(a) DEFINITIONS.—In this section:

"(1) HUMANELY EUTHANIZED.—The term 'humanely euthanized' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

"(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

"(b) UNLAWFUL PRACTICES.—

"(1) IN GENERAL.—It shall be unlawful under section 312 for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

"(2) EXCEPTIONS.—

"(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

"(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) takes effect 1 year after the date of the enactment of this Act.

(2) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations consistent with the amendment, relating to the handling, treatment, and disposition of nonambulatory livestock at livestock marketing facilities or by dealers.

SEC. 1012. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act") (7 U.S.C. 473), is amended by striking "2002" and inserting "2006".

SEC. 1013. PROTECTION FOR PURCHASERS OF FARM PRODUCTS.

Section 1324 of the Food Security Act of 1985 (7 U.S.C. 1631) is amended—

(1) in subsection (c)(4)—

(A) in subparagraph (B), by striking "signed," and inserting "signed, authorized, or otherwise authenticated by the debtor,";

(B) by striking subparagraph (C);

(C) in subparagraph (D)—

(i) in clause (iii), by adding "and" after the semicolon at the end; and

(ii) in clause (iv), by striking "applicable;" and all that follows and inserting "applicable, and the name of each county or parish in which the farm products are growing or located;"; and

(D) by redesignating subparagraphs (D) through (I) as subparagraphs (C) through (H), respectively;

(2) in subsection (e)—

(A) in paragraph (1)(A)—

(i) in clause (ii)—

(I) in subclause (III), by adding "and" after the semicolon at the end; and

(II) in subclause (IV), by striking "crop year," and all that follows and inserting "crop year, and the name of each county or parish in which the farm products are growing or located;"; and

(iii) in clause (v), by inserting "contains" before "any payment"; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "subparagraph" and inserting "subsection"; and

(ii) in subparagraph (B), by striking "; and" and inserting a period; and

(3) subsection (g)(2)(A)—

(A) in clause (ii)—

(i) in subclause (III), by adding "and" after the semicolon at the end; and

(ii) in subclause (IV), by striking "crop year," and all that follows and inserting "crop year, and the name of each county or parish in which the farm products are growing or located;"; and

(B) in clause (v), by inserting "contains" before "any payment".

SEC. 1014. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) Penalties and Foreign Commerce Provisions of the Animal Welfare Act.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting "Penalties.—" after "(e)";

(B) by striking "$5,000" and inserting "$15,000"; and

(C) by striking "1 year" and inserting "2 years"; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: "or from any State into any foreign country".

(b) Effective Date.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

"(a) Outreach and Assistance.—

"(1) Definitions.—In this subsection:

"(A) Department.—The term 'Department' means the Department of Agriculture.

"(B) Eligible entity.—The term 'eligible entity' means—

"(i) any community-based organization, network, or coalition of community-based organizations that—

"(I) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

"(II) has provided to the Secretary documentary evidence of work with socially disadvantaged farmers and ranchers during the 2-year period preceding the submission of an application for assistance under this subsection; and

"(III) has not engaged in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986;

"(ii)(I) an 1890 institution (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), including West Virginia State College;

"(II) a 1994 institution (as defined in section 2 of that Act);

"(III) an Indian tribal community college;

"(IV) an Alaska Native cooperative college;

"(V) a Hispanic-serving institution (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

"(VI) any other institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region; and

"(iii) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) or a national tribal organization that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

"(C) Secretary.—The term 'Secretary' means the Secretary of Agriculture.

"(2) Program.—The Secretary shall carry out an outreach and technical assistance program to encourage and assist socially disadvantaged farmers and ranchers—

"(A) in owning and operating farms and ranches; and

"(B) in participating equitably in the full range of agricultural programs offered by the Department.

"(3) Requirements.—The outreach and technical assistance program under paragraph (2) shall—

"(A) enhance coordination of the outreach, technical assistance, and education efforts authorized under various agriculture programs; and

"(B) include information on, and assistance with—

"(i) commodity, conservation, credit, rural, and business development programs;

"(ii) application and bidding procedures;

"(iii) farm and risk management;

"(iv) marketing; and

"(v) other activities essential to participation in agricultural and other programs of the Department.

"(4) Grants and contracts.—

"(A) In general.—The Secretary may make grants to, and enter into contracts and other agreements with, an eligible entity to provide information and technical assistance under this subsection.

"(B) Relationship to other law.—The authority to carry out this section shall be in addition to any other authority provided in this or any other Act.

"(5) Funding.—

"(A) Authorization of appropriations.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2002 through 2006.

"(B) Interagency funding.—In addition to funds authorized to be appropriated under subparagraph (A), any agency of the Department may participate in any grant, contract, or agreement entered into under this section by contributing funds, if the agency determined that the objectives of the grant, contract, or agreement will further the authorized programs of the contributing agency.".

SEC. 1016. PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) is amended by striking subparagraph (B) and inserting the following:

"(B) Establishment and elections for county, area, or local committees.—

"(i) Establishment.—

"(I) In general.—In each county or area in which activities are carried out under this section, the Secretary shall establish a county or area committee.

"(II) Local administrative areas.—The Secretary may designate local administrative areas within a county or a larger area under the jurisdiction of a committee established under subclause (I).

"(ii) Composition of county, area, or local committees.—A committee established under clause (i) shall consist of not fewer than 3 nor more than 5 members that—

"(I) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

"(II) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

"(iii) Elections.—

"(I) In general.—Subject to subclauses (II) through (V), the Secretary shall establish procedures for nominations and elections to county, area, or local committees.

"(II) Nondiscrimination statement.—Each solicitation of nominations for, and notice of elections of, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary.

"(III) Nominations.—

"(aa) Eligibility.—To be eligible for nomination and election to the applicable county, area, or local committee, as determined by the Secretary, an agricultural producer shall be located within the area under the jurisdiction of a county, area, or local committee, and participate or cooperate in programs administered within that area.

"(bb) Outreach.—In addition to such nominating procedures as the Secretary may prescribe, the Secretary shall solicit and accept nominations from organizations representing the interests of socially disadvantaged groups (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1)).

"(IV) Opening of ballots.—

"(aa) Public notice.—At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted.

"(bb) Opening of ballots.—Election ballots shall not be opened until the date and time announced under item (aa).

"(cc) Observation.—Any person may observe the opening and counting of the election ballots.

"(V) Report of election.—Not later than 20 days after the date on which an election is held, a county, area, or local committee shall file an election report with the Secretary and the State office of the Farm Service Agency that includes—

"(aa) the number of eligible voters in the area covered by the county, area, or local committee;

"(bb) the number of ballots cast in the election by eligible voters (including the percentage of eligible voters that cast ballots);

"(cc) the number of ballots disqualified in the election;

"(dd) the percentage that the number of ballots disqualified is of the number of ballots received;

"(ee) the number of nominees for each seat up for election;

"(ff) the race, ethnicity, and gender of each nominee, as provided through the voluntary self-identification of each nominee; and

"(gg) the final election results (including the number of ballots received by each nominee).

"(VI) National report.—Not later than 90 days after the date on which the first election of a county, area, or local committee that occurs after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 is held, the Secretary shall complete a report that consolidates all the election data reported to the Secretary under subclause (V).

"(VII) Election reform.—

"(aa) Analysis.—If determined necessary by the Secretary after analyzing the data contained in the report under subclause (VI), the Secretary shall promulgate and publish in the Federal Register proposed uniform guidelines for conducting elections for members and alternate members of county, area, and local committees not later than 1 year after the date of completion of the report.

"(bb) Inclusion.—The procedures promulgated by the Secretary under item (aa) shall ensure fair representation of socially disadvantaged groups described in subclause (III)(bb) in an area covered by the county, area, or local committee, in cases in which those groups are underrepresented on the county, area, or local committee for that area.

"(cc) Methods of inclusion.—Notwithstanding clause (ii), the Secretary may ensure inclusion of socially disadvantaged farmers and ranchers through provisions allowing for appointment of additional voting members to a county, area, or local committee or through other methods.

"(iv) Term of office.—The term of office for a member of a county, area, or local committee shall not exceed 3 years.".

SEC. 1017. PSEUDORABIES ERADICATION PROGRAM.

Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 114i(d)) is amended by striking "2002" and inserting "2006".

SEC. 1018. TREE ASSISTANCE PROGRAM.

(a) In General.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. TREE ASSISTANCE PROGRAM.

"(a) Definitions.—In this section:

"(1) Eligible orchardist.—The term 'eligible orchardist' means a person that produces annual crops from trees for commercial purposes,

"(2) Natural disaster.—The term 'natural disaster' means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other natural occurrences, as determined by the Secretary.

"(3) Tree.—The term 'tree' includes trees, bushes, and vines.

"(4) Secretary.—The term 'Secretary' means the Secretary of Agriculture.

"(b) Eligibility.—

"(1) Loss.—Subject to paragraph (2), the Secretary shall provide assistance in accordance with subsection (c) to eligible orchardists that, as determined by the Secretary—

"(A) planted trees for commercial purposes; and

"(B) lost those trees as a result of a natural disaster.

"(2) Limitation.—An eligible orchardist shall qualify for assistance under subsection (c) only if the tree mortality rate of the orchardist, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality), as determined by the Secretary.

"(c) Assistance.—

"(1) In general.—Assistance provided by the Secretary to eligible orchardists for losses described in subsection (b) shall consist of—

"(A) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

"(B) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

"(2) Limitation on Assistance.—

"(A) Limitation.—The total amount of payments that a person may receive under this section shall not exceed—

"(i) $100,000; or

"(ii) an equivalent value in tree seedlings.

"(B) Regulations.—The Secretary shall promulgate regulations that—

"(i) define the term 'person' for the purposes of this section (which definition shall conform, to the extent practicable, to the regulations defining the term 'person' promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

"(ii) prescribe such rules as the Secretary determines are necessary to ensure a fair and reasonable application of the limitation established under this section.

"(d) Authorization of appropriations.—Notwithstanding section 161, there is authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.".

(b) Application Date.—The amendment made by subsection (a) shall apply to tree losses that are incurred as a result of a natural disaster after January 1, 2000.

SEC. 1019. HUMANE METHODS OF ANIMAL SLAUGHTER.

It is the sense of Congress that—

(1) the Secretary of Agriculture should—

(A) resume tracking the number of violations of Public Law 85-765 (7 U.S.C. 1901 et seq.) and report the results and relevant trends annually to Congress; and

(B) fully enforce Public Law 85–765 by ensuring that humane methods in the slaughter of livestock—

(i) prevent needless suffering;

(ii) result in safer and better working conditions for persons engaged in the slaughtering of livestock;

(iii) bring about improvement of products and economies in slaughtering operations; and

(iv) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce; and

(2) it should be the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods.

Subtitle C—Administration

SEC. 1031. REGULATIONS.

(a) In General.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) Procedure.—The promulgation of the regulations and administration of title I and sections 456 and 508 and the amendments made by title I and sections 456 and 508 shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(c) Congressional Review of Agency Rulemaking.—In carrying out subsection (b), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 1032. EFFECT OF AMENDMENTS.

(a) In General.—Except as otherwise specifically provided in this Act and notwithstanding any other provision of law, this Act and the amendments made by this Act shall not affect the authority of the Secretary of Agriculture to carry out an agricultural market transition, price support, or production adjustment program for any of the 1996 through 2001 crop, fiscal, or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) Liability.—A provision of this Act or an amendment made by this Act shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

SA 2672. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "National Terrorism Reinsurance Loan and Grant Act".

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Loan and grant programs.
Sec. 102. Credit for reinsurance.
Sec. 103. Mandatory coverage by property and casualty insurers for acts of terrorism.
Sec. 104. Monitoring and enforcement.
Sec. 105. Administrative provisions.
Sec. 106. Termination of programs.
Sec. 107. Definitions.

TITLE II—LOAN PROGRAM

Sec. 201. National terrorism reinsurance loan program.
Sec. 202. Repayment of loans.
Sec. 203. Reports by insurers.
Sec. 204. Rates; rate-making methodology and data.

TITLE III—GRANT PROGRAM

Sec. 301. National terrorism insurance loss grant program.
Sec. 302. Coverage provided.
Sec. 303. Authorization of appropriations.

TITLE IV—Litigation

Sec. 401. Consolidation and venue.
Sec. 402. Punitive damages.

TITLE I—GENERAL PROVISIONS

SEC. 101. LOAN AND GRANT PROGRAMS

(a) In General.—If the Secretary determines that there are loses from terrorism on covered lines in calendar year 2002 then the Secretary shall—

(1) make loans to insurers under title II, to the extent that the aggregate amount of such losses does not exceed $10,000,000,000; and

(2) make grants under title III, to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

(b) Determination.

(1) Initial determination.—The Secretary shall make an initial determination as to whether the losses were caused by an act of terrorism.

(2) Notice and hearing.—The Secretary shall give public notice of the initial determination and afford all interested parties an

opportunity to be heard on the question of whether the losses were caused by an act of terrorism.

(3) FINAL DETERMINATION.—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses were caused by an act of terrorism.

(4) STANDARD OF REVIEW.—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

SEC. 102. CREDIT FOR REINSURANCE.

Each State shall afford an insurer credit on the same basis and to the same extent that credit for reinsuracne would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State that is economically equivalent to that insurer's eligibility for loans under title II and grants under title III.

SEC. 103. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.

(a) IN GENERAL.—An insurer that provides lines of coverage described in section 107(1)(A) or (B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) TERMS AND CONDITIONS.—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for noncatastrophic perils.

SEC. 104. MONITORING AND ENFORCEMENT.

(a) FTC ANALYSIS AND ENFORCEMENTS.—The Federal Trade Commission shall review reports submitted by insurers under title II or III treating any proprietary data, privileged data, or trade or business secret information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition of unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(b) GAO REVIEW OF REPORTS AND STATE REGULATORS.—The Comptroller General shall—

(1) provide for review and analysis of the reports submitted under title II and III;

(2) review the efforts of State insurance regulatory authorities to keep premium rates for insurance against losses from acts of terrorism on covered lines reasonable;

(3) if the Secretary makes any loans under this title, provide for the audit of loan claims filed by insurers as requested by the Secretary; and

(4) on a timely basis, make any recommendations the Comptroller General may deem appropriate to the Congress for improvements in the programs established by this title before its termination.

(c) APPLICATION OF CERTAIN LAWS.—Notwithstanding any limitation in the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) or section 6 of the Federal Trade Commission Act (15 U.S.C. 46), the Federal Trade Commission Act (15 U.S.C. 41 et seq.) shall apply to insurers receiving a loan or grant under this Act. In determining whether any such insurer has been, or is, using any unfair method of competition, or unfair or deceptive act or practice, in violation of section 5 of that Act (15 U.S.C. 45), the Federal Trade Commission shall consider relevant information provided in reports submitted under this Act.

SEC. 105. ADMINISTRATIVE PROVISIONS.

In carrying out this Act, the Secretary may—

(1) issue such rules and regulations as may be necessary to administer this Act;

(2) make loans and grants and carry out the activities necessary to implement this Act;

(3) take appropriate action to collect premiums or assessments under this Act; and

(4) audit the reports, claims, books, and records of insurers to which the Secretary has made loans or grants under this Act.

SEC. 106. TERMINATION OF PROGRAMS.

(a) LOAN PROGRAM.—

(1) IN GENERAL.—The authority of the Secretary to make loans under title II terminates on December 31, 2002, except to the extent necessary—

(A) to provide loans for losses from acts of terrorism occurring during calendar year 2002; and

(B) to recover the amount of any loans made under this title.

(2) ASSESSMENT AND COLLECTION OF LOAN REPAYMENTS.—The Secretary shall continue assessment and collection operations under title II as long as loans from the Secretary under that title are outstanding.

(3) REPORTING AND ENFORCEMENT.—The provisions of sections 202, 203, and 204 shall terminate when the authority of the Secretary to make loans under this title terminates.

(b) GRANT PROGRAM.—The authority of the Secretary to make grants under title III terminates on December 31, 2002.

SEC. 107. DEFINITIONS.

(1) COVERED LINE.—

(A) IN GENERAL.—The term "covered line" means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.

(ii) Allied lines.

(iii) Commercial multiple peril.

(iv) Ocean marine.

(v) Inland marine.

(vi) Workers compensation.

(vii) Products liability.

(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

(ix) Aircraft (all peril).

(x) Fidelity and surety.

(xi) Burglary and theft.

(xii) Boiler and machinery.

(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an insurer to be included in its terrorism coverage.

(B) OTHER LINES.—For purpose of clause (xiii), the lines of business that may be voluntarily selected for the following:

(i) Farmowners multiple peril.

(ii) Homeowners multiple peril.

(iii) Mortgage guaranty.

(iv) Financial guaranty.

(v) Private passenger automobile insurance.

(C) ELECTION.—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(2) INSURER.

(A) IN GENERAL.—The term "insurer" means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions and includes residual market insurers.

(B) VOLUNTARY PARTICIPATION.—A State workers' compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(C) GROUP LIFE INSURERS.—The Secretary shall provide, by rule, for—

("i) the term "insurer" to include entities writing group life insurance on a direct basis and licensed as group life insurers; and

(ii) the term "covered line" to include group life insurance written on a direct basis, as reported by group life insurers in required financial reports on the appropriate NAIC Annual Statement Blank.

(3) LOSSES.—The term "losses" means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses.

(4) NAIC.—The term "NAIC" means the National Association of Insurance Commissioners.

(5) SECRETARY.—Except where otherwise specifically provided, the term "Secretary" means the Secretary of Commerce.

(6) TERRORISM; ACT OF TERRORISM.

(A) IN GENERAL.—The terms "terrorism" and "act of terrorism" mean any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, within the United States, its territories and possessions, that is committed by an individual or individuals acting on behalf of foreign agents or foreign interests (other than a foreign government) as part of an effort to coerce or intimidate the civilian population of the United States or to influence the policy or affect the conduct of the United States government.

(B) ACTS OF WAR.—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FINALITY OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

TITLE II—LOAN PROGRAM

SEC. 201. NATIONAL TERRORISM REINSURANCE LOAN PROGRAM.

(a) IN GENERAL.—The Secretary of Commerce shall establish and administer a program to provide loans to insurers for claims for losses due to acts of terrorism.

(b) 80 PERCENT COVERAGE.—If the Secretary makes the determination described in section 101(a), then the Secretary shall provide a loan to any insurer for losses on covered lines from acts of terrorism occurring in calendar 2002 equal to 80 percent of the aggregate amount of claims on covered lines.

(c) $800 MILLION LOAN LIMIT.—Notwithstanding any other provision of this title, the total amount of loans outstanding at any time to insurers from the Secretary under this title may not exceed **$800,000,000**.

(d) 7.5 PERCENT RETENTION MUST BE PAID BEFORE LOAN RECEIVED.—The Secretary may not make a loan under subsection (b) to an insurer until that insurer has paid claims on covered lines for losses from acts of terrorism occurring in calendar year 2002 equal to at least 7.5 percent of that insurer's aggregate liability for such losses.

(e) Term and Interest Rate.—The Secretary, after consultation with the Secretary of the Treasury and after taking into account market rates of interest, credit ratings of the borrowers, risk factors, and the purpose of this title, shall establish the term, repayment schedule, and the rate of interest for any loan made under subsection (a).

SEC. 202. REPAYMENT OF LOANS.

If the Secretary makes loans to insurers under section 201, the Secretary shall assess all insurers an annual assessment of not more than 3 percent of the direct written premium for covered lines. The annual assessment may be recovered by an insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

SEC. 203. REPORTS BY INSURERS.

(a) Coverage and Capacity.

(1) Reporting terrorism coverage.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.'

(2) Reports to secretary.—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

(b) Additional Reports.—Insurers receiving loans under this title shall submit reports on a quarterly or other basis (as required by the Secretary) to the Secretary, the Federal Trade Commission, and the General Accounting Office setting forth rates, premiums risk analysis, coverage, reserves, claims made for loans from the Secretary, and such additional additional financial and actuarial information as the Secretary may require regarding lines of coverage described in section 107(1)(A) or (B). The information in these reports shall be treated as confidential by the recipient.

SEC. 204. RATES; RATE-MAKING METHODOLOGY AND DATA.

(a) Premium Must Be Separately Stated.—Each insurer offering insurance against losses from acts of terrorism in the United States on covered lines during calendar year 2002 shall state the premium for that insurance separately in any invoice, proposal, or other written communication to policyholders and prospective policyholders.

(b) Rate-making Methods and Data Must Be Publicly Disclosed.

(1) 45-day notice.—Not less than 45 days before the date on which an insurer establishes or increases the premium rate for any covered line of insurance described in section 107(1) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism during calendar year 2002, the insurer shall file a report with the State insurance regulatory authority for the State in which the premium is effective that—

(A) sets forth the methodology and data used to determine the premium; and

(B) identifies the portion of the premium properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and

(C) demonstrates, by substantial evidence, why that premium is actuarially justified.

(2) Copy to federal trade commission and general accounting office.—Each insurer filing a report under paragraph (1) shall file a duplicate of the report with the Federal Trade Commission and the General Accounting Office at the same time as it is submitted to the State regulatory authority.

(3) Reports by state regulators.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall submit a report to the Secretary of Commerce, the Federal Trade Commission, and the General Accounting Office;

(B) shall include in that report a determination with respect to whether an insurer has met the requirement of paragraph (1)(C);

(C) shall certify that—

(i) the methodology and data used by the insurer to determine the premium or increase are reasonable and adequate; and

(ii) the premium or increase is not excessive;

(D) shall disclose the methodology used by the authority to analyze the report and the methodology on which the authority based its certification; and

(E) may include with the report any commentary or analysis it deems appropriate.

(c) Baseline Data Reports.—Each insurer required to file a report under subsection (b) that provided insurance on covered lines against risk of loss from acts of terrorism in the United States on September 11, 2001, shall file a report with a report with the State insurance regulatory authority for the State in which that insurance was provided, the Federal Trade Commission, and the General Accounting Office that sets forth the methodology and data used to determine the premium for, or portion of the premium properly attributable to, insurance against risk of loss due to acts of terrorism in the United States under its insurance policies in effect on the date.

(d) Special Rule for Initial Period.—

(1) Separate statement of premium.—An insurer offering insurance against losses from acts of terrorism in the United States on covered lines after the date of enactment of this Act and before March 15, 2002, shall notify each policyholder in writing as soon as possible, but no later than March 1, 2002, of the premium, or portion of the premium, attributable to that insurance, stated separately from any premium or increase in premium attributable to insurance against losses from other risks. Each such insurer shall file a copy of each such policyholder notice with the State insurance regulatory authority for the State in which the premium is effective.

(2) Justification of premium; baseline data.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall comply with—

(A) the requirements of subsection (b)(1) and (2), with respect to the premium or portion of the premium attributable to such insurance; and

(B) the requirements of subsection (c).

TITLE III—GRANT PROGRAM

SEC. 301. NATIONAL TERRORISM INSURANCE LOSS GRANT PROGRAM.

If the Secretary determines under section 101(a) that losses from terrorism on covered lines in calendar year 2002 exceed $10,000,000,000 in the aggregate, then the Secretary shall establish and administer a program under this title to provide grants to insurers for losses to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

SEC. 302. GRANT AMOUNTS.

(a) In General.—The Secretary shall make grants to insurers for 90 percent of losses in excess, in the aggregate, of $10,000,000,000 in calendar year 2002.

(b) $50,000,000,000 Limit.—Except as provided in subsection (c), the Secretary may not make grants in excess of a total amount for all insurers of $50,000,000,000.

(c) Reports to State Regulator; Certification.

(1) Reporting terrorism coverage.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) Reports to secretary.—The State regulator shall furnish a copy of the certification received under paragraph (1) to Secretary.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this title.

TITLE IV—LITIGATION

SEC. 401. FEDERAL CAUSE OF ACTION; CONSOLIDATION.

(a) In General.—If the Secretary of Commerce makes the determination required by section 101(a), the exclusive remedy for any claim against an insurer in connection with a loss under a covered line (as defined in section 107(1) of this Act) from acts of terrorism shall be an action brought in a District Court of the United States designated under subsection (c).

(b) Substantive Law.—The substantive law for decision in any such action shall be derived from the law, including choice of law principles, of the State in which such act of terrorism occurred, unless such law is inconsistent with or preempted by Federal law.

(c) Jurisdiction.—The Judicial Panel on Multidistrict Litigation shall designate one or more district courts of the United States which shall have original and exclusive jurisdiction over all actions brought pursuant to subsection (a).

SEC. 402. PUNITIVE DAMAGES.

(a) In General.—No punitive damages may be awarded in an action described in section 401(a).

(b) Exception.—The preceding sentence does not apply to a defendant who committed the act of terrorism or knowingly conspired to commit that act.

SA 2673. Mr. SMITH of New Hampshire (for himself and Mr. Crapo) submitted an amendment intended to be proposed by him to the bill S. 990 to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes; which was ordered to lie on the table; as follows:

On page 74, line 11, insert "(other than an incidental taking statement with respect to a species recovery agreement entered into by the Secretary under subsection (c))" before the semicolon.

SA 2674. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) REMOVAL OF LIMITATION.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended by striking subsection (d) and inserting the following:

"(d) ACTIVITIES NOT SUBJECT TO PROHIBITION.—This section does not apply to the selling, buying, transporting, or delivery of animals in interstate or foreign commerce for any purpose or purposes, so long as those purposes do not include that of an animal fighting venture.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the date that is 30 days after the date of enactment of this Act.

SA 2675. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) IN GENERAL.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting "PENALTIES.—" after "(e)";

(B) by striking "$5,000" and inserting "$15,000"; and

(C) by striking "1 year" and inserting "2 years"; and

(2) in subsection (g)(2)(B), by inserting before the semicoln at the end the following: "or from any State into any foreign country".

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of enactment of this Act.

SA 2676. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. SESSIONS, and Mr. HELMS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm Security Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

Sec. 101. Payments to eligible producers.
Sec. 102. Establishment of payment yield.
Sec. 103. Establishment of base acres and payment acres for a farm.
Sec. 104. Availability of fixed, decoupled payments.
Sec. 105. Availability of counter-cyclical payments,
Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 107. Planting flexibility.
Sec. 108. Relation to remaining payment authority under production flexibility contracts.
Sec. 109. Payment limitations.
Sec. 110. Farm counter-cyclical savings accounts.
Sec. 111. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.
Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.
Sec. 133. Reserve stock adjustment.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

Sec. 141. Milk price support program.
Sec. 142. Repeal of recourse loan program for processors.
Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
Sec. 144. Fluid milk promotion.
Sec. 145. Dairy product mandatory reporting.
Sec. 146. Study of national dairy policy.

CHAPTER 2—SUGAR

Sec. 151. Sugar program.
Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
Sec. 163. Availability of fixed, decoupled payments for peanuts.
Sec. 164. Availability of counter-cyclical payments for peanuts.
Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 166. Planting flexibility.
Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 168. Quality improvement.
Sec. 169. Payment limitations.
Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

Subtitle D—Administration

Sec. 181. Administration generally.
Sec. 182. Extension of suspension of permanent price support authority.
Sec. 183. Limitations.
Sec. 184. Adjustments of loans.
Sec. 185. Personal liability of producers for deficiencies.
Sec. 186. Extension of existing administrative authority regarding loans.
Sec. 187. Assignment of payments.
Sec. 188. Report on effect of certain farm program payments on economic viability of producers and farming infrastructure.

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

Sec. 201. General provisions.

Subtitle B—Conservation Reserve Program

Sec. 211. Reauthorization.
Sec. 212. Enrollment.
Sec. 213. Duties of owners and operators.
Sec. 214. Reference to conservation reserve payments.
Sec. 215. Expansion of pilot program to all States.

Subtitle C—Wetlands Reserve Program

Sec. 221. Enrollment.
Sec. 222. Easements and agreements.
Sec. 223. Duties of the Secretary.
Sec. 224. Changes in ownership; agreement modification; termination.

Subtitle D—Environmental Quality Incentives Program

Sec. 231. Purposes.
Sec. 232. Definitions.
Sec. 233. Establishment and administration.
Sec. 234. Evaluation of offers and payments.
Sec. 235. Environmental Quality Incentives Program plan.
Sec. 236. Duties of the Secretary.
Sec. 237. Limitation on payments.
Sec. 238. Ground and surface water conservation.

Subtitle E—Funding and Administration

Sec. 241. Reauthorization.
Sec. 242. Funding.
Sec. 243. Allocation for livestock production.
Sec. 244. Administration and technical assistance.

Subtitle F—Other Programs

Sec. 251. Private grazing land and conservation assistance.
Sec. 252. Wildlife Habitat Incentives Program.
Sec. 253. Farmland Protection Program.
Sec. 254. Resource Conservation and Development Program.
Sec. 255. Grassland Reserve Program.
Sec. 256. Farmland Stewardship Program.
Sec. 257. Small Watershed Rehabilitation Program.
Sec. 258. Provision of assistance for Repaupo Creek Tide Gate and Dike Restoration Project, New Jersey.

Sec. 259. Grassroots source water protection program.

Subtitle G—Repeals

Sec. 261. Provisions of the Food Security Act of 1985.
Sec. 262. National Natural Resources Conservation Foundation Act.

TITLE III—TRADE

Sec. 301. Market Access Program.
Sec. 302. Food for Progress.
Sec. 303. Surplus commodities for developing or friendly countries.
Sec. 304. Export Enhancement Program.
Sec. 305. Foreign Market Development Cooperator Program.
Sec. 306. Export Credit Guarantee Program.
Sec. 307. Food for Peace (Public Law 480).
Sec. 308. Emerging markets.
Sec. 309. Bill Emerson Humanitarian Trust.
Sec. 310. Technical assistance for specialty crops.
Sec. 311. Farmers to Africa and the Caribbean Basin.
Sec. 312. George McGovern-Robert Dole International Food for Education and Child Nutrition Program.
Sec. 313. Study on fee for services.
Sec. 314. National export strategy report.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

Sec. 401. Simplified definition of income.
Sec. 402. Standard deduction.
Sec. 403. Transitional food stamps for families moving from welfare.
Sec. 404. Quality control systems.
Sec. 405. Simplified application and eligibility determination systems.
Sec. 406. Authorization of appropriations.

Subtitle B—Commodity Distribution

Sec. 441. Distribution of surplus commodities to special nutrition projects.
Sec. 442. Commodity supplemental food program.
Sec. 443. Emergency food assistance.

Subtitle C—Miscellaneous Provisions

Sec. 461. Hunger fellowship program.
Sec. 462. General effective date.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 501. Direct loans.
Sec. 502. Financing of bridge loans.
Sec. 503. Limitations on amount of farm ownership loans.
Sec. 504. Joint financing arrangements.
Sec. 505. Guarantee percentage for beginning farmers and ranchers.
Sec. 506. Guarantee of loans made under State beginning farmer or rancher programs.
Sec. 507. Down payment loan program.
Sec. 508. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 511. Direct loans.
Sec. 512. Amount of guarantee of loans for tribal farm operations; waiver of limitations for tribal farm operations and other farm operations.

Subtitle C—Administrative Provisions

Sec. 521. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 522. Debt settlement.
Sec. 523. Temporary authority to enter into contracts; private collection agencies.
Sec. 524. Interest rate options for loans in servicing.
Sec. 525. Annual review of borrowers.
Sec. 526. Simplified loan applications.
Sec. 527. Inventory property.
Sec. 528. Definitions.
Sec. 529. Loan authorization levels.
Sec. 530. Interest rate reduction program.
Sec. 531. Options for satisfaction of obligation to pay recapture amount for shared appreciation agreements.
Sec. 532. Waiver of borrower training certification requirement.
Sec. 533. Annual review of borrowers.

Subtitle D—Farm Credit

Sec. 541. Repeal of burdensome approval requirements.
Sec. 542. Banks for cooperatives.
Sec. 543. Insurance Corporation premiums.
Sec. 544. Board of Directors of the Federal Agricultural Mortgage Corporation.

Subtitle E—General Provisions

Sec. 551. Inapplicability of finality rule.
Sec. 552. Technical amendments.
Sec. 553. Effect of amendments.
Sec. 554. Effective date.

TITLE VI—RURAL DEVELOPMENT

Sec. 601. Funding for rural local television broadcast signal loan guarantees.
Sec. 602. Expanded eligibility for value-added agricultural product market development grants.
Sec. 603. Agriculture innovation center demonstration program.
Sec. 604. Funding of community water assistance grant program.
Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
Sec. 606. Loans and loan guarantees for renewable energy systems.
Sec. 607. Rural business opportunity grants.
Sec. 608. Grants for water systems for rural and native villages in Alaska.
Sec. 609. Rural cooperative development grants.
Sec. 610. National reserve account of Rural Development Trust Fund.
Sec. 611. Rural venture capital demonstration program.
Sec. 612. Increase in limit on certain loans for rural development.
Sec. 613. Pilot program for development and implementation of strategic regional development plans.
Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
Sec. 615. National Rural Development Partnership.
Sec. 616. Eligibility of rural empowerment zones, rural enterprise communities, and champion communities for direct and guaranteed loans for essential community facilities.
Sec. 617. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
Sec. 618. Loan guarantees for the purchase of stock in a farmer cooperative seeking to modernize or expand.
Sec. 619. Intangible assets and subordinated unsecured debt required to be considered in determining eligibility of farmer-owned cooperative for business and industry guaranteed loan.
Sec. 620. Ban on limiting eligibility of farmer cooperative for business and industry loan guarantee based on population of area in which cooperative is located; refinancing.
Sec. 621. Rural water and waste facility grants.
Sec. 622. Rural water circuit rider program.
Sec. 623. Rural water grassroots source water protection program.
Sec. 624. Delta regional authority.
Sec. 625. Predevelopment and small capitalization loan fund.
Sec. 626. Rural economic development loan and grant program.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

Sec. 700. Market expansion research.
Sec. 701. National Rural Information Center Clearinghouse.
Sec. 702. Grants and fellowships for food and agricultural sciences education.
Sec. 703. Policy research centers.
Sec. 704. Human nutrition intervention and health promotion research program.
Sec. 705. Pilot research program to combine medical and agricultural research.
Sec. 706. Nutrition education program.
Sec. 707. Continuing animal health and disease research programs.
Sec. 708. Appropriations for research on national or regional problems.
Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
Sec. 711. Hispanic-serving institutions.
Sec. 712. Competitive grants for international agricultural science and education programs.
Sec. 713. University research.
Sec. 714. Extension service.
Sec. 715. Supplemental and alternative crops.
Sec. 716. Aquaculture research facilities.
Sec. 717. Rangeland research.
Sec. 718. National genetics resources program.
Sec. 719. High-priority research and extension initiatives.
Sec. 720. Nutrient management research and extension initiative.
Sec. 721. Agricultural telecommunications program.
Sec. 722. Alternative agricultural research and commercialization revolving fund.
Sec. 723. Assistive technology program for farmers with disabilities.
Sec. 724. Partnerships for high-value agricultural product quality research.
Sec. 725. Biobased products.
Sec. 726. Integrated research, education, and extension competitive grants program.
Sec. 727. Institutional capacity building grants.
Sec. 728. 1994 Institution research grants.
Sec. 729. Endowment for 1994 Institutions.
Sec. 730. Precision agriculture.

Sec. 731. Thomas Jefferson initiative for crop diversification.
Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium Graminearum or by Tilletia Indica.
Sec. 733. Office of Pest Management Policy.
Sec. 734. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 735. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 736. Biomass research and development.
Sec. 737. Agricultural experiment stations research facilities.
Sec. 738. Competitive, special, and facilities research grants national research initiative.
Sec. 739. Federal agricultural research facilities authorization of appropriations.
Sec. 740. Cotton classification services.
Sec. 740A. Critical agricultural materials research.
Sec. 740B. Private nonindustrial hardwood research program.

Subtitle B—Modifications

Sec. 741. Equity in Educational Land-Grant Status Act of 1994.
Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.
Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.
Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 746. Biomass research and development.
Sec. 747. Biotechnology risk assessment research.
Sec. 748. Competitive, special, and facilities research grants.
Sec. 749. Matching funds requirement for research and extension activities of 1890 institutions.
Sec. 749A. Matching funds requirement for research and extension activities for the United States territories.
Sec. 750. Initiative for future agriculture and food systems.
Sec. 751. Carbon cycle research.
Sec. 752. Definition of food and agricultural sciences.
Sec. 753. Federal extension service.
Sec. 754. Policy research centers.
Sec. 755. Animals used in research.

Subtitle C—Related Matters

Sec. 761. Resident instruction at land-grant colleges in United States territories.
Sec. 762. Declaration of extraordinary emergency and resulting authorities.
Sec. 763. Agricultural biotechnology research and development for the developing world.

Subtitle D—Repeal of Certain Activities and Authorities

Sec. 771. Food Safety Research Information Office and National Conference.
Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.
Sec. 773. National genetic resources program.
Sec. 774. National Advisory Board on Agricultural Weather.
Sec. 775. Agricultural information exchange with Ireland.
Sec. 776. Pesticide resistance study.
Sec. 777. Expansion of education study.
Sec. 778. Support for advisory board.
Sec. 779. Task force on 10-year strategic plan for agricultural research facilities.

Subtitle E—Agriculture Facility Protection

Sec. 790. Additional protections for animal or agricultural enterprises, research facilities, and other entities.

TITLE VIII—FORESTRY INITIATIVES

Sec. 801. Repeal of forestry incentives program and Stewardship Incentive Program.
Sec. 802. Establishment of Forest Land Enhancement Program.
Sec. 803. Renewable resources extension activities.
Sec. 804. Enhanced community fire protection.
Sec. 805. International forestry program.
Sec. 806. Wildfire prevention and hazardous fuel purchase program.
Sec. 807. McIntire-Stennis cooperative forestry research program.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

Sec. 901. Eligibility.
Sec. 902. Assistance.
Sec. 903. Limitation on assistance.
Sec. 904. Definitions.

Subtitle B—Other Matters

Sec. 921. Bioenergy program.
Sec. 922. Availability of section 32 funds.
Sec. 923. Seniors farmers' market nutrition program.
Sec. 924. Department of Agriculture authorities regarding caneberries.
Sec. 925. National Appeals Division.
Sec. 926. Outreach and assistance for socially disadvantaged farmers and ranchers.
Sec. 927. Equal treatment of potatoes and sweet potatoes.
Sec. 928. Reference to sea grass and sea oats as crops covered by noninsured crop disaster assistance program.
Sec. 929. Operation of Graduate School of Department of Agriculture.
Sec. 930. Assistance for livestock producers.
Sec. 931. Compliance with Buy American Act and sense of Congress regarding purchase of American-made equipment, products, and services using funds provided under this Act.
Sec. 932. Report regarding genetically engineered foods.
Sec. 933. Market name for pangasius fish species.
Sec. 934. Program of public education regarding use of biotechnology in producing food for human consumption.
Sec. 935. GAO study.
Sec. 936. Interagency Task Force on Agricultural Competition.
Sec. 937. Authorization for additional staff and funding for the Grain Inspection, Packers and Stockyards Administration.
Sec. 938. Enforcement of the humane methods of Slaughter Act of 1958.
Sec. 939. Penalties and foreign commerce provisions of the Animal Welfare Act.
Sec. 940. Improve administration of Animal and Plant Health Inspection Service.
Sec. 941. Renewable energy resources.
Sec. 942. Use of amounts provided for fixed, decoupled payments to provide necessary funds for rural development programs.
Sec. 943. Unlawful stockyard practices involving nonambulatory livestock.
Sec. 944. Annual report on imports of beef and pork.

TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C):

(1) AGRICULTURAL ACT OF 1949.—The term "Agricultural Act of 1949" means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term "base acres", with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term "counter-cyclical payment" means a payment made to producers under section 105.

(4) COVERED COMMODITY.—The term "covered commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) EFFECTIVE PRICE.—The term "effective price", with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) ELIGIBLE PRODUCER.—The term "eligible producer" means a producer described in section 101(a).

(7) FIXED, DECOUPLED PAYMENT.—The term "fixed, decoupled payment" means a payment made to producers under section 104.

(8) OTHER OILSEED.—The term "other oilseed" means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) PAYMENT ACRES.—The term "payment acres" means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) PAYMENT YIELD.—The term "payment yield" means the yield established under section 102 for a farm for a covered commodity.

(11) PRODUCER.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(12) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(13) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(14) Target price.—The term "target price" means the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(15) United states.—The term "United States", when used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) Payments Required.—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

(1) to producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) to other producers on farms in the United States as described in section 103(a).

(b) Tenants and Sharecroppers.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) Sharing of Payments.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

(a) Establishment and Purpose.—For the purpose of making fixed decoupled payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) Use of Farm Program Payment Yield.—Except as otherwise provided in this section, the payment yield for each of the 2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) Farms Without Farm Program Payment Yield.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than soybeans or other oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) Payment Yields for Oilseeds.—

(1) Determination of average yield.—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the oilseed was planted, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the county yield.

(2) Adjustment for payment yield.—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) Election by Producers of Base Acre Calculation Method.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The sum of contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm and the four-year average determined under paragraph (1) for soybeans and each other oilseed produced on the farm.

(b) Single Election; Time for Election.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) Effect of Failure To Make Election.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers shall be deemed to have made the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) Application of Election to All Covered Commodities.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) Treatment of Conservation Reserve Contract Acreage.—

(1) In general.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) Special payment rules.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) Payment Acres.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) Prevention of Excess Base Acres.—

(1) Required reduction.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) Other acreage.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) Exception for double-cropped acreage.—In applying paragraph (1), the Secretary shall,make an exception in the case of double cropping, as determined by the Secretary.

SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

(a) Payment Required.—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) Payment Rate.—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.53 per bushel.

(2) Corn, $0.30 per bushel.

(3) Grain sorghum, $0.36 per bushel.

(4) Barley, $0.25 per bushel.

(5) Oats, $0.025 per bushel.

(6) Upland cotton, $0.0667 per pound.

(7) Rice, $2.35 per hundredweight.

(8) Soybeans, $0.42 per bushel.

(9) Other oilseeds, $0.0074 per pound.

(c) Payment Amount.—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) Time for Payment.—

(1) General rule.—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) Advance payments.—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1

of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) Repayment of advance payments.—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) Payment Required.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) Effective Price.—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 104 for the purpose of making fixed, decoupled payments with respect to the commodity.

(c) Target Price.—For purposes of subsection (a), the target prices for covered commodities are as follows:

(1) Wheat, $4.04 per bushel.

(2) Corn, $2.78 per bushel.

(3) Grain sorghum, $2.64 per bushel.

(4) Barley, $2.39 per bushel.

(5) Oats, $1.47 per bushel.

(6) Upland cotton, $0.736 per pound.

(7) Rice, $10.82 per hundredweight.

(8) Soybeans, $5.86 per bushel.

(9) Other oilseeds, $0.1036 per pound.

(d) Payment Rate.—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

(e) Payment Amount.—The amount of the counter-cyclical payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) Time for Payments.—

(1) General rule.—The Secretary shall make counter-cyclical payments under this section for a crop of a covered commodity as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) Partial payment.—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

(g) Special Rule for Currently Undesignated Oilseed.—If the Secretary uses the authority under section 100(8) to designate another oilseed as an oilseed for which counter-cyclical payments may be made, the Secretary may modify the target price specified in subsection (c)(9) that would otherwise apply to that oilseed as the Secretary considers appropriate.

(h) Special Rule for Barley Used Only for Feed Purposes.—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall use the loan rate in effect for barley under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use that higher loan rate.

SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) Compliance With Certain Requirements.—

(1) Requirements.—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) Compliance.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(b) Effect of Foreclosure.—A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the responsibilities of the producer under subsection (a) if the producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) Transfer or Change of Interest in Farm.—

(1) Termination.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) Transfer of payment base.—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

(3) Modification.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(4) Exception.—If a producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(d) Acreage Reports.—

(1) In general.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers to submit to the Secretary acreage reports.

(2) Conforming Amendment.—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d).

(e) Review.—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

SEC. 107. PLANTING FLEXIBILITY.

(a) Permitted Crops.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) Limitations and Exceptions Regarding Certain Commodities.—

(1) Limitations.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) Exceptions.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) Termination of Superseded Payment Authority.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) Contract Payments Made Before Enactment.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

SEC. 109. PAYMENT LIMITATIONS.

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply to fixed, decoupled payments and counter-cyclical payments.

SEC. 110. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

“SEC. 119. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

“(a) Definitions.—In this section:

“(1) Adjusted gross revenue.—The term 'adjusted gross revenue' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

“(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

“(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

“(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

“(D) as represented on—

“(i) a schedule F of the Federal income tax returns of the producer; or

“(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

“(2) Agricultural enterprise.—The term 'agricultural enterprise' means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

“(3) Average adjusted gross revenue.—The term 'average adjusted gross revenue' means—

“(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

“(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

“(4) Producer.—The term 'producer' means an individual or entity, as determined by the Secretary for an applicable year, that—

“(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

“(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

“(C)(i) during each of the preceding 5 taxable years, has filed—

“(I) a schedule F of the Federal income tax returns; or

“(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

“(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

“(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

“(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

“(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

“(b) Establishment.—A producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

“(c) Content of Account.—A farm counter-cyclical savings account shall consist of—

“(1) contributions of the producer; and

“(2) matching contributions of the Secretary.

“(d) Producer Contributions.—

“(1) In general.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

“(2) Maximum account balance.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer for the previous 5 years.

“(e) Matching Contributions.—

“(1) In general.—Subject to paragraphs (2) through (5), the Secretary shall provide a matching contribution on the amount deposited by the producer into the account.

“(2) Formula.—The Secretary shall establish a formula to determine the amount of matching contributions that will be provided by the Secretary under paragraph (1).

“(3) Maximum contributions for individual producer.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $10,000.

“(4) Maximum contributions for all producers.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

“(A) $800,000,000 for fiscal year 2002;

“(B) $900,000,000 for fiscal year 2003;

“(C) $1,000,000,000 for fiscal year 2004;

“(D) $1,100,000,000 for fiscal year 2005; and

“(E) $1,200,000,000 for fiscal year 2006.

“(5) Date for matching contributions.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

“(f) Interest.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

“(g) Use.—Funds credited to the account—

“(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

“(2) may be used for purposes determined by the producer.

“(h) Withdrawal.—

“(1) In general.—Subject to paragraph (2), a producer may withdraw funds from the account if the adjusted gross revenue of the producer is less than 90 percent of average adjusted gross revenue of the producer for the previous 5 years.

“(2) Retirement.—

“(A) In general.—Subject to subparagraph (B), a producer that ceases to be actively engaged in farming, as determined by the Secretary—

“(i) may withdraw the full balance from, and close, the account; and

“(ii) may not establish another account.

“(B) Waivers.—The Secretary shall promulgate regulations that provide for a waiver, in limited circumstances (as determined by the Secretary), of the application of subparagraph (B)(ii) to a producer.

“(i) Administration.—The Secretary shall administer this section through the Farm Service Agency and local, county, and area offices of the Department of Agriculture.”.

SEC. 111. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2011 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) Nonrecourse Loans Available.—

(1) Availability.—For each of the 2002 through 2011 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(2) Inclusion of extra long staple cotton.—In this subtitle, the term “covered commodity” includes extra long staple cotton.

(b) Eligible Production.—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) Treatment of Certain Commingled Commodities.—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) Compliance With Conservation and Wetlands Requirements.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) Definition of Extra Long Staple Cotton.—In this subtitle, the term “extra long staple cotton” means cotton that—

(1) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not

suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) Termination of Superseded Loan Authority.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) Wheat.—

(1) Loan rate.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) Stocks to use ratio adjustment.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) Feed Grains.—

(1) Loan rate for corn and grain sorghum.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

(2) Stocks to use ratio adjustment.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) Other feed grains.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) Upland Cotton.—

(1) Loan rate.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) Limitations.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) Extra Long Staple Cotton.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be $0.7965 per pound.

(e) Rice.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) Oilseeds.—

(1) Soybeans.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding five crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $4.92 per bushel.

(2) Other oilseeds.—The loan rate for a marketing assistance loan under section 121 for other oilseeds shall be—

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.087 per pound.

SEC. 123. TERM OF LOANS.

(a) Term of Loan.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(b) Special Rule for Cotton.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) Extensions Prohibited.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

SEC. 124. REPAYMENT OF LOANS.

(a) Repayment Rates for Wheat, Feed Grains, and Oilseeds.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) Repayment Rates for Upland Cotton and Rice.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) Repayment Rates for Extra Long Staple Cotton.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) Prevailing World Market Price.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) Adjustment of Prevailing World Market Price for Upland Cotton.—

(1) In general.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the "Northern Europe price").

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to a producer with respect to a quantity of a covered commodity as of the earlier of the following:

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001 CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is amended by striking "2000 crop year" and inserting "2000 and 2001 crop years".

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(b) PAYMENT AMOUNT.—The amount of a payment made to a producer on a farm under this section shall be equal to the amount determined by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates.

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(4) APPLICATION OF THRESHOLD.—

(A) 2002 MARKETING YEAR.—During the period beginning on the date of enactment of this Act and ending July 31, 2002, the Secretary shall make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(B) 2003 THROUGH 2006 MARKETING YEARS.—During each 12-month period beginning August 1, 2002, through August 1, 2006, the Secretary may make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) Quantity.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) Application.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) Overlap.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) Preferential tariff treatment.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) Definition.—In this subsection, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) Limitation.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

(c) Limited Global Import Quota for Upland Cotton.—

(1) In general.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) Quantity.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) Quantity if prior quota.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) Preferential tariff treatment.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) Definitions.—In this subsection:

(i) Supply.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) Demand.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) Limited global import quota.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) Quota entry period.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) No overlap.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) Competitiveness Program.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) Payments Under Program; Trigger.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) Eligible Recipients.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States who enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) Payment Amount.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.

(e) Form of Payment.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.

(a) High Moisture Feed Grains.—

(1) Recourse loans available.—For each of the 2002 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) Eligibility of acquired feed grains.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) High moisture state defined.—In this subsection, the term "high moisture state" means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) Recourse Loans Available for Seed Cotton.—For each of the 2002 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.00 per pound for graded wool;

(2) $0.40 per pound for nongraded wool; and

(3) $4.20 per pound for mohair.

(c) TERM OF LOAN.—A loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 crop years for honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

(c) TERM OF LOAN.—A marketing assistance loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be determined by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producer is eligible to place under loan, but for which the producer forgoes obtaining the loan in return for a payment under this subsection.

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a honey as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) PREVENTION OF FORFEITURES.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

SEC. 133. RESERVE STOCK ADJUSTMENT.

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking "100,000,000" and inserting "75,000,000"; and

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) Dairy Export Incentive Program.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking "2002" and inserting "2011".

(b) Dairy Indemnity Program.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking "1995" and inserting "2011".

SEC. 144. FLUID MILK PROMOTION.

(a) Definition of Fluid Milk Product.—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following new paragraph:

"(3) Fluid milk product.—The term 'fluid milk product' has the meaning given such term—

"(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

"(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.".

(b) Definition of Fluid Milk Processor.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking "500,000" and inserting "3,000,000".

(c) Elimination of Order Termination Date.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting "and substantially identical products designated by the Secretary" after "dairy products" the first place it appears; and

(2) by inserting "and such substantially identical products" after "dairy products" the second place it appears.

SEC. 146. STUDY OF NATIONAL DAIRY POLICY.

(a) Study Required.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) National Dairy Policy Defined.—In this section, the term "national dairy policy" means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) Continuation of Program.—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking "(other than subsection (f))"; and

(2) by striking "2002 crops" and inserting "2011 crops".

(b) Termination of Marketing Assessment and Forfeiture Penalty.—Effective as of October 1, 2001, subsections (f) and (g) of such section are repealed.

(c) Loan Rate Adjustments.—Subsection (c) of such section is amended—

(1) by striking "Reduction in Loan Rates" and inserting "Loan Rate Adjustments"; and

(2) in paragraph (1)—

(A) by striking "Reduction required" and inserting "Possible reduction"; and

(B) by striking "shall" and inserting "may".

(d) Notification.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

"(3) Prevention of onerous notification requirements.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.".

(e) In Process Sugar.—Such section is further amended by inserting after subsection (e) the following new subsection (f):

"(f) Loans for In-Process Sugar.—

"(1) Availability; rate.—The Secretary shall make nonrecourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.

"(2) Further processing upon forfeiture.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

"(3) Loan conversion.—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

"(4) Definition.—In this subsection the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).".

(f) Administration of Program.—Such section is further amended by adding at the end the following new subsection:

"(j) Avoiding Forfeitures; Corporation Inventory Disposition.—

"(1) No cost.—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

"(2) Inventory disposition.—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.".

(g) Information Reporting.—Subsection (h) of such section is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

"(2) Duty of producers to report.—

"(A) Proportionate share states.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

"(B) Other states.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

"(3) Duty of importers to report.—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products."; and

(3) in paragraph (5), as so redesignated, by striking "paragraph (1)" and inserting "this subsection".

(h) Interest Rate.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: "For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.".

SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR.

(a) Information Reporting.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) Estimates.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

(1) in the section heading—

(A) by inserting "**FLEXIBLE**" before "**MARKETING**"; and

(B) by striking "**AND CRYSTALLINE FRUCTOSE**";

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "Before" and inserting "Not later than August 1 before";

(ii) by striking "1992 through 1998" and inserting "2002 through 2011";

(iii) in subparagraph (A), by striking "(other than sugar" and all that follows through "stocks";

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

"(B) the quantity of sugar that would provide for reasonable carryover stocks;";

(vi) in subparagraph (C), as so redesignated—

(I) by striking "or" and all that follows through "beets"; and

(II) by striking the "and" following the semicolon;

(vii) by inserting after subparagraph (C), as so redesignated, the following:

"(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and"; and

(viii) in subparagraph (E), as so redesignated—

(I) by striking "quantity of sugar" and inserting "quantity of sugars, syrups, and molasses";

(II) by inserting "human" after "imported for" the first place it appears;

(III) by inserting after "consumption" the first place it appears the following: "or to be used for the extraction of sugar for human consumption";

(IV) by striking "year" and inserting "year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota"; and

(V) by striking "(other than sugar" and all that follows through "carry-in stocks";

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following new paragraph:

"(2) Exclusion.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.";

(D) in paragraph (3), as so redesignated—

(i) by striking "Quarterly reestimates" and inserting "Reestimates"; and

(ii) by inserting "as necessary, but" after "a fiscal year";

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) In general.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar."; and

(B) in paragraph (2), by striking "or crystalline fructose";

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

(6) in subsection (c), as so redesignated—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as so redesignated—

(i) by striking "or manufacturer" and all that follows through "(2)"; and

(ii) by striking "or crystalline fructose".

(c) Establishment.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading by inserting "**FLEXIBLE**" after "**OF**";

(2) in subsection (a), by inserting "flexible" after "establish";

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking "1,250,000" and inserting "1,532,000"; and

(B) in paragraph (2), by striking "to the maximum extent practicable";

(4) by striking subsection (c) and inserting the following new subsection:

"(c) Marketing Allotment for Sugar Derived From Sugar Beets and Marketing Allotment for Sugar Derived From Sugarcane.—The overall allotment quantity for the fiscal year shall be allotted among—

"(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

"(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.";

(5) by amending subsection (d) to read as follows:

"(d) Filling Cane Sugar and Beet Sugar Allotments.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.";

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e), as so redesignated—

(A) by inserting "(1) In general.—" before "The allotment for sugar" and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking "the 5" and inserting "the";

(ii) by inserting after "sugarcane is produced," the following: "after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,";

(iii) by striking "on the basis of past marketings" and all that follows through "allotments", and inserting "as provided in this subsection and section 359d(a)(2)(A)(iv)"; and

(C) by inserting after paragraph (1) the following new paragraphs:

"(2) Offshore allotment.—

"(A) Collectively.—Prior to the allotment of sugar derived from sugarcane to any other State, 325.000 short tons, raw value shall be allotted to the offshore States.

"(B) Individually.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

"(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

"(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

"(iii) past processings of sugar from sugarcane based on the 3 year average of the crop years 1998 through 2000.

"(3) Mainland allotment.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

"(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

"(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

"(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.";

(9) by inserting after subsection (e), as so redesignated, the following new subsection (f):

"(f) Filling Cane Sugar Allotments.—Except as otherwise provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.";

(10) in subsection (g)—

(A) in paragraph (1), by striking "359b(a)(2)—" and all that follows through the comma at the end of subparagraph (C) and inserting "359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner";

(B) in paragraph (2) by striking "359f(b)" and inserting "359f(c)"; and

(C) in paragraph (3)—

(i) by striking "Reductions" and inserting "Carry-over of reductions";

(ii) by inserting after "this subsection, if" the following: "at the time of the reduction";

(iii) by striking "price support" and inserting "nonrecourse";

(iv) by striking "206" and all that follows through "the allotment" and inserting "156 of the Agricultural Market Transition Act (7 U.S.C. 7272),"; and

(v) by striking ", if any,"; and

(11) by amending subsection (h) to read as follows:

"(h) Suspension of Allotments.—Whenever the Secretary estimates, or reestimates, under section 359b(a), or has reason to believe that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1.532 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.".

(d) Allocation.—Section 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

(1) in subsection (a)(2)(A)—

(A) by inserting "(i) In general.—" before "The Secretary shall" and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking "interested parties" and inserting "the affected sugar cane processors and growers";

(ii) by striking "by taking" and all that follows through "allotment allocated." and inserting "with this subparagraph."; and

(iii) by inserting at the end the following new sentence: "Each such allocation shall be subject to adjustment under section 359c(g).";

(C) by inserting after clause (i) the following new clauses:

"(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

"(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

"(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

"(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

"(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

"(iii) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

"(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

"(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

"(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

"(iv) NEW ENTRANTS.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

"(v) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor."; and

(2) in subsection (a)(2)(B)—

(A) by striking "interested parties" and inserting "the affected sugar beet processors and growers"; and

(B) by striking "processing capacity" and all that follows through "allotment allocated" and inserting the following: "the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations".

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the "and" after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and"; and

(D) in subparagraph (D), as so redesignated, by inserting "and sales" after "reassignments"; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the "and" after the semicolon;

(B) in subparagraph (B), by striking "reassign the remainder to imports." and inserting "use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and"; and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.".

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking "processor's allocation" in the second sentence and inserting "allocation to the processor"; and

(B) by inserting after "request of either party" the following: ", and such arbitration should be completed within 45 days, but not more than 60 days, of the request";

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

"(b) SUGAR BEET PROCESSING FACILITY CLOSURES.— In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

"(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

"(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

"(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

"(4) The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.";

(4) in subsection (c), as so redesignated—

(A) in paragraph (3)(A), by striking "the preceding five years" and inserting "the two highest years from among the years 1999, 2000, and 2001";

(B) in paragraph (4)(A), by striking "each" and all that follows through "in effect" and inserting "the two highest of the three (3) crop years 1999, 2000, and 2001"; and

(C) by inserting after paragraph (7) the following new paragraph:

"(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

"(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

"(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

"(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

"(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.".

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

"PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR".

(2) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking "359f" each place it appears and inserting "359f(c)";

(B) in subsection (b), by striking "3 consecutive" and inserting "5 consecutive"; and

(C) in subsection (c), by inserting "or adjusted" after "share established".

(3) Section 359j(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) by amending the subsection heading to read as follows: "DEFINITIONS.—";

(B) by striking "Notwithstanding" and inserting the following:

"(1) UNITED STATES AND STATE.—Notwithstanding"; and

(C) by inserting after such paragraph (1) the following new paragraph:

"(2) OFFSHORE STATES.—For purposes of this part, the term 'offshore States' means the sugarcane producing States located outside of the continental United States.".

(h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting before the period at the end the following: ", but only with respect to sugar marketings through fiscal year 2002".

SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of the enactment of this section, the Commodity Credit Corporation shall amend part

1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) Eligible Processors.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) Term of Loans.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(d) Administration.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

(1) Counter-cyclical payment.—The term "counter-cyclical payment" means a payment made to peanut producers under section 164.

(2) Effective price.—The term "effective price" means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) Historic peanut producer.—The term "historic peanut producer" means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) Fixed, decoupled payment.—The term "fixed, decoupled payment" means a payment made to peanut producers under section 163.

(5) Payment acres.—The term "payment acres" means 85 percent of the peanut acres on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(6) Peanut acres.—The term "peanut acres" means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(7) Payment yield.—The term "payment yield" means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(8) Peanut producer.—The term "peanut producer" means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(9) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(10) State.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) Target price.—The term "target price" means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) United states.—The term "United States", when used in a geographical sense, means all of the States.

SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT ACRES, AND PAYMENT ACRES FOR A FARM.

(a) Establishment of Payment Yield and Payment Acres.—

(1) Determination of average yield.—

(A) In general.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(B) Selection by producer.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(i) the State 4-year average yield of peanuts produced in the State; or

(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(2) Acreage average.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

(3) Selection by producer.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for the purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(A) the State average of acreage actually planted to peanuts; or

(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

(4) Time for determinations; factors.—

(A) Timing.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

(B) Factors.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

(b) Assignment of Yield and Acres to Farms.—

(1) Assignment by historical peanut producers.—For each of the 2002 and 2003 crop years, the Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

(2) Payment yield.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(3) Peanut acres.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(c) Election.—Not later than 180 days after the date of enactment of this section for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

(d) Payment Acres.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) Prevention of Excess Peanut Acres.—

(1) Required reduction.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) Selection of acres.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

(3) Other acreage.—For the purposes of paragraph (1), the Secretary shall include—

(A) any contract acreage for the farm under subtitle B;

(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) Double-cropped acreage.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

SEC. 163. DIRECT PAYMENTS FOR PEANUTS.

(a) In General.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 164.

(b) Payment Rate.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make direct payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) ADVANCE PAYMENTS.—

(A) IN GENERAL.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) SELECTED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(C) SUBSEQUENT FISCAL YEARS.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

(b) EFFECTIVE PRICE.—For the purposes of subsection (a), the effective price for peanuts is equal to the total of—

(1) the greater of—

(A) the national average market price received by peanut producers during the marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts under section 167 in effect for the marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 165 for the purpose of making direct payments with respect to peanuts.

(c) INCOME PROTECTION PRICE.—For the purposes of subsection (a), the income protection price for peanuts shall be equal to $550 per ton.

(d) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (e);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(e) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

(1) the income protection price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(f) TIME FOR PAYMENTS.—

(1) IN GENERAL.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

(2) PARTIAL PAYMENT.—

(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the marketing season for the crop, as determined by the Secretary.

(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

SEC. 165. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 166; and

(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

(b) FORECLOSURE.—

(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) COMPLIANCE WITH REQUIREMENTS.—

(A) IN GENERAL.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

(3) TRANSFER OF PAYMENT BASE AND YIELD.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

(5) EXCEPTION.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

SEC. 166. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 165.

(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

(B) the Farm Service Agency; or

(C) a loan servicing agent approved by the Secretary.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

(B) the date the peanut producers on the farm request the payment.

(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

(b) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

SEC. 169. PAYMENT LIMITATIONS.

For purposes of sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3), separate payment limitations shall apply to peanuts with respect to—

(1) fixed, decoupled payments;

(2) counter-cyclical payments, and

(3) limitations on marketing loan gains and loan deficiency payments.

SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) $0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term "peanut quota holder" means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it;

(2) if there are not quotas currently established, would be eligible to have a quota established upon it for the succeeding crop year, in the absence of the amendment made by subsection (a); or

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

Subtitle D—Administration

SEC. 181. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly know as the "Paperwork Reduction Act").

(d) Protection of Producers.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) Adjustment Authority Related to Uruguay Round Compliance.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) Agricultural Adjustment Act of 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking "2002" both places it appears and inserting "2011".

(b) Agricultural Act of 1949.—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking "2002" both places it appears and inserting "2011".

(c) Suspension of Certain Quota Provisions.—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking "2002" and inserting "2011".

SEC. 183. LIMITATIONS.

(a) Limitation on Amounts Received.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking "PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS" and inserting "FIXED, DECOUPLED PAYMENTS";

(B) by striking "contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts" and inserting "fixed, decoupled payments made to a person"; and

(C) by striking "4" and inserting "5";

(2) in paragraphs (2) and (3)—

(A) by striking "payments specified" and all that follows through "and oilseeds" and inserting "following payments that a person shall be entitled to receive";

(B) by striking "75" and inserting "150";

(C) by striking the period at the end of paragraph (2) and all that follows through "the following" in paragraph (3);

(D) by striking "section 131" and all that follows through "section 132" and inserting "section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122"; and

(E) by striking "section 135" and inserting "section 125"; and

(3) by inserting after paragraph (2) the following new paragraph (3):

"(3) Limitation on counter-cyclical payments.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.".

(b) Definitions.—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

"(4) Definitions.—In this title, the terms 'covered commodity', 'counter-cyclical payment', and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Farm Security Act of 2001.".

(c) Transition.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

SEC. 184. ADJUSTMENTS OF LOANS.

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking "this title" and inserting "this title and title I of the Farm Security Act of 2001".

SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking "this title" each places it appears and inserting "this title and title I of the Farm Security Act of 2001".

SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a)—

(A) by striking "In General.—" and inserting "Specific Payments.—"; and

(B) by striking "subtitle C" and inserting "subtitle C of this title and title I of the Farm Security Act of 2001"; and

(2) in subsection (c)(1)—

(A) by striking "producer" the first two places it appears and inserting "person"; and

(B) by striking "to producers under subtitle C" and inserting "by the Commodity Credit Corporation".

SEC. 187. ASSIGNMENT OF PAYMENTS.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.

(a) Review Required.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) Case Study Related to Rice Production.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) Report and Recommendations.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

SEC. 201. GENERAL PROVISIONS.

Title XII of the Food Security Act of 1985 is amended—

(1) in section 1230(a), by striking "1996 through 2002" and inserting "2002 through 2011";

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking "chapter" each place it appears and inserting "title".

Subtitle B—Conservation Reserve Program

SEC. 211. REAUTHORIZATION.

(a) In General.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking "2002" and inserting "2011".

(b) Scope of Program.—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking "and water" and inserting ", water, and wildlife".

SEC. 212. ENROLLMENT.

(a) Conservation Priority Areas.—

(1) Eligibility.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) highly erodible cropland that—

"(A)(i) if permitted to remain untreated could substantially reduce the production capability for future generations; or

"(ii) cannot be farmed in accordance with a conservation plan that complies with the requirements of subtitle B; and

"(B) the Secretary determines had a cropping history or was considered to be planted for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the conservation reserve program as of that date);"; and

(B) by adding at the end the following:

"(5) the portion of land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in section 1234(i)(1), if the land is enrolled as part of the buffer; and

"(6) land (including land that is not cropland) enrolled through continuous signup—

"(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

"(B) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.".

(2) CRP priority areas.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by adding at the end the following:

“(5) Priority.—In designating conservation priority areas under paragraph (1), the Secretary shall give priority to areas in which designated land would facilitate the most rapid completion of projects that—

“(A) are ongoing as of the date of the application; and

“(B) meet the purposes of the program established under this subchapter.”.

(b) Eligibility on Contract Expiration.—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

“(f) Eligibility on Contract Expiration.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.”.

(c) Balance of Natural Resource Purposes.—

(1) In general.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

“(i) Balance of Natural Resource Purposes.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.”.

(2) Regulations.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

SEC. 213. DUTIES OF OWNERS AND OPERATORS.

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting “as described in section 1232(a)(7) or for other purposes” before “as permitted”;

(B) in paragraph (4), by inserting “where practicable, or maintain existing cover” before “on such land”; and

(C) in paragraph (7), by striking “Secretary—” and all that follows and inserting “Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

“(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

“(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

“(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;”; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.

Subchapter B of chapter 1 of subtitle D of title XII of such Act (16 U.S.C. 3831–3836) is amended—

(1) by striking “rental payment” each place it appears and inserting “conservation reserve payment”;

(2) by striking “rental payments” each place it appears and inserting “conservation reserve payments”; and

(3) in the paragraph heading for section 1235(e)(4), by striking “RENTAL PAYMENT” and inserting “CONSERVATION RESERVE PAYMENT”.

SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking “and 2002” and all that follows through “South Dakota” and inserting “through 2011 calendar years, the Secretary shall carry out a program in each State”;

(2) in paragraph (3)(C), by striking “—” and all that follows and inserting “not more than 150,000 acres in any 1 State.”; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

Subtitle C—Wetlands Reserve Program

SEC. 221. ENROLLMENT.

(a) Maximum.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

“(1) Annual enrollment.—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

“(A) if the succeeding calendar year is calendar year 2002, 150,000; or

“(B) if the succeeding calendar year is a calendar year after calendar year 2002—

“(i) 150,000; plus

“(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.”.

(b) Methods.—Section 1237 of such Act (16 U.S.C. 3837(b)(2)) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

“(2) Methods of enrollment.—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.”; and

(2) by striking subsection (g).

(c) Extension.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking “2002” and inserting “2011”.

SEC. 222. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

“(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;”;

(2) in subsection (e), by striking paragraph (2) and inserting the following:

“(2) shall be consistent with applicable State law.”;

(3) by striking subsection (h).

SEC. 223. DUTIES OF THE SECRETARY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

“(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or”.

Subtitle D—Environmental Quality Incentives Program

SEC. 231. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking “to—” and all that follows through “provides—” and inserting “to provide—”;

(2) by striking “that face the most serious threats to” and inserting “to address environmental needs and provide benefits to air,”;

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking “farmers and ranchers” each place it appears and inserting “producers”.

SEC. 232. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting “non-industrial private forest land,” before “and other land”; and

(B) by striking “poses a serious threat” and all that follows and inserting “provides increased environmental benefits to air, soil, water, or related resources.”; and

(2) in paragraph (4), by inserting “, including non-industrial private forestry” before the period.

SEC. 233. ESTABLISHMENT AND ADMINISTRATION.

(a) Reauthorization.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking “2002” and inserting “2011”.

(b) Term of Contracts.—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking “not less than 5, nor more than 10, years” and inserting “not less than 1 year, nor more than 10 years”.

(c) Structural Practices.—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

“(B) achieving the purposes established under this subtitle.”.

(d) Elimination of Certain Limitations on Eligibility for Cost-Share Payments.—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa-2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking “or 3”.

(e) Incentive Payments.—Section 1240B of such Act (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking “, Incentive Payments,”; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

“(f) Conservation Incentive Payments.—

“(1) In general.—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

“(2) Special rule.—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.”.

SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

"(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

"(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

"(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.".

SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking "that incorporates such conservation practices" and all that follows and inserting "that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.".

SEC. 236. DUTIES OF THE SECRETARY.

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

"(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;".

SEC. 237. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "$10,000" and inserting "$50,000"; and

(B) in paragraph (2), by striking "$50,000" and inserting "$200,000";

(2) in subsection (b)(2), by striking "the maximization of environmental benefits per dollar expended and"; and

(3) by striking subsection (c).

SEC. 238. GROUND AND SURFACE WATER CONSERVATION.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended to read as follows:

"SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.

"(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

"(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

"(1) $30,000,000 for fiscal year 2002.

"(2) $45,000,000 for fiscal year 2003.

"(3) $60,000,000 for each of fiscal years 2004 through 2011.".

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking "2002" and inserting "2011".

SEC. 242. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking "$130,000,000" and all that follows through "2002, for" and inserting "the following amounts for purposes of";

(2) by striking "subtitle D." and inserting "subtitle D:"; and

(3) by adding at the end the following:

"(A) $200,000,000 for fiscal year 2001.

"(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

"(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

"(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

"(E) $1,500,000,000 for each of fiscal years 2010 and 2011.".

SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking "2002" and inserting "2011".

SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking "that—" and all that follows and inserting "that the action would not adversely affect the local economy of the county.".

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

"(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.

"(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

"(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

"(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

"(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.".

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking "or" at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting "; or"; and

(C) by adding at the end the following:

"(12) title XII of this Act.".

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting "EXCEPTIONS"; and

(B) by inserting ", or as necessary to carry out a program under title XII of this Act as determined by the Secretary" before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.".

SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

"(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available $25,000,000 for each of fiscal years 2002 through 2011 to carry out this section.".

SEC. 253. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking "not less than 170,000, nor more than 340,000 acres of"; and

(2) by inserting ", or agricultural land that contains historic or archaeological resources," after "other productive soil".

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

"(c) FUNDING.—The Secretary shall use not more than $50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.".

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking "a State or local government" and inserting "an eligible entity"; and

(2) by adding at the end the following:

"(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

"(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

"(2) any organization that—

"(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

"(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

"(C) is described in section 509(a)(2) of that Code; or

"(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.".

SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through "SEC. 1528. It is the purpose" and inserting the following:

"SEC. 1528. STATEMENT OF PURPOSE.

"It is the purpose"; and

(2) by inserting "through designated RC&D councils" before "in rural areas".

(b) Definitions.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through "Sec. 1529. As used in this subtitle—" and inserting the following:

"SEC. 1529. DEFINITIONS.

"In this title:";

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting "RC&D council" before "area plan";

(B) in subparagraph (B), by striking "through control of nonpoint sources of pollution";

(C) in subparagraph (C)—

(i) by striking "natural resources based" and inserting "resource-based";

(ii) by striking "development of aquaculture,";

(iii) by striking "and satisfaction" and inserting "satisfaction"; and

(iv) by inserting ", food security, economic development, and education" before the semicolon; and

(D) in subparagraph (D), by striking "other" the 1st place it appears and inserting "land management";

(3) in paragraph (3), by striking "any State, local unit of government, or local nonprofit organization" and inserting "the designated RC&D council";

(4) by striking paragraphs (4) through (6) and inserting the following:

"(4)(A) The term 'financial assistance' means the Secretary may—

"(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

"(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program's purpose.

"(B) Funds may be used for such things as—

"(i) technical assistance;

"(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

"(iii) training and education; and

"(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

"(5) The term 'RC&D council' means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.";

(5) in paragraph (8), by inserting "and federally recognized Indian tribes" before the period;

(6) in paragraph (9), by striking "works of improvement" and inserting "projects";

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

"(9) The term 'project' means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).".

(c) Establishment and Scope.—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through "Sec. 1530. The Secretary" and inserting the following:

"SEC. 1530. ESTABLISHMENT AND SCOPE.

"The Secretary"; and

(2) by striking "the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations" and inserting "through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils".

(d) Selection of Designated Areas.—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through "Sec. 1531. The Secretary" and inserting the following:

"SEC. 1531. SELECTION OF DESIGNATED AREAS.

"The Secretary".

(e) Authority of Secretary.—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through "Sec. 1532. In carrying" and inserting the following:

"SEC. 1532. AUTHORITY OF SECRETARY.

"In carrying";

(2) in each of paragraphs (1) and (3)—

(A) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council"; and

(B) by inserting "RC&D council" before "area plan";

(3) in paragraph (2), by inserting "RC&D council" before "area plans"; and

(4) in paragraph (4), by striking "States, local units of government, and local nonprofit organizations" and inserting "RC&D councils or affiliations of RC&D councils".

(f) Technical and Financial Assistance.—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through "Sec. 1533. (a) Technical" and inserting the following:

"SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

"(a) Technical";

(2) in subsection (a)—

(A) by striking "State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an" and inserting "RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council";

(B) in paragraph (1)—

(i) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council or affiliate"; and

(ii) by striking "works of improvement" each place it appears and inserting "project";

(C) in paragraph (2)—

(i) by striking "works of improvement" and inserting "project"; and

(ii) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council";

(D) in paragraph (3), by striking "works of improvement" and all that follows and inserting "project concerned is necessary to accomplish and RC&D council area plan objective;";

(E) in paragraph (4), by striking "the works of improvement provided for in the" and inserting "the project provided for in the RC&D council";

(F) in paragraph (5), by inserting "federally recognized Indian tribe" before "or local" each place it appears; and

(G) in paragraph (6), by inserting "RC&D council" before "area plan";

(3) in subsection (b), by striking "work of improvement" and inserting "project"; and

(4) in subsection (c), by striking "any State, local unit of government, or local nonprofit organization to carry out any" and inserting "RC&D council to carry out any RC&D council".

(g) Resource Conservation and Development Policy Board.—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through "Sec. 1534. (a) The Secretary" and inserting the following:

"SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.

"(a) The Secretary"; and

(2) in subsection (b), by striking "seven".

(h) Program Evaluation.—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through "Sec. 1535. The Secretary" and inserting the following:

"SEC. 1535. PROGRAM EVALUATION.

"The Secretary";

(2) by inserting "with assistance from RC&D councils" before "provided";

(3) by inserting "federally recognized Indian tribes," before "local units"; and

(4) by striking "1986" and inserting "2007".

(i) Limitation on Assistance.—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through "Sec. 1536. The program" and inserting the following:

"SEC. 1536. LIMITATION ON ASSISTANCE.

"The program".

(j) Supplemental Authority of the Secretary.—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through "Sec. 1537. The authority" and inserting the following:

"SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.

"The authority"; and

(2) by striking "States, local units of government, and local nonprofit organizations" and inserting "RC&D councils".

(i) Authorization of Appropriations.—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through "Sec. 1538. There are" and inserting the following:

"SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.

"There are"; and

(2) by striking "for each of the fiscal years 1996 through 2002".

SEC. 255. GRASSLAND RESERVE PROGRAM.

(a) In General.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

"Subchapter D—Grassland Reserve Program

"SEC. 1238. GRASSLAND RESERVE PROGRAM.

"(a) Establishment.—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as 'the program') to assist owners in restoring and protecting eligible land described in subsection (c).

"(b) Enrollment Conditions.—

"(1) In general.—The Secretary shall enroll in the program, from willing owners, not less than—

"(A) 100 contiguous acres of land west of the 90th meridian; or

"(B) 50 contiguous acres of land east of the 90th meridian.

"(2) Maximum enrollment.—The total number of acres enrolled in the program shall not exceed 1,000,000 acres.

"(3) Methods of enrollment.—The Secretary shall enroll land in the program through—

"(A) permanent easements or 30-year easements;

"(B) in a State that imposes a maximum duration for such an easement, an easement for the maximum duration allowed under State law; or

“(C) a 30-year rental agreement.

“(c) Eligible Land.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is—

“(1) natural grassland or shrubland;

“(2) land that—

“(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

“(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

“(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of the easement.

“SEC. 1238A. EASEMENTS AND AGREEMENTS.

“(a) In General.—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

“(1) to grant an easement that runs with the land to the Secretary;

“(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

“(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

“(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

“(5) to comply with the terms of the easement and restoration agreement.

“(b) Terms of Easement.—An easement under subsection (a) shall—

“(1) permit—

“(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

“(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

“(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

“(2) prohibit—

“(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

“(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

“(i) plowing; and

“(ii) disking; and

“(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

“(c) Evaluation and Ranking of Easement Applications.—

“(1) In general.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

“(2) Criteria.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

“(d) Restoration Agreements.—

“(1) In general.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an agreement entered into under the program shall be restored.

“(2) Requirements.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

“(e) Violations.—

“(1) In general.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

“(A) the easement shall remain in force; and

“(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

“(2) Periodic inspections.—

“(A) In general.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

“(B) Limitation.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

“SEC. 1238B. DUTIES OF SECRETARY.

“(a) In General.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

“(1) make easement payments;

“(2) pay the Federal share of the cost of restoration; and

“(3) provide technical assistance to the owner.

“(b) Payment Schedule.—

“(1) Easement payments.—

“(A) Amount.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

“(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

“(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

“(B) Schedule.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

“(2) Rental agreement payments.—

“(A) Amount.—If an owner enters into a 30-year rental agreement authorized under section 1238(b)(3)(C), the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

“(B) Assessment.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

“(C) Adjustment.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

“(c) Federal Share of Cost of Restoration.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

“(d) Technical Assistance.—

“(1) In general.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

“(2) Reimbursement by commodity credit corporation.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

“(e) Payments to Others.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

“(f) Other Payments.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

“SEC. 1238C. ADMINISTRATION.

“(a) Delegation to Private Organizations.—

“(1) In general.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

“(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

“(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

“(2) Application.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

“(3) Approval by secretary.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

“(4) Reassignment.—If an organization holding an easement on land under this subchapter terminates—

“(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

“(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

“(b) Regulations.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.”.

(b) Funding.—Section 1241(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is amended by striking "subchapter C" and inserting "subchapters C and D".

SEC. 256. FARMLAND STEWARDSHIP PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830-3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

"CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

"SEC. 1238. DEFINITIONS.

"In this chapter:

"(1) Agreement.—The term 'agreement' means a service contract authorized by this chapter.

"(2) Biofuel.—

"(A) In general.—The term 'biofuel' means an energy source derived from living organisms.

"(B) Inclusions.—The term 'biofuel' includes—

"(i) plant residue that is harvested, dried, and burned, or further processed into a solid, liquid, or gaseous fuel;

"(ii) agricultural waste (such as cereal straw, seed hulls, corn stalks and cobs);

"(iii) native shrubs and herbaceous plants (such as some varieties of willows and prairie switchgrass); and

"(iv) animal waste (including methane gas that is produced as a byproduct of animal waste).

"(3) Bioproduct.—The term 'bioproduct' means a product that is manufactured or produced—

"(A) by using plant material and plant byproduct (such as glucose, starch, and protein); and

"(B) to replace a petroleum-based product, additive, or activator used in the production of a solvent, paint, adhesive, chemical, or other product (such as tires or Styrofoam cups).

"(4) Carbon sequestration.—The term 'carbon sequestration' means the process of providing plant cover to avoid contributing to the greenhouse effect by—

"(A) removing carbon dioxide from the air; and

"(B) developing a 'carbon sink' to retain that carbon dioxide.

"(5) Contracting agency.—The term 'contracting agency' means a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department, or other participating government agency that is authorized by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

"(6) Eligible agricultural land.—The term 'eligible agricultural land' means private land that is in primarily native or natural condition, or that is classified by the Secretary as cropland, pastureland, grazing land, timberland, or another similar type of land, that—

"(A) contains wildlife habitat, wetland, or other natural resources; or

"(B) provides 1 or more benefits to the public, such as—

"(i) conservation of soil, water, and related resources;

"(ii) water quality protection or improvement;

"(iii) control of invasive and exotic species;

"(iv) wetland restoration, development, and protection;

"(v) wildlife habitat development and protection;

"(vi) survival and recovery of listed species or candidate species;

"(vii) preservation of open spaces or prime, unique, or other productive farm land;

"(viii) increased participation in Federal agricultural or forestry programs in an area or region that has traditional under-representation in those programs;

"(ix) provision of a structure for interstate cooperation to address ecosystem challenges that affect an area involving 1 or more States;

"(x) improvements in the ecological integrity of the area, region or corridor;

"(xi) carbon sequestration;

"(xii) phytoremediation;

"(xiii) improvements in the economic viability of agriculture;

"(xiv) production of biofuels and bioproducts;

"(xv) establishment of experimental or innovative crops;

"(xvi) use of existing crops or crop byproducts in experimental or innovative ways;

"(xvii) installation of equipment to produce materials that may be used for biofuels or other bioproducts;

"(xviii) maintenance of experimental or innovative crops until the earlier of the date on which—

"(I) a viable market is established for those crops; or

"(II) an agreement terminates; and

"(xix) other similar conservation purposes identified by the Secretary.

"(7) Germplasm.—The term 'germplasm' means the genetic material of a germ cell of any life form that is important for food or agricultural production.

"(8) Indian tribe.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(9) Program.—The term 'program' means the farmland stewardship program established by this chapter.

"(10) Pytoremediation.—The term 'pytoremediation' means the use of green living plant material (including plants that may be harvested and used to produce biofuel or other bioproduces) to remove contaminants from water and soil.

"(11) Secretary.—The term 'Secretary' means the Secretary of Agriculture, acting—

"(A) through the Natural Resources Conservation Service; and

"(B) in cooperation with any applicable agricultural or other agencies of a State.

"(12) Service contract.—The term 'service contract' means a legally binding agreement between 2 parties under which—

"(A) 1 party agrees to render 1 or more services in accordance with the terms of the contract; and

"(B) the second party agrees to pay the first party for the each service rendered.

"SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

"(a) Establishment.—

"(1) In general.—The Secretary shall establish within the Department a program to be known as the 'farmland stewardship program'.

"(2) Purpose.—The purpose of the program shall be to modify and more effectively target conservation programs administered by the Secretary to the specific conservation needs of, and opportunities presented by, individual parcels of eligible agricultural land.

"(b) Relation to Other Conservation Programs.—Under the program, the Secretary may implement, alone or in combination, the features of—

"(1) any conservation program administered by the Secretary; or

"(2) any conservation program administered by another Federal agency or a State or local government, if implementation by the Secretary—

"(A) is feasible; and

"(B) is carried out with the consent of the applicable administering agency or government.

"(3) Conservation enhancement programs.—

"(A) In general.—States, local governments, Indian tribes, or any combination of those entities may submit, and the Secretary may approve, a conservation enhancement program that integrates 1 or more Federal agriculture and forestry conservation programs and 1 or more State, local, or private efforts to address, in critical areas and corridors, in a manner that enhances the conservation benefits of the individual programs and modifies programs to more effectively address State and local needs—

"(i) water quality;

"(ii) wildlife;

"(iii) farm preservation; and

"(iv) any other conservation need.

"(B) Requirement.—

"(i) In general.—A conservation enhancement program submitted under subparagraph (A) shall be designed to provide benefits greater than benefits that, by reason of any factor described in clause (ii), would be provided through the individual application of a conservation program administered by the Secretary.

"(ii) Factors.—Factors referred to in clause (i) include—

"(I) conservation commitments of greater duration;

"(II) more intensive conservation benefits;

"(III) integrated treatment of special natural resource problems (such as preservation and enhancement of natural resource corridors); and

"(IV) improved economic viability for agriculture.

"(C) Approval.—

"(i) Definition of resources.—In this subparagraph, the term 'resources' means, with respect to any conservation program administered by the Secretary—

"(I) acreage enrolled under the conservation program; and

"(II) funding made available to the Secretary to carry out the conservation program with respect to acreage described in subclause (I).

"(ii) Determination.—If the Secretary determines that a plan submitted under subparagraph (A) meets the requirements of subparagraph (B), the Secretary, in accordance with an agreement, may use not more than 20 percent of the resources of any conservation program administered by the Secretary to implement the plan.

"(D) CRP acreage.—Acreage enrolled under an approved conservation reserve enhancement program shall be considered acreage of conservation reserve program that is committed to conservation reserve enhancement program.

"(c) Funding.—

"(1) In general.—The program and agreements shall be funded by the Secretary using—

"(A) the funding authorities of the conservation programs that are implemented through the use of Farmland Stewardship Agreements for the conservation purposes listed in Sec. 1238(4)(A) and (B)(i through x);

"(B) technical assistance in accordance with Sec. 1243(d); and

"(C) such other funds as are appropriated to carry out the Farmland Stewardship Program.

"(2) Cost sharing.—It shall be a requirement of the Farmland Stewardship Program that the majority of the funds to carry out the Program must come from existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, with the balance made up from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources. Funds from existing programs may be used only to carry out the purposes and intents of those programs to the degree that those programs are made a part of a Farmland Stewardship Agreement. Funding for other purposes or intents must come from the funds provided under paragraphs (1)(B) and (1)(C) of subsection (c) or from the matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

“(d) Personnel Costs.—The Secretary shall use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program in cooperation with the state department of agriculture or other designated agency within the state. The role of the Natural Resources Conservation Services shall be limited to federal oversight of the program. The Natural Resources Conservation Service shall perform its normal functions with respect to the conservation programs that it administers. However, it shall play no role in the assembly of programs administered by other federal agencies into Farmland Stewardship Agreements.

“(e) State Level Administration.—The state departments of agriculture shall have primary responsibility for operating the Farmland Stewardship Program. A state department of agriculture may choose to operate the program on its own, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility to another state agency, such as the state department of natural resources or the state conservation district agency. The state department of agriculture or designated state agency shall consult with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

“(1) A state department of agriculture shall submit an application to the Secretary requesting designation as the ‘designated state agency’ to operate the Farmland Stewardship Program. If the state department of agriculture chooses to delegate responsibility to another state agency, the department of agriculture shall ask the governor to designate another agency for this purpose and that agency shall submit application to the Secretary.

“(2) The Secretary shall approve the request for designation as the ‘designated state agency’ if the agency demonstrates that it has the capability to implement the Farmland Stewardship Program and attests that it shall conform with the confidentiality requirements in Sec. 1238B(g). Upon approval of the request, the Secretary shall enter into a memorandum of understanding with the designated state agency specifying the state's responsibilities in carrying out the program and the amount of technical assistance funds that shall be provided to the state on an annual basis to operate the program, in accordance with paragraphs (1)(C), (1)(E) and (1)(F) of subsection (g).

“(f) Annual Reports.—The designated state agency shall annually submit to the Secretary and make publicly available a report that describes—

“(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring and evaluating results obtained by local contracting agencies, and

“(2) The plans and objectives of the State for future activities under the program.

“(g) Technical Assistance.—

“(1) Of the funds used from other programs and of funds made available to carry out the Farmland Stewardship Program for a fiscal year, the Secretary shall reserve not more than twenty-five percent for the provision of technical assistance under the Program. Of the funds made available—

“(A) not more than 1.5% shall be reserved for administration, coordination and oversight through the Natural Resources Conservation Service headquarters office;

“(B) not more than 1.5% shall be reserved for the Farmland Stewardship Council to carry out its duties in cooperation with the State Technical Committees, as provided under section 1238E;

“(C) not more than 2.0% shall be reserved for administration and coordination through the designated state agency in the state where the property is located;

“(D) not more than 1.0% shall be reserved for administration and coordination through the Natural Resources Conservation Service state office, in the state where property is located;

“(E) not more than 1.0% shall be reserved for administration and coordination through the state conservation district agency, unless such agency is the designated state agency for administering this program, in which case these funds shall be added to the funds in the next paragraph; and

“(F) not less than 18% shall be reserved for local technical assistance, carried out through a designated ‘contracting agency’ and subcontractors chosen by and working with the contracting agency for preparing and executing agreements and monitoring, evaluating and administering agreements for their full term.

“(2) An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

“(h) Ensuring Availability of Funds.—All amounts required for preparing, executing, carrying out, monitoring, evaluating and administering an agreement for its entire term shall be made available by the Federal, State, and local agencies and private sector entities involved in funding the agreement upon execution of the agreement.

“SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

“(a) Agreements Authorized.—The Secretary shall carry out the Farmland Stewardship Program by entering into service contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural land to maintain and protect the natural and agricultural resources on the land.

“(b) Legal Basis.—An agreement shall operate in all respects as a service contract and, as such, provides the Secretary with the opportunity to hire the owner or operator of eligible agricultural land as a vendor to perform one or more specific services for an equitable fee for each service rendered. Any agency participating in the Farmland Stewardship Program that has the authority to enter into service contracts and to expend public funds under such contracts may enter into or participate in the funding of an agreement.

“(c) Basic Purposes.—An agreement with the owner or operator of eligible agricultural land shall be used—

“(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the land covered by the agreement in return for annual payments to the owner or operator;

“(2) to enable an owner or operator to participate in one or more of the conservation programs offered through agencies at all levels of government and the private sector and, where possible and feasible, comply with permit requirements and regulations, through a one-stop, one-application process.

“(3) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity;

“(4) to expand or maintain conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes; and

“(5) to negotiate and develop agreements with private owners and operators to expand or maintain their participation in conservation activities and programs; to enable them to install or maintain best management practices (BMPs) and other recommended practices to improve the compatibility of agriculture, horticulture, silviculture, aquaculture and equine activities with the environment; and improve compliance with public health, safety and environmental regulations.

“(d) Modification of Other Conservation Program Elements.—If most, but not all, of the limitations, conditions, policies and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural land, and the purposes to be achieved by the agreement to be entered into for such land are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, policies or requirements of the conservation program that would otherwise prohibit or limit the agreement. The Secretary may also grant requests to—

“(1) establish different or automatic enrollment criteria than otherwise established by regulation or policy;

“(2) establish different compensation rates to the extent the parties to the agreement consider justified;

“(3) establish different conservation practice criteria if doing so will achieve greater conservation benefits;

“(4) provide more streamlined and integrated paperwork requirements;

“(5) provide for the transfer of conservation program funds to states with flexible incentives accounts; and

“(6) provide funds for an adaptive management process to monitor the effectiveness of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy.

“(7) For a waiver or exception to be considered, a contracting agency or the designated state agency must—

“(A) Submit a request for a waiver to the Secretary or Administrator who has responsibility for the program for which a waiver or exception is being requested. Requests for waivers or exceptions in programs administered by the United States Department of Agriculture shall be submitted to the Secretary of Agriculture, while requests for waivers or exceptions in programs administered by the United States Department of Interior shall be submitted to the Secretary of Interior and requests for waivers or exceptions in programs administered by the United States Environmental Protection Agency shall be submitted to the Administrator of that Agency, and so forth.

“(B) The request shall—

“(i) explain why the property qualifies for participation in the program;

“(ii) explain why it is necessary or desirable to make an exception to or waive one or more program limitations, conditions, policies or requirements;

“(iii) if possible, suggest alternative methods or approaches to satisfying these limitations, conditions, policies or requirements that are appropriate for the property in question;

“(iv) request that the Secretary or Administrator grant the exception or waiver, based on the documentation submitted.

“(C) The Secretary or Administrator may request additional documentation, or may suggest alternative methods of overcoming program limitations or obstacles on the property in question, prior to deciding whether or not to grant a request for an exception or waiver.

“(D) Waivers and exceptions may be granted by a Secretary or Administrator to allow additional flexibility in tailoring conservation programs to the specific needs, opportunities and challenges offered by individual parcels of land, and to remove administrative and regulatory obstacles that previously may have limited the use of these programs on eligible agricultural land, or would prevent these programs from being combined together through a Farmland Stewardship Agreement. Waivers and exceptions may be granted only if the purposes to be achieved by the program after the waiver or exception is granted remain consistent with the purposes for which the program was established.

“(E) The Secretaries and Administrators who receive requests for waivers or exceptions under this chapter shall respond to these requests within sixty (60) days of receipt. Decisions on whether to grant a request shall be rendered within one hundred eighty (180) days of receipt.

“(e) Provisional Contracts.—Provisional contracts shall be used to provide payments to private landowners or operators, and to the organization or agency that will oversee the agreement, while baseline data is gathered, documents are prepared and the formal agreement is being negotiated. Provisional contracts shall pay for all technical services required to establish an agreement. Provisional contracts may be used to establish a Farmland Stewardship Agreement, or any other type of conservation program, permit or agreement on private land. Provisional contracts shall be used during a two-year planning period, which may be extended for up to two additional periods of six months each by mutual agreement between the Secretary, the contracting agency and the owner or operator.

“(f) Payments.—Payments to owners and operators shall be made as provided in the programs that are combined as part of a Farmland Stewardship Agreement. At the election of the owner or operator, payments may be collected and combined together by the designated state agency and issued to the owner or operator in equal annual payments over the term of the agreement. Payments for other services rendered by the owner or operator shall be made as follows—

“(1) In general.—Programs that contain term or permanent easements may be combined into a Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for specific services. The fees paid shall be based on the services provided. Compensation shall include—

“(A) Annual base payment.—All owners or operators enrolled in a Farmland Stewardship Agreement shall receive an annual base payment, at a rate to be determined by the Secretary. The annual base payment shall be considered by the Secretary to be satisfied if the owner or operator receives annual payments from another conservation program that has been incorporated into the Farmland Stewardship Agreement. In addition, owners and operators shall receive—

“(B) Direct fees for services.—These fees shall be based on the cost of providing each service. These fees may be set by adopting private sector market prices for the performance of similar services or by competitive bidding. Or, alternatively—

“(C) Annual per-acre stewardship fees.—These fees shall be based on the services provided, or the quantity of benefits provided, with higher fees for greater benefits that can be quantified. Such values shall be determined and set by the Secretary. Or, alternatively—

“(D) Other incentives.—Other forms of compensation acceptable to an owner or operator also may be considered. These other forms of compensation may include federal, state or local tax waivers, credits, reductions or exclusions; priority processing of permits from state and local agencies; consolidation of permits from state and local agencies into a single operating plan; extended-duration permits from state and local agencies; enhanced eligibility and priority listing for participation in cost-share programs, loan programs, conservation programs and permanent conservation easement or public purchase programs; and priority access to technical assistance services provided by federal and, where possible, local, regional and state agencies.

“(g) Confidentiality of Data.—All information or data provided to, obtained by or developed by the Secretary, or any contractor to the Secretary or the designated state agency, for the purpose of providing technical or financial assistance to owners or operators in connection with the United States Department of Agriculture's conservation programs, or in connection with the Farmland Stewardship Program, shall be—

“(1) Kept confidential by all officers and employees of the Department and the designated state agency;

“(2) Not released, disclosed, made public or in any manner communicated to any agency, state or person outside the Department and the designated state agency; and

“(3) Not subject to any other law that would require the information or data to be released, disclosed, made public or in any way communicated to any agency, state or person outside the Department and designated state agency.

“(4) Any information or data related to an individual farm owner or operator may be reported only in an anonymous, aggregated form as currently provided under the Department's National Agricultural Statistic Services.

“(h) State and Local Conservation Priorities.—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural land are located. The Secretary may adopt for this purpose a pre-existing state or regional conservation plan or strategy that maps economically and ecologically important land, including a plan developed pursuant to planning requirements under Title VIII of the 2001 Interior Appropriations Act and Title IX of the 2001 Commerce, Justice, State Appropriations Act.

“(i) Watershed Enhancement.—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

“SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.

“(a) Authority of Secretary Exercised Through Partnerships.—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1238A, and in partnership with state departments of agriculture or other designated state agencies.

“(b) Designation and Use of Contracting Agencies.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department of Agriculture, or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

“(c) Conditions of Designation.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

“(1) submits a written request for such designation to the Secretary;

“(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

“(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural land, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural land in a cooperative manner;

“(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

“(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

“(d) Delegation of Responsibility.—The Secretary may delegate responsibility for reviewing and approving applications from local contracting agencies to the state department of agriculture or other designated state agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

“SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LAND.

“(a) Application and Approval Process.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural land shall—

“(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

“(2) submit to the Secretary the purpose and objectives of the proposed agreement and a list of services to be provided, or a management plan to be implemented, or both, under the proposed agreement;

“(3) if the application and list are accepted by the Secretary, enter into an agreement that details the purpose and objectives of the agreement and the services to be provided, or management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

“(b) Application on Behalf of an Owner or Operator.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator if the contracting agency has secured the consent of the owner or operator to enter into an agreement.

“(c) Delegation of Responsibility.—The Secretary may delegate responsibility for reviewing and approving applications from or on behalf of an owner or operator to the state department of agriculture or other designated agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

“SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP COUNCIL REGARDING PROGRAM.

“(a) Appointment.—The Secretary shall appoint an advisory committee to assist the Secretary in carrying out the Farmland Stewardship Program.

“(b) In General.—The Committee shall be known as the Farmland Stewardship Council and shall operate on the federal level in the same manner, with the same roles and responsibilities and the same membership requirements as provided in the policies and guidelines governing State Technical Committees in Subpart B of Part 501 of the United States Department of Agriculture's directives to the Natural Resources Conservation Service regarding Conservation Program Delivery.

“(c) Duties.—The Farmland Stewardship Council shall cooperate in all respects with the State Technical Committees and Resource Advisory Committees in each state. In addition to the roles and responsibilities set forth for these committees, the Farmland Stewardship Council shall assist the Secretary in—

“(1) drafting such regulations as are necessary to carry out the Program;

“(2) developing the documents necessary for executing farmland stewardship agreements;

“(3) developing procedures and guidelines to facilitate partnerships with other levels of government and nonprofit organizations and assist contracting agencies in gathering data and negotiating agreements;

“(4) designing criteria to consider applications submitted under sections 1238C and 1238D;

“(5) providing assistance and training to designated state agencies, project partners and contracting agencies;

“(6) assisting designated state agencies, project partners and contracting agencies in combining together other conservation programs into agreements;

“(7) tailoring the agreements to each individual property;

“(8) developing agreements that are highly flexible and can be used to respond to and fit in with the conservation needs and opportunities on any property in the United States;

“(9) developing a methodology for determining a fair market price in each state for each service rendered by a private owner or operator under a Farmland Stewardship Agreement;

“(10) developing guidelines for administering the Farmland Stewardship Program on a national basis that respond to the conservation needs and opportunities in each state and in each rural community in which Farmland Stewardship Agreements may be implemented;

“(11) monitoring progress under the agreements; and

“(12) reviewing and recommending possible modifications, additions, adaptations, improvements, enhancements, or other changes to the Program to improve the way in which the program operates.

“(d) Membership.—The Farmland Stewardship Council shall have the same membership requirements as the State Technical Committees, except that C

“(1) All participating members must have offices located in the Washington, D.C. metropolitan area;

“(2) The list of members representing ‘Federal Agencies and Other Groups Required by Law’ shall be expanded to include all federal agencies whose programs might be included in Farmland Stewardship Program;

“(3) State agency representation shall be provided by the organizations located in the Washington, D.C. metropolitan area representing state agencies and shall include individuals from organizations representing wetland managers, environmental councils, fish and wildlife agencies, counties, resource and conservation development councils, state conservation agencies, state departments of agriculture, state foresters, and governors; and

“(4) Private Interest Membership shall be comprised of 21 members representing the principal agricultural commodity groups, farm organizations, national forestry associations, woodland owners, conservation districts, rural stewardship organizations, and up to a maximum of six (6) conservation and environment organizations, including organizations with an emphasis on wildlife, rangeland management and soil and water conservation.

“(5) The Secretary shall appoint one of the Private Interest Members to serve as chair. The Private Interest Members shall appoint another member to serve as co-chair.

“(6) The Secretary shall follow equal opportunity practices in making appointments to the Farmland Stewardship Council. To ensure that recommendations of the Council take into account the needs of the diverse groups served by the United States Department of Agriculture, membership will include, to the extent practicable, individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

“(e) Personnel Costs.—The technical assistance funds designated in Sec. 1238A(g)(1)(B) may be used to provide staff positions and support for the Farmland Stewardship Council to—

“(1) carry out its duties as provided in subsection (c);

“(2) ensure communication and coordination with all federal agencies, state organizations and Private Interest Members on the council, and the constituencies represented by these agencies, organizations and members;

“(3) ensure communication and coordination with the State Technical Committees and Resource Advisory Committees in each state;

“(4) solicit input from agricultural producers and owners and operators of private forestry operations and woodland through the organizations represented on the council and other organizations, as necessary; and

“(5) take into consideration the needs and interests of producers of different agricultural commodities and forest products in different regions of the nation.

“(6) Representatives of federal agencies and state organizations shall serve without additional compensation, except for reimbursement of travel expenses and per diem costs which are incurred as a result of their Council responsibilities and service.

“(7) Payments may be made to the organizations serving as Private Interest Members for the purposes of providing staff and support to carry out paragraphs (1) through (5). The amounts and duration of these payments and the number of staff positions to be created within Private Interest Member organizations to carry out these duties shall be determined by the Secretary.

“(f) Reports.—The Farmland Stewardship Council shall annually submit to the Secretary and make publicly available a report that describes—

“(1) The progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council; and

“(2) The plans and objectives for future activities.

“(g) Termination.—The Farmland Stewardship Council shall remain in force for as long as the Secretary administers the Farmland Stewardship Program, except that the council will terminate in 2011 unless renewed by Congress in the next Farm Bill.

“SEC. 1238F. STATE BLOCK GRANT PROGRAM.

“(a) In General.—The Secretary of Agriculture may provide agricultural stewardship block grants on an annual basis to state departments of agriculture as a means of providing assistance and support, cost-share payments, incentive payments, technical assistance or education to agricultural producers and owners and operators of agriculture, silviculture, aquaculture, horticulture or equine operations for environmental enhancements, best management practices, or air and water quality improvements addressing resource concerns. Under the block grant program, states shall have maximum flexibility to—

“(1) Address threats to soil, air, water and related natural resources including grazing land, wetland and wildlife habitats;

“(2) Comply with state and federal environmental laws;

“(3) Make beneficial, cost-effective changes to cropping systems; grazing management; nutrient, pest, or irrigation management; land uses; or other measures needed to conserve and improve soil, water, and related natural resources; and

"(4) Implement other practices or obtain other services to benefit the public through Farmland Stewardship Agreements.

"(b) Program Application.—A state department of agriculture, in collaboration with other state and local agencies, conservation districts, tribes, partners or organizations, may submit an application to the Secretary requesting approval for an agricultural stewardship block grant program. The Secretary shall approve the grant request if the program proposed by the state maintains or improves the state's natural resources, and the state has the capability to implement the agricultural stewardship program. Upon approval of a stewardship program submitted by a state department of agriculture, the Secretary shall—

"(1) Allocate funds to the state for administration of the program, and

"(2) Enter into a memorandum of understanding with the state department of agriculture specifying the state's responsibilities in carrying out the program and the amount of the block grant that shall be provided to the state on an annual basis.

"(c) Participation.—A state department of agriculture may choose to operate the block grant program, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility for the program to another local, state or federal agency, such as the state office of the United States Department of Agriculture, Natural Resources Conservation Service, or the state conservation district agency.

"(d) Coordination.—A state department of agriculture may establish an agricultural stewardship planning committee, or other advisory body, or expand the authority of an existing body, to design, develop and implement the state's agricultural stewardship block grant program. Such planning committee or advisory committee shall cooperate fully with the Farmland Stewardship Council established in Sec. 1238E and the State Technical Committee and Resource Advisory Committee in the state.

"(e) Delivery.—The state department of agriculture, or other designated agency, shall administer the stewardship block grants through existing delivery systems, infrastructure or processes, including contracts, cooperative agreements, and grants with local, state and federal agencies that address resource concerns and were prioritized and developed in cooperation with locally-led advisory groups.

"(f) Strategic Plans.—The state department of agriculture may collaborate with a local advisory or planning committee to develop a state strategic plan for the enhancement and protection of land, air, water and wildlife through resource planning. The state strategic plan shall be submitted to the Secretary annually in a report on the implementation of projects, activities, and other measures under the block grant program. In general, state strategic plans shall include—

"(1) A description of goals and objectives, including outcome-related goals for designated program activities;

"(2) A description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technologies, and the human capital, information and other resources required to meet the goals and objectives;

"(3) A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of the program activities; and

"(4) A description of the program evaluation to be used in comparing actual results with established goals and objectives.

"(g) Annual Reports.—The state department of agriculture shall annually submit to the Secretary and make publicly available a report that describes—

"(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring results obtained by the agricultural stewardship planning committee or local advisory group, where applicable; and

"(2) The plans and objectives of the State for future activities under the program.

"(h) Coordination With Federal Agencies.—To the maximum extent possible, the Secretary shall coordinate with other federal departments and agencies to acknowledge and ensure that the block grant program is consistent with and is meeting the needs and desired public benefits of other federal programs on a state-by-state basis.

"(i) Payments.—The agricultural stewardship program may be used as a means of providing compensation to owners and operators for implementing on-farm practices that enhance environmental goals. The type of financial assistance may be in the form of cost-share payments, incentive payments or Farmland Stewardship Agreements, as determined by guidelines established by the state department of agriculture and the agricultural stewardship planning committee.

"(j) Program Expenditures.—States shall have flexibility to target resources where needed, including the ability to allocate dollars between payments to owners and operators or technical assistance based upon needs and priorities.

"(k) Method of Payment.—A state department of agriculture may collaborate with the agricultural stewardship planning committee or other local advisory group to determine payment levels and methods for individual program activities and projects, including any conditions, limitations or restrictions. Payments may be made—

"(1) To compensate for a verifiable or measurable loss;

"(2) Under a binding agreement providing for payments to carry out specific activities, measures, practices or services prioritized by the state department of agriculture, the agricultural stewardship planning committee or a local advisory board; or

"(3) To fund portions of projects and measures to complement other federal programs, including the Conservation Reserve Program, the Environmental Quality Incentives Program, the Wetlands Reserve Program, the Forestry Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program.".

SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

(1) by adding "and" at the end of paragraph (1); and

(2) by striking all that follows paragraph (1) and inserting the following:

"(2) $15,000,000 for fiscal year 2002 and each succeeding fiscal year.".

SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

SEC. 259. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1256 of the Food Security Act of 1985 (16 U.S.C. 2101 note) is amended to read as follows:

"SEC. 1256. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

"(a) In General.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date of enactment of the Farm Security Act of 2001, operates a wellhead or groundwater protection program in the State.

"(b) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year.".

Subtitle G—Repeals

SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) Wetlands Mitigation Banking Program.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) Conservation Reserve Program.—

(1) Repeals.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) Conforming amendments.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking "in addition to the remedies provided under section 1236(d),".

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking "subsection (f)(4)" and inserting "subsection (f)(3)".

(c) Wetlands Reserve Program.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) Environmental Easement Program.—

(1) Repeal.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839-3839d) is repealed.

(2) Conforming amendment.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking "or 3".

(e) Conservation Farm Option.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

TITLE III—TRADE

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and not more" and inserting "not more";

(2) by inserting "and not more than $200,000,000 for each of fiscal years 2002 through 2011," after "2002,"; and

(3) by striking "2002" and inserting "2001".

SEC. 302. FOOD FOR PROGRESS.

(a) In General.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking "2002" and inserting "2011".

(b) Increase in Funding.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is amended—

(1) by striking "2002" and inserting "2011"; and

(2) by striking "$10,000,000" and inserting "$15,000,000.

(c) Exclusion From Limitation.—Section 1110(e)(2) of the Food Security Act of 1985 (7

U.S.C. 1736o(e)(2)) is amended by inserting ", and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954" before the final period.

(d) Transportation Costs.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking "$30,000,000" and inserting "$40,000,000".

(e) Amounts of Commodities.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking "500,000" and inserting "1,000,000".

(f) Multiyear Basis.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking "may" and inserting "is encouraged"; and

(2) by inserting "to" before "approve"..

(g) Monetization.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking "local currencies" and inserting "proceeds".

(h) New Provisions.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

"(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.".

SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) Use of Currencies.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking "foreign currency" each place it appears;

(2) in clause (ii)—

(A) by striking "Foreign currencies" and inserting "Proceeds"; and

(B) by striking "foreign currency"; and

(3) in clause (iv)—

(A) by striking "Foreign currency proceeds" and inserting "Proceeds";

(B) by striking "country of origin" the second place it appears and all that follows through "as necessary to expedite" and inserting "country of origin as necessary to expedite";

(C) by striking "; or" and inserting a period; and

(D) by striking subclause (II).

(b) Implementation of Agreements.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting "(i)" after "(A)"; and

(2) by adding at the end the following new clauses:

"(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

"(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.".

SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting "and for each fiscal year thereafter through fiscal year 2011" after "2002".

SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) In General.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C.5723) is amended—

(1) by inserting "(a) Prior Years.—" before "There";

(2) by striking "2002" and inserting "2001"; and

(3) by adding at the end the following new subsection:

"(b) Fiscal 2002 and Later.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use $37,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.".

(b) Value Added Products.—

(1) In general.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting ", with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets" after "products".

(2) Report to Congress.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

"(c) Report to Congress.—

"(1) In general.—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

"(2) Definition.—In this subsection, the term 'appropriate congressional committees' means—

"(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

"(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.".

SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.

(a) Reauthorization.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking "2002" and inserting "2011".

(b) Processed and High Value Products.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking ", 2001, and 2002" and inserting "through 2011".

SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

"(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;";

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking "not less than $10,000,000, and not more than $28,000,000" and inserting "not less than 5 percent and not more than 10 percent of such funds";

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking "the recipient country, or in a country" and inserting "one or more recipient countries, or one or more countries";

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking "foreign currency"; and

(B) by striking "the recipient country, or in a country" and inserting "one or more recipient countries, or one or more countries";

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking "Foreign currencies" and inserting "Proceeds";

(B) in paragraph (2)—

(i) by striking "income generating" and inserting "income-generating"; and

(ii) by striking "the recipient country or within a country" and inserting "one or more recipient countries, or one or more countries"; and

(C) in paragraph (3), by inserting a comma after "invested" and "used";

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking "1996 through 2002" and inserting "2002 through 2011"; and

(B) by striking "2,025,000" and inserting "2,250,000";

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking "2002" and inserting "2011";

(8) by striking section 206 (7 U.S.C. 1726);

(9) in section 207(a) (7 U.S.C. 1726a(a))—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

"(1) Recipient countries.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

"(2) Time for decision.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.";

(10) in section 208(f), by striking "2002" and inserting "2011";

(11) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

"(l) Sales Procedures.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.";

(12) in section 407(c)(4), by striking "2001 and 2002" and inserting "2001 through 2011";

(13) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking "The Administrator" and inserting "(A) The Administrator"; and

(B) by adding at the end the following:

"(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.".

(14) in section 408, by striking "2002" and inserting "2011"; and

(15) in section 501(c), by striking "2002" and inserting "2011".

SEC. 308. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking "2002" and inserting "2011"; and

(2) in subsection (d)(1)(H), by striking "$10,000,000 in any fiscal year" and inserting "$13,000,000 for each of fiscal years 2002 through 2011".

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) are each amended by striking "2002" and inserting "2011".

SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the "program") to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to- farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term "agricultural farming specialist" means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other needs specific to a geographical location as determined by the President.

(2) CARIBBEAN BASIN COUNTRY.—The term "Caribbean Basin country" means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term "eligible farmer" means an individual owning or working on farm land (as defined by a particular country's laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term "Program" means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the "Farmers for Africa and Caribbean Basin Program", to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

(1) maximization of crop yields;

(2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);

(3) expansion of trade in agricultural products;

(4) enhancement of local food security;

(5) the mitigation and alleviation of hunger;

(6) marketing agricultural products in local, regional, and international markets; and

(7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

(1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and

(2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) IN GENERAL.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term "agricultural commodities" includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(i) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) ADMINISTRATIVE EXPENSES.—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

SEC. 313. STUDY ON FEE FOR SERVICES.

(a) STUDY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) DEFINITION.—In this section, the term "designated congressional committees" means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) DEFINITION.—In this section, the term "designated congressional committees" means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by striking "and (C)" and inserting "(C)"; and

(B) by inserting after "premiums," the following:

"and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection,";

(2) by striking "and (15)" and inserting "(15)";

(3) by inserting before the period at the end the following:

", (16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection".

SEC. 402. STANDARD DEDUCTION.

Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) by striking "of $134, $229, $189, $269, and $118" and inserting "equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than $134, $229, $189, $269, and $118"; and

(2) by inserting before the period at the end the following:

", except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section

5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia".

SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) In General.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(s) Transitional Benefits Option.—

"(1) In general.—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) Transitional benefits period.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

"(3) Amount.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

"(4) Determination of future eligibility.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

"(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

"(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

"(5) Limitation.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.".

(b) Conforming Amendments.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: "The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).".

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking "No household" and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household".

SEC. 404. QUALITY CONTROL SYSTEMS.

(a) Targeted Quality Control System.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting "the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year" after "year in which"; and

(B) in clause (i)(II)(aa)(bbb) by striking "the national performance measure for the fiscal year" and inserting "10 percent";

(2) in the 1st sentence of paragraph (4)—

(A) by striking "or claim" and inserting "claim"; and

(B) by inserting "or performance under the measures established under paragraph (10)," after "for payment error,";

(3) in paragraph (5), by inserting "to comply with paragraph (10) and" before "to establish";

(4) in the 1st sentence of paragraph (6), by inserting "one percentage point more than" after "measure that shall be"; and

(5) by inserting at the end the following:

"(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

"(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

"(ii) the percentage of negative eligibility decisions that are made correctly.

"(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

"(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.".

(b) Implementation.—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

"(l) Simplification of Systems.—The Secretary shall expend up to $9,500,000 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.".

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) Employment and Training Programs.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking "fiscal year 2002" and inserting "each of the fiscal years 2003 through 2011"; and

(2) in subparagraph (B) by striking "2002" and inserting "2011".

(b) Cost Allocation.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking "2002" and inserting "2011"; and

(2) in subparagraph (B)(ii) by striking "2002" and inserting "2011".

(c) Cash Payment Pilot Projects.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2011".

(d) Outreach Demonstration Projects.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking "1992 through 2002" and inserting "2003 through 2011".

(e) Authorization of Appropriations.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1996 through 2002" and inserting "2003 through 2011".

(f) Puerto Rico.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking "and" at the end;

(B) in clause (iii) by adding "and" at the end; and

(C) by inserting after clause (iii) the following:

"(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;"; and

(2) in subparagraph (B)—

(A) by inserting "(i)" after "(B)"; and

(B) by adding at the end the following:

"(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.".

(g) Territory of American Samoa.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking "Effective October 1, 1995, from" and inserting "From"; and

(2) by striking "$5,300,000 for each of fiscal years 1996 through 2002" and inserting "$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011".

(h) Assistance for Community Food Projects.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end;

(2) in subparagraph (B)—

(A) by striking "2002" and inserting "2001"; and

(B) by striking the period at the end and inserting "; and"; and

(3) by inserting after subparagraph (B) the following:

"(C) $7,500,000 for each of the fiscal years 2002 through 2011.".

(i) Availability of Commodities for the Emergency Food Assistance Program.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking "1997 through 2002" and inserting "2002 through 2011"; and

(B) by striking "$100,000,000" and inserting "$140,000,000"; and

(2) by adding at the end the following:

"(c) Use of Funds for Related Costs.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).".

(j) Special Effective Date.—The amendments made by subsections (g), (h), and (i) shall take effect on October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking "2002" and inserting "2011".

SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking "1991 through 2002" and inserting "2003 through 2011"; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking "1991 through 2002" and inserting "2003 through 2011".

SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking "1991 through 2002" and inserting "2003 through 2011";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing,".

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) Short Title; Findings.—

(1) Short title.—This section may be cited as the "Congressional Hunger Fellows Act of 2001".

(2) Findings.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These two outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) Establishment.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the "Program").

(c) Board of Trustees.—

(1) In general.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) Members of the board of trustees.—

(A) Appointment.—The Board shall be composed of 6 voting members appointed under clause (i) and one nonvoting ex officio member designated in clause (ii) as follows:

(i) Voting members.—(I) The Speaker of the House of Representatives shall appoint two members.

(II) The minority leader of the House of Representatives shall appoint one member.

(III) The majority leader of the Senate shall appoint two members.

(IV) The minority leader of the Senate shall appoint one member.

(ii) Nonvoting member.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) Terms.—Members of the Board shall serve a term of 4 years.

(C) Vacancy.—

(i) Authority of board.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) Appointment of successors.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) Incomplete term.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) Chairperson.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) Compensation.—

(i) In general.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) Travel.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) Duties.—

(A) Bylaws.—

(i) Establishment.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) Contents.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) Transmittal to congress.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) Budget.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) Process for selection and placement of fellows.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) Allocation of funds to fellowships.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) Purposes; Authority of Program.—

(1) Purposes.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) Authority.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) Fellowships.—

(A) In general.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) Curriculum.—

(i) In general.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) Focus of bill emerson hunger fellowship.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) Focus of mickey leland hunger fellowship.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) Workplan.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship,, including specific duties and responsibilities related to those objectives.

(C) Period of fellowship.—

(i) Emerson fellow.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) Leland fellow.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than 1 year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) Selection of fellows.—

(i) In general.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) Qualification.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(iii) Amount of award.—

(I) In general.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) Requirement for successful completion of fellowship.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) Recognition of fellowship award.—

(I) Emerson fellow.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an "Emerson Fellow".

(II) Leland fellow.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a "Leland Fellow".

(4) Evaluation.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) Trust Fund.—

(1) Establishment.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the "Fund") in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) Investment of funds.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) Return on investment.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) Expenditures; Audits.—

(1) In general.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) Limitation.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) Use of funds.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) Stipends for fellows.—To provide for a living allowance for the fellows.

(B) Travel of fellows.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) Insurance.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) Training of fellows.—To defray the costs of preservice and midservice education and training of fellows.

(E) Support staff.—Staff described in subsection (g).

(F) Awards.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) Additional approved uses.—For such other purposes that the Board determines appropriate to carry out the program.

(4) Audit by GAO.—

(A) In general.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) Books.—The program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) Report to congress.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) Staff; Powers of Program.—

(1) Executive director.—

(A) In general.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) Restriction.—The Executive Director may not serve as Chairperson of the Board.

(C) Compensation.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) Staff.—

(A) In general.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) Compensation.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) Powers.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) Gifts.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) Experts and consultants.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) Contract authority.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) Other necessary expenditures.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) Report.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) Authorization of Appropriations.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) Definition.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 462. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking "operated" and inserting "participated in the business operations of".

SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

"(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

"(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.".

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

"(a) In General.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

"(1) the value of the farm or other security; or

"(2)(A) in the case of a loan made by the Secretary—

"(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

"(ii) to a borrower other than a beginning farmer or rancher, $200,000; or

"(B) in the case of a loan guaranteed by the Secretary, $700,000, as—

"(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

"(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.".

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

(1) by striking "If" and inserting the following:

"(i) IN GENERAL.—Subject to clause (ii), if"; and

(2) by adding at the end the following:

"(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.".

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking "GUARANTEED UP" and all that follows through "more than" and inserting "GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee".

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

"(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.".

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "30 percent" and inserting "40 percent"; and

(B) in paragraph (3), by striking "10 years" and inserting "20 years"; and

(2) in subsection (c)(3)(B), by striking "10-year" and inserting "20-year".

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

"SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

"(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

"(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.".

(b) REGULATIONS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by subsection (a).

(2) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by subsection (a) shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out the amendment made by subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

Subtitle B—Operating Loans

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking "who has not" and all that follows through "5 years".

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking "paragraphs (5) and (6)" and inserting "paragraphs (5), (6), and (7)"; and

(2) by adding at the end the following:

"(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.".

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking "paragraph (3)" and inserting "paragraphs (3) and (4)"; and

(2) by adding at the end the following:

"(4) WAIVERS.—

"(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) for a direct loan made under this subtitle to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

"(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

"(i) the borrower has a viable farm or ranch operation;

"(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

"(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

"(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).".

Subtitle C—Administrative Provisions

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking "and joint operations" each place it appears and inserting "joint operations, and limited liability companies".

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking "or joint operations" each place it appears and inserting "joint operations, or limited liability companies".

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking "carried out—" and all that follows through "(B) after" and inserting "carried out after".

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking "lower of (1) the" and inserting the following: "lowest of—

"(1) the"; and

(2) by striking "original loan or (2) the" and inserting the following: "original loan;

"(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

"(3) the".

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

"(2) except with respect to a loan under section 306, 310B, or 314—

"(A) an annual review of the credit history and business operation of the borrower; and

"(B) an annual review of the continued eligibility of the borrower for the loan;".

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking "of loans the principal amount of which is $50.000 or less" and inserting "of farmer program loans the principal amount of which is $100,000 or less".

SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking "75 days" and inserting "135 days"; and

(ii) by adding at the end the following:

"(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.”; and

(B) in subparagraph (C)—

(i) by striking “75 days” and inserting “135 days”; and

(ii) by striking “75-day period” and inserting “135-day period”;

(2) by striking paragraph (2) and inserting the following:

“(2) PREVIOUS LEASE.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).”; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”; and

(B) by adding at the end the following:

“(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

“(i) in consultation with the State Conservationist of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

“(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.”.

SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking “25 percent” and inserting “30 percent”.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

“(B) EXCEPTIONS.—The term ‘debt forgiveness’ does not include—

“(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

“(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.”.

SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

“(A) $750,000,000 shall be for direct loans, of which—

“(i) $200,000,000 shall be for farm ownership loans under subtitle A; and

“(ii) $550,000,000 shall be for operating loans under subtitle B; and

“(B) $3,000,000,000 shall be for guaranteed loans, of which—

“(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

“(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B.”; and

(B) in paragraph (2)(A)(ii), by striking “farmers and ranchers” and all that follows and inserting “farmers and ranchers 35 percent for each of fiscal years 2002 through 2006.”; and

(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking “PROGRAM.—” and all that follows through “The Secretary” and inserting “PROGRAM.—The Secretary”; and

(B) by striking paragraph (2);

(2) by striking subsection (c) and inserting the following:

“(c) AMOUNT OF INTEREST RATE REDUCTION.—

“(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

“(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

“(B) in the case of a beginning farmer or rancher, 4 percent.

“(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.”; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

“(2) MAXIMUM AMOUNT OF FUNDS.—

“(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

“(B) BEGINNING FARMERS AND RANCHERS.—

“(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

“(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.”.

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

“(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

“(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the agreement (as determined by the Secretary in accordance with this section), a borrower may satisfy the obligation to pay the amount of recapture by—

“(i) financing the recapture payment in accordance with subparagraph (B); or

“(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

“(B) FINANCING OF RECAPTURE PAYMENT.—”; and

(4) by adding at the end the following:

“(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

“(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

“(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

“(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

“(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.”.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

“(f) WAIVERS.—

“(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

“(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.”.

SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking “biannual” and inserting “annual”.

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) Other System Banks; Associations.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking "3.11(11)(B)(iv)" and inserting "3.11(11)(B)(iii)"; and

(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking "farm supplies" each place it appears and inserting "agricultural supplies"; and

(2) by adding at the end the following:

"(4) Definition of agricultural supply.—In this subsection, the term 'agricultural supply' includes—

"(A) a farm supply; and

"(B)(i) agriculture-related processing equipment;

"(ii) agriculture-related machinery; and

"(iii) other capital-related goods related to the storage or handling of agricultural commodities or products.".

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) Reduction in Premiums for GSE-Guaranteed Loans.—

(1) In general.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking "government-guaranteed loans provided for in subparagraph (C)" and inserting "loans provided for in subparagraphs (C) and (D)";

(II) in subparagraph (B), by striking "and" at the end;

(III) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following:

"(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation."; and

(ii) by adding at the end the following:

"(4) Definition of government sponsored enterprise-guaranteed loan.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System."; and

(B) in subsection (e)(4)(B), by striking "government-guaranteed loans described in subsection (a)(1)(C)" and inserting "loans described in subparagraph (C) or (D) of subsection (a)(1)".

(2) Conforming amendments.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)" after "government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)";

(ii) in paragraph (2), by striking "and" at the end;

(iii) in paragraph (3), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by the factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5(a)) is amended—

(i) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))" after "government-guaranteed loans";

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

"(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;".

(b) Effective Date.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-2(b)) is amended—

(1) in paragraph (2)—

(A) by striking "15" and inserting "17";

(B) in subparagraph (A), by striking "common stock" and all that follows and inserting "Class A voting common stock;";

(C) in subparagraph (B), by striking "common stock" and all that follows and inserting "Class B voting common stock;";

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

"(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and";

(2) in paragraph (3), by striking "(2)(C)" and inserting "(2)(D)";

(3) in paragraph (4)—

(A) in subparagraph (A), by striking "(A) or (B)" and inserting "(A), (B), or (C)"; and

(B) in subparagraph (B), by striking "(2)(C)" and inserting "(2)(D)";

(4) in paragraph (5)(A)—

(A) by inserting "executive officers of the Corporation or" after "from among persons who are"; and

(B) by striking "such a representative" and inserting "such an executive officer or representative";

(5) in paragraph (6)(B), by striking "(A) and (B)" and inserting "(A), (B), and (C)";

(6) in paragraph (7), by striking "8 members" and inserting "Nine members";

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting "OR EXECUTIVE OFFICERS OF THE CORPORATION" after "EMPLOYEES"; and

(B) by inserting "or executive officers of the Corporation" after "United States"; and

(8) by striking paragraph (9) and inserting the following:

"(9) Chairperson.—

"(A) Election.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

"(B) Term.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).".

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking "This subsection" and inserting the following:

"(A) In general.—Except as provided in subparagraph (B), this subsection"; and

(2) by adding at the end the following:

"(B) Agricultural credit decisions.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).".

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking "Disaster Relief and Emergency Assistance Act" each place it appears and inserting "Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)".

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking "provided for in section 332 of this title".

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking "established pursuant to section 332,".

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking "established pursuant to section 332".

SEC. 553. EFFECT OF AMENDMENTS.

(a) In General.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a farm credit program for any of the 1996 through 2001 fiscal years under a provision of law in effect immediately before the enactment of this Act.

(b) Liability.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the enactment of this Act.

SEC. 554. EFFECTIVE DATE.

(a) In General.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) Board of Directors of the Federal Agricultural Mortgage Corporation.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106-553) is amended by adding at the end the following: "In addition, a total of $200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.".

SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) ESTABLISHMENT AND PURPOSES.—

"(A) IN GENERAL.—In each of fiscal years 2002 through 2011, the Secretary shall award competitive grants—

"(i) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

"(I) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

"(II) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

"(ii) to public bodies, institutions of higher learning, and trade associations to assist such entities—

"(I) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

"(II) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.

"(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $50,000,000 for each of fiscal years 2002 through 2011.";

(2) by striking "producer" each place it appears thereafter and inserting "grantee"; and

(3) in the heading for paragraph (3), by striking "PRODUCER" and inserting "GRANTEE".

SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the "Secretary") shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agricultural Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than $5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than $50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than $5,000,000 for fiscal year 2002; and

(2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) DEPARTMENT OF AGRICULTURE.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) $30,000,000 for each of fiscal years 2002 though 2011.

(b) EXTENSION OF PROGRAM.—Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking "2002" and inserting "2011".

(c) MISCELLANEOUS AMENDMENTS.—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking "emergency";

(2) in subsection (a)(1)—

(A) by striking "after" and inserting "when"; and

(B) by inserting "is imminent" after "communities"; and

(3) in subsection (c), by striking "shall—" and all that follows and inserting "shall be a public or private nonprofit entity.".

SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding after and below the end the following:

"(b) LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).".

SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting "and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation" after "solar energy systems".

SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking "2002" and inserting "2011".

SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking "and 2002" and inserting "through 2011".

SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking "2002" and inserting "2011".

SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking "fiscal year 2002" and inserting "each of the fiscal years 2002 through 2011".

SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking "2002" and inserting "2011".

SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking "$25,000,000" and inserting "$100,000,000".

SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture (in this section referred to as the "Secretary") shall, on a competitive basis, select States in which to implement strategic regional development plans developed under this subsection.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) LIMITATION.—The Secretary shall not make a grant under this subsection in an amount that exceeds $150,000.

(3) FUNDING.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for each of fiscal years 2002 through 2011 the total obtained by adding—

(i) $2,000,000; and

(ii) $\frac{2}{13}$ of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) STRATEGIC PLANNING IMPLEMENTATION.—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $13,000,000 of the funds of the Commodity Credit Corporation, plus $\frac{11}{13}$ of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section, in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1949) is amended by inserting after section 306D the following:

"SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

"(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

"(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

"(c) USE OF FUNDS.—A grant made under this section may be—

"(1) used, or invested to provide income to be used, to carry out subsection (b); and

"(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

"(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009–2009n) is amended by adding at the end the following:

"SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

"(a) RURAL AREA DEFINED.—In this section, the term 'rural area' means such areas as the Secretary may determine.

"(b) ESTABLISHMENT.—There is established a National Rural Development Partnership (in this section referred to as the 'Partnership'), which shall be composed of—

"(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

"(2) State rural development councils established in accordance with subsection (d).

"(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

"(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

"(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

"(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

"(C) national public interest groups; and

"(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

"(2) FUNCTIONS.—The Coordinating Committee may—

"(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

"(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

"(d) STATE RURAL DEVELOPMENT COUNCILS.—

"(1) COMPOSITION.—A State rural development council may—

"(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

"(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

"(2) FUNCTIONS.—A State rural development council may—

"(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

"(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

"(e) Administration of the Partnership.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

"(f) Termination.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.".

SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: "The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.".

SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

(a) In General.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) Use of Funds.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) Limitations on Authorization of Appropriations.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER COOPERATIVE SEEKING TO MODERNIZE OR EXPAND.

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking "start-up" and all that follows and inserting "capital stock of a farmer cooperative established for an agricultural purpose.".

SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

"(h) Intangible Assets and Subordinated Unsecured Debt Required To Be Considered in Determining Eligibility of Farmer-Owned Cooperative for Business and Industry Guaranteed Loan.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.".

SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED; REFINANCING.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

"(i) Special Rules Applicable to Farmer Cooperatives Under the Business and Industry Loan Program.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.

"(j) Refinancing.—A cooperative organization owned by farmers that is eligible to receive a business or industry guaranteed loan under subsection (a) shall be eligible to refinance an existing loan with the same lender or a new lender if—

"(1) the original loan—

"(A) is current and performing; and

"(B) is not in default; and

"(2) the cooperative organization has adequate security or collateral (including tangible and intangible assets).".

SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking "aggregating not to exceed $590,000,000 in any fiscal year".

SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) Limitations on Authorization of Appropriations.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) Limitations on Authorization of Appropriations.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

SEC. 624. DELTA REGIONAL AUTHORITY.

Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking "2002" and inserting "2011".

SEC. 625. PREDEVELOPMENT AND SMALL CAPITALIZATION LOAN FUND.

The Secretary of Agriculture may make grants to private, nonprofit, multi-State rural community assistance programs to capitalize revolving funds for the purpose of financing eligible projects of predevelopment, repair, and improvement costs of existing water and wastewater systems. Financing provided using funds appropriated to carry out this program may not exceed $300,000.

SEC. 626. RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM.

The Secretary of Agriculture may use an additional source of funding for economic development programs administered by the Department of Agriculture through guaranteeing fees on guarantees of bonds and notes issued by cooperative lenders for electricity and telecommunications purposes.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 700. MARKET EXPANSION RESEARCH.

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking "1990" and inserting "2011".

SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "2002" and inserting "2011".

SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417(l) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is amended by striking "2002" and inserting "2011".

SEC. 703. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking "2002" and inserting "2011".

SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking "2002" and inserting "2011".

SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking "2002" and inserting "2011".

SEC. 706. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "2002" and inserting "2011".

SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking "2002" and inserting "2011".

SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking "2002" and inserting "2011".

SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "2002" and inserting "2011".

SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking "2002" each place it appears and inserting "2011".

SEC. 711. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking "2002" and inserting "2011".

SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking "2002" and inserting "2011".

SEC. 713. UNIVERSITY RESEARCH.

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking "2002" each place it appears and inserting "2011".

SEC. 714. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "2002" and inserting "2011".

SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking "2002" and inserting "2011".

SEC. 716. AGRICULTURE RESEARCH FACILITIES.

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking "2002" and inserting "2011".

SEC. 717. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "2002" and inserting "2011".

SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "2002" and inserting "2011".

SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking "2002" and inserting "2011".

SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking "2002" and inserting "2011".

SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "2002" and inserting "2011".

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking "2002" and inserting "2011".

(b) CAPITALIZATION.—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking "2002" and inserting "2011".

SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking "2002" and inserting "2011".

SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking "2002" and inserting "2011".

SEC. 725. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking "2001" and inserting "2011".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking "2002" and inserting "2011".

SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking "2002" and inserting "2011".

SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) GENERALLY.—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "2000" and inserting "2011".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 535(c) of such Act is amended by striking "2000" and inserting "2011".

SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "2002" and inserting "2011".

SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "$4,600,000" and all that follows through the period and inserting "such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.".

SEC. 730. PRECISION AGRICULTURE.

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking "2002" and inserting "2011".

SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking "2002" and inserting "2011".

SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking "2002" and inserting "2011".

SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking "2002" and inserting "2011".

SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2002" and inserting "2011".

SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "2002" and inserting "2011".

SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking "2005" and inserting "2011"; and

(2) in section 310, by striking "2005" and inserting "2011".

SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking "2002" and inserting "2011".

SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking "2002" and inserting "2011".

SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking "2002" and inserting "2011".

SEC. 740. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act"; 7 U.S.C. 473a) is amended by striking "2002" and inserting "2011".

SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "2002" and inserting "2011".

SEC. 740B. PRIVATE NONINDUSTRIAL HARDWOOD RESEARCH PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program to provide competitive grants to producers to be used for basic hardwood research projects directed at—

(1) improving timber management techniques;

(2) increasing timber production;

(3) expanding genetic research; and

(4) addressing invasive and endangered species.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

Subtitle B—Modifications

SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "$50,000" and inserting "$100,000".

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking "section 390(3)" and all that follows through "1998)" and inserting "section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978)".

(c) Accreditation.—Section 533(a)(3) of such Act is amended by striking "under sections 534 and 535" and inserting "under sections 534, 535, and 536".

(d) 1994 Institutions.—Section 532 of such Act is amended by striking paragraphs (1) through (30) and inserting the following:

"(1) Bay Mills Community College.

"(2) Blackfeet Community College.

"(3) Cankdeska Cikana Community College.

"(4) College of Menominee Nation.

"(5) Crownpoint Institute of Technology.

"(6) D-Q University.

"(7) Diné College.

"(8) Dull Knife Memorial College.

"(9) Fond du Lac Tribal and Community College.

"(10) Fort Belknap College.

"(11) Fort Berthold Community College.

"(12) Fort Peck Community College.

"(13) Haskell Indian Nations University.

"(14) Institute of American Indian and Alaska Native Culture and Arts Development.

"(15) Lac Courte Oreilles Ojibwa Community College.

"(16) Leech Lake Tribal College.

"(17) Little Big Horn College.

"(18) Little Priest Tribal College.

"(19) Nebraska Indian Community College.

"(20) Northwest Indian College.

"(21) Oglala Lakota College.

"(22) Salish Kootenai College.

"(23) Sinte Gleska University.

"(24) Sisseton Wahpeton Community College.

"(25) Si Tanka/Huron University.

"(26) Sitting Bull College.

"(27) Southwestern Indian Polytechnic Institute.

"(28) Stone Child College.

"(29) Turtle Mountain Community College.

"(30) United Tribes Technical College.".

SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting ", or"; and

(2) by adding at the end the following: "(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).".

SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) Priority Mission Areas.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(G) alternative fuels and renewable energy sources.".

(b) Precision Agriculture.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting "(including improved use of energy inputs)" after "farm production efficiencies"; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) Improve on farm energy use efficiencies.".

(c) Thomas Jefferson Initiative for Crop Diversification.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking "and marketing" and inserting ", marketing, and efficient use".

(d) Coordinated Program of Research, Extension, and Education To Improve Viability of Small- and Medium-Size Dairy, Livestock, and Poultry Operations.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting "(including improved use of energy inputs)" after "poultry systems that increase efficiencies".

(e) Support for Research Regarding Diseases of Wheat, Triticale, and Barley Caused by Fusarium Graminearum or by Tilletia Indica.—

(1) Research grant authorized.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

"(a) Research Grant Authorized.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').".

(2) Research components.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting "or of Karnal bunt," after "epidemiology of wheat scab";

(B) in paragraph (1), by inserting ", triticale," after "occurring in wheat";

(C) in paragraph (2), by inserting "or Karnal bunt" after "wheat scab";

(D) in paragraph (3)(A), by striking "and barley for the presence of" and inserting ", triticale, and barley for the presence of Karnal bunt or of";

(E) in paragraph (3)(B), by striking "and barley infected with wheat scab" and inserting ", triticale, and barley infected with wheat scab or with Karnal bunt";

(F) in paragraph (3)(C), by inserting "wheat scab" after "to render";

(G) in paragraph (4), by striking "and barley to wheat scab" and inserting ", triticale, and barley to wheat scab and to Karnal bunt"; and

(H) in paragraph (5)—

(i) by inserting "and Karnal bunt" after "wheat scab"; and

(ii) by inserting ", triticale," after "resistant wheat".

(3) Communications networks.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting "or Karnal bunt" after "wheat scab".

(4) Technical amendments.—(A) The section heading for section 408 of such Act is amended by striking "**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**" and inserting "**, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**".

(B) The table of sections for such Act is amended by striking "and barley caused by fusarium graminearum" in the item relating to section 408 and inserting ", triticale, and barley caused by Fusarium graminearum or by Tilletia indica".

(f) Program To Control Johne's Disease.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

"SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

"(a) Establishment.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

"(b) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.".

SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.

(a) Agricultural Genome Initiative.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting "pathogens and" before "diseases causing economic hardship";

(2) in paragraph (6), by striking "and" at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

"(7) reducing the economic impact of plant pathogens on commercially important crop plants; and".

(b) High-Priority Research and Extension Initiatives.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

"(25) Research to protect the United States food supply and agriculture from bioterrorism.—Research grants may be made under this section for the purpose of developing technologies, which support the capability to deal with the threat of agricultural bioterrorism.

"(26) Wind erosion research and extension.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

"(27) Crop loss research and extension.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

"(28) Land use management research and extension.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

"(29) Water and air quality research and extension.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

"(30) Revenue and insurance tools research and extension.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

"(31) Agrotourism research and extension.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

"(32) Harvesting productivity for fruits and vegetables.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

"(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

"(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

"(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

"(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

"(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.".

SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

"(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.";.

(2) in subsection (c)(1), by striking "and land-grant colleges and universities" and inserting ", land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate";

(3) in subsection (d)(1), inserting "consult with any appropriate agencies of the Department of Agriculture and" after "the Advisory Board shall"; and

(4) in subsection (b)(1), by striking "30 members" and inserting "31 members".

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting "and animal fats and oils" after "industrial oilseed crops"; and

(2) in subsection (a)(4), by inserting "or triglycerides" after "other industrial hydrocarbons".

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.".

SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624.note) is amended—

(1) in section 302(3), by inserting "or biodiesel" after "such as ethanol";

(2) in section 303(3), by inserting "animal byproducts," after "fibers,"; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

(B) by inserting after subparagraph (D) the following new subparagraph:

"(E) an individual affiliated with a livestock trade association;".

SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

"SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

"(a) PURPOSE.—It is the purpose of this section—

"(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

"(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

"(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

"(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

"(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

"(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

"(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

"(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

"(5) Other areas of research designed to further the purposes of this section.

"(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

"(1) made on the basis of the quality of the proposed research project; and

"(2) available to any public or private research or educational institution or organization.

"(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

"(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

"(g) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

"(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least 3 percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.".

SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

"(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.".

SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

"(c) Matching Formula.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007."; and

(2) by amending subsection (d) to read as follows:

"(d) Waiver Authority.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.".

SEC..749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.

(a) Research Matching Requirement.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking "the same matching funds" and all that follows through the end of the sentence and inserting "matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.".

(b) Extension Matching Requirement.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking "the same matching funds" and all that follows through the end of the sentence and inserting "matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.".

SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) Funding.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

"(1) In general.—

"(A) Total amount to be transferred.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.

"(B) Equal amounts.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

"(C) Availability of funds.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.".

(b) Availability of Funds.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

"(6) Availability of funds.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.".

SEC. 751. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking "Of the amount" and all that follows through "to provide" and inserting "To the extent funds are made available for this purpose, the Secretary shall provide";

(2) in subsection (d), by striking "under subsection (a)" and inserting "for this section"; and

(3) by adding at the end the following new subsection:

"(e) Authorization of Appropriations.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.".

SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

"(3) Food and agricultural sciences.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).".

SEC. 753. FEDERAL EXTENSION SERVICE.

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking "$5,000,000" and inserting "such sums as are necessary".

SEC. 754. POLICY RESEARCH CENTERS.

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking "collect and analyze data" and inserting "collect, analyze, and disseminate data".

SEC. 755. ANIMALS USED IN RESEARCH.

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by inserting "birds, rats of the genus *Rattus*, and mice of the genus *Mus*, that are bred for use in research, and" after "excludes".

Subtitle C—Related Matters

SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.

(a) Purpose.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as "eligible institutions") by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) Grants.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) Use of Grant Funds.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) Grant Requirements.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) Review of Payment of Compensation.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: "or review by any officer of the Government other than the Secretary or the designee of the Secretary".

(b) Review of Certain Decisions.—

(1) Plant protection act.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

"(f) Secretarial Discretion.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.".

(2) Other plant and animal pest and disease laws.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the "Animal Industry Act") and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: "The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.".

(c) Methyl Bromide.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

"SEC. 419. METHYL BROMIDE.

"(a) In General.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

"(b) Administration.—

"(1) Timeline for determination.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

"(2) Regulations.—The promulgation of regulations for and the administration of this section shall be made without regard to—

"(A) the notice and comment provisions of section 553 of title 5, United States Code;

"(B) the Statement of Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 13804; relating to notices of proposed rulemaking and public participation in rulemaking); and

"(C) chapter 35 of title 44, United States Code (commonly known as the 'Paperwork Reduction Act').

"(c) Registry.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.".

SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.

(a) Grant Program.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) Partnerships.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) Competitive Award.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) Use of Funds.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) Funding Source.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use $5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

Subtitle D—Repeal of Certain Activities and Authorities

SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) Repeal.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) Conforming Amendments.—

(1) Generally.—Section 615 of such Act is amended—

(A) in the section heading, by striking "and national conference";

(B) by striking "(a) Food Safety Research Information Office.—";

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking "this subsection" and inserting "this section".

(2) Table of sections.—The table of sections for such Act is amended by striking "and National Conference" in the item relating to section 615.

SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) Repeal.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) Conforming Amendment.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking "take into" and all that follows through "Weather and".

SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

SEC. 776. PESTICIDE RESISTANCE STUDY.

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

SEC. 777. EXPANSION OF EDUCATION STUDY.

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

SEC. 778. SUPPORT FOR ADVISORY BOARD.

(a) Repeal.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) Conforming Amendment.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking "section 1412 of this title and".

SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) Repeal.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) Conforming Amendment.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

Subtitle E—Agriculture Facility Protection

SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.

(a) Definitions.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

"SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

"(a) Definitions.—For the purposes of this section, the following definitions apply:

"(1) Animal or agricultural enterprise.—The term 'animal or agricultural enterprise' means any of the following:

"(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

"(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

"(C) A fair or similar event intended to advance agricultural arts and sciences.

"(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

"(2) Economic damage.—The term 'economic damage' means the replacement of the following:

"(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

"(B) The cost of repeating an interrupted or invalidated experiment.

"(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

"(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

"(3) Property of an animal or agricultural enterprise.—The term 'property of an animal or agricultural enterprise' means real and personal property of or used by any of the following:

"(A) An animal or agricultural enterprise.

"(B) An employee of an animal or agricultural enterprise.

"(C) A student attending an academic animal or agricultural enterprise.

"(4) Disruption.—The term 'disruption' does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

``(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

``(c) ASSESSMENT OF CIVIL PENALTY.—

``(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

``(2) RECOVERY OF DEPARTMENT COSTS.—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

``(3) RECOVERY OF ECONOMIC DAMAGE.—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

``(d) IDENTIFICATION.—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

``(e) OTHER FACTORS IN DETERMINING PENALTY.— In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

``(1) The nature, circum.tance, extent, and gravity of the violation or violations.

``(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

``(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

``(4) Whether the violator has previously violated subsection (a).

``(5) The violator's degree of culpability.

``(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

``(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

``(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).''.

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

(b) PURPOSE.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

"SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

``(a) ESTABLISHMENT.—

``(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the 'Program') for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

``(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

``(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

``(b) PROGRAM OBJECTIVES.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

``(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

``(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

``(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

``(4) Increase and enhance carbon sequestration opportunities.

``(5) Enhance implementation of agroforestry practices.

``(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

``(c) ELIGIBILITY.—

``(1) IN GENERAL.—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

``(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

``(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

``(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

``(2) STATE PRIORITIES.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

``(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

``(d) APPROVED ACTIVITIES.—

``(1) DEVELOPMENT.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

"(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

"(A) The sustainable growth and management of forests for timber production.

"(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

"(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

"(D) Energy conservation and carbon sequestration purposes.

"(E) Habitat for flora and fauna.

"(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

"(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

"(H) The development of forest or stand management plans.

"(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

"(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

"(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

"(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

"(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

"(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

"(g) RECAPTURE.—

"(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

"(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

"(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

"(1) the total acreage of nonindustrial private forest land in each State;

"(2) the potential productivity of such land;

"(3) the number of owners eligible for cost sharing in each State;

"(4) the opportunities to enhance non-timber resources on such forest lands;

"(5) the anticipated demand for timber and nontimber resources in each State;

"(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

"(7) the need and demand for agroforestry practices in each State.

"(i) DEFINITIONS.—In this section:

"(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

"(A) have existing tree cover or are suitable for growing trees; and

"(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

"(2) OWNER.—The term 'owner' includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.

"(j) AVAILABILITY OF FUNDS.—The Secretary shall use $200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.".

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking "forestry incentive program" and inserting "Forest Land Enhancement Program".

SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking "$15,000,000" and inserting "$30,000,000"; and

(2) by striking "2002" and inserting "2011".

(b) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following new section:

"SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

"The Secretary shall establish a program to be known as the 'Sustainable Forestry Outreach Initiative' for the purpose of educating landowners regarding the following:

"(1) The value and benefits of practicing sustainable forestry.

"(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

"(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.".

SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) These wildfires threaten not only the nation's forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

"SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

"(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

"(1) Aid in wildfire prevention and control.

"(2) Protect communities from wildfire threats.

"(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

"(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

"(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

"(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the 'Program')—

"(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

"(B) to augment Federal projects that establish landscape level protection from wildfires;

"(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

"(D) to establish defensible space around private landowners homes and property against wildfires.

"(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through the State forester or equivalent State official.

"(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

"(A) fuel hazard mitigation and prevention;

"(B) invasive species management;

"(C) multi-resource wildfire planning;

"(D) community protection planning;

"(E) community and landowner education enterprises, including the program known as FIREWISE;

"(F) market development and expansion;

"(G) improved wood utilization;

"(H) special restoration projects.

"(4) Considerations.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

"(c) Authorization of Appropriations.—There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.".

SEC. 805. INTERNATIONAL FORESTRY PROGRAM.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101–624; 7 U.S.C. 6704(d)) is amended by striking "2002" and inserting "2011".

SEC. 806. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) Findings.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as a value-added outlet for excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) Definitions.—In this section:

(1) Biomass-to-energy facility.—The term "biomass-to-energy facility" means a facility that uses biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

(2) Eligible community.—The term "eligible community" means—

(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

(i) has a population of not more than 10,000 individuals;

(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

(iii) is located near forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

(I) a forest ecosystem;

(II) wildlife; or

(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

(3) Forest biomass.—The term "forest biomass" means fuel and biomass accumulation from precommercial thinnings, slash, and brush on forest land of the United States.

(4) Hazardous fuel.—

(A) In general.—The term "hazardous fuel" means any excessive accumulation of organic material on public and private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000, or that is designated as condition class 3 under that report) that the Secretary determines poses a substantial present or potential hazard to the safety of—

(i) a forest ecosystem;

(ii) wildlife; or

(iii) in the case of wildfire, human, community, or firefighter safety, in a year in which drought conditions are present.

(B) Exclusion.—The term "hazardous fuel" does not include forest biomass.

(5) Indian tribe.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) Secretary.—The term "Secretary" means—

(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

(c) Hazardous Fuel Grant Program.—

(1) Grants.—

(A) In general.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

(B) Selection criteria.—The Secretary shall select recipients for grants under subparagraph (A) based on—

(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

(2) Grant amounts.—

(A) In general.—A grant under this subsection shall—

(i) be based on—

(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

(II) the cost of removal of hazardous fuels; and

(ii) be in an amount that is at least equal to the product obtained by multiplying—

(I) the number of tons of hazardous fuels delivered to a grant recipient; by

(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

(B) Limitation on individual grants.—

(i) In general.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any year.

(ii) Small biomass-to-energy facilities.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

(3) Monitoring of grant recipient activities.—

(A) In general.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

(i) completely and accurately disclose the use of grant funds; and

(ii) describe all transactions involved in the purchase of hazardous fuels derived from forest land.

(B) Access.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases hazardous fuels, or uses hazardous fuels purchased, with funds from a grant under this subsection shall provide the Secretary with—

(i) reasonable access to the biomass-to-facility; and

(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

(4) Monitoring of effect of treatments.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

(5) Authorization of appropriations.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each fiscal year.

(d) Long-Term Forest Stewardship Contracts for Hazardous Fuels Removal.—

(1) Annual assessment of treatment acreage.—

(A) In general.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary shall submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

(B) Components.—The assessment shall—

(i) be based on the treatment schedules contained in the report entitled 'Protecting People and Sustaining Resources in Fire-Adapted Ecosystems', dated October 13, 2000 and incorporated into the National Fire Plan;

(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), include modifications in the restoration goals based on the effects of—

(I) fire;

(II) hazardous fuel treatments under the National Fire Plan; or

(III) updates in data;

(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

(v) describe the land allocation categories in which the contract authorities shall be used; and

(vi) give priority to areas described in subsection (a)(4)(A).

(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan would best be accomplished through forest stewardship end result contracting.

(3) STEWARDSHIP END RESULT CONTRACTING.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan on National Forest System land based on the stewardship treatment schedules provided in the annual assessments conducted under paragraph (1).

(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the 'Stewardship End Result Contracting Demonstration Project') (16 U.S.C. 2104 note; Public Law 105-277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall be 10 years.

(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(e) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.

SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Cooperative Forestry Act.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 903. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $50,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 904. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE ORCHARDIST.—The term "eligible orchardist" means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees.

(2) NATURAL DISASTER.—The term "natural disaster" includes plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other occurrences, as determined by the Secretary.

(3) TREE.—The term "tree" includes trees, bushes, and vines.

Subtitle B—Other Matters

SEC. 921. BIOENERGY PROGRAM.

Notwithstanding any limitations in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) or part 1424 of title 7, Code of Federal Regulations, the Commodity Credit Corporation shall designate animal fats, agricultural byproducts, and oils as eligible agricultural commodities for use in the Bioenergy Program to promote industrial consumption of agricultural commodities for the production of ethanol and biodiesel fuels.

SEC. 922. AVAILABILITY OF SECTION 32 FUNDS.

The 2d undesignated paragraph of section 32 of the Act of August 24, 1935 (Public Law 320; 49 Stat. 774; 7 U.S.C. 612c), is amended by striking "$300,000,000" and inserting "$500,000,000".

SEC. 923. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—For each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall use $15,000,000 of the funds available to the Commodity Credit Corporation to carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.— The purposes of the seniors farmers' market nutrition program are—

(1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors;

(2) to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community supported agriculture programs; and

(3) to develop or aid in the development of new and additional farmers' markets, roadside stands, and community supported agriculture programs.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program.

SEC. 924. DEPARTMENT OF AGRICULTURE AUTHORITIES REGARDING CANEBERRIES.

(a) AUTHORITY FOR MARKETING ORDER AND RESEARCH AND PROMOTION ORDER.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)—

(A) in paragraph (A), by inserting "caneberries (including raspberries, blackberries, and logenberries)," after "other than pears, olives, grapefruit,"; and

(B) in the second sentence, by inserting "caneberries (including raspberries, blackberries, and logenberries)," after "effective as to cherries, apples,"; and

(2) in subsection (6)(I), by inserting "caneberries (including raspberries, blackberries, and logenberries)" after "tomatoes,".

(b) AUTHORITY WITH RESPECT TO IMPORTS.—Section 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended by inserting "caneberries (including raspberries, blackberries, and logenberries)," after "pistachios,".

SEC. 925. NATIONAL APPEALS DIVISION.

Section 278 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998) is amended by adding at the end the following new subsection:

"(f) FINALITY OF CERTAIN APPEAL DECISIONS.—If an appellant prevails at the regional level in an administrative appeal of a decision by the Division, the agency may not pursue an administrative appeal of that decision to the national level.".

SEC. 926. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended to read as follows:

"(a) OUTREACH AND ASSISTANCE.—

"(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the 'Secretary') shall provide outreach and technical assistance programs specifically to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs. This assistance, which should enhance coordination and make more effective the outreach, technical assistance, and education efforts authorized in specific agriculture programs, shall include information and assistance on commodity, conservation, credit, rural, and business development programs, application and bidding procedures, farm and risk management, marketing, and other essential information to participate in agricultural and other programs of the Department.

"(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities:

"(A) Any community-based organization, network, or coalition of community-based organizations that—

"(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

"(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the 2 years preceding its application for assistance under this section; and

"(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

"(B) 1890 Land-Grant Colleges, including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

"(C) Federally recognized tribes and national tribal organizations with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

"(3) Funding.—There are authorized to be appropriated $25,000,000 for each fiscal year to make grants and enter into contracts and other agreements with the entities described in paragraph (2) and to otherwise carry out the purposes of this subsection.".

SEC. 927. EQUAL TREATMENT OF POTATOES AND SWEET POTATOES.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended by striking "and potatoes" and inserting ", potatoes, and sweet potatoes".

SEC. 928. REFERENCE TO SEA GRASS AND SEA OATS AS CROPS COVERED BY NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)(B)) is amended by inserting "sea grass and sea oats," after "fish),".

SEC. 929. ASSISTANCE FOR LIVESTOCK PRODUCERS.

(a) Availability of Assistance.—In such amounts as are provided in advance in appropriation Acts, the Secretary may provide assistance to dairy and other livestock producers to cover economic losses incurred by such producers in connection with the production of livestock.

(b) Types of Assistance.—The assistance provided to livestock producers may be in the form of—

(1) indemnity payments to livestock producers who incur livestock mortality losses;

(2) livestock feed assistance to livestock producers affected by shortages of feed;

(3) compensation for sudden increases in production costs; and

(4) such other assistance, and for such other economic losses, as the Secretary considers appropriate.

(c) Limitations.—Notwithstanding section 181(a), the Secretary may not use the funds of the Commodity Credit Corporation to provide assistance under this section.

(d) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

SEC. 930. COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) Compliance With Buy American Act.—No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or other person or entity unless the producer, person, or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) Sense of Congress.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) Notice to Recipients of Funds.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

SEC. 931. REPORT REGARDING GENETICALLY ENGINEERED FOODS.

(a) In General.—Not later than 1 year after funds are made available to carry out this section, the Secretary of Agriculture, acting through the National Academy of Sciences, shall complete and transmit to Congress a report that includes recommendations for the following:

(1) Data and tests.—The type of data and tests that are needed to sufficiently assess and evaluate human health risks from the consumption of genetically engineered foods.

(2) Monitoring system.—The type of Federal monitoring system that should be created to assess any future human health consequences from long-term consumption of genetically engineered foods.

(3) Regulations.—A Federal regulatory structure to approve genetically engineered foods that are safe for human consumption.

(b) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary of Agriculture $500,000 to carry out this section.

SEC. 932. MARKET NAME FOR PANGASIUS FISH SPECIES.

The term "catfish" may not be considered to be a common or usual name (or part thereof) for the fish Pangasius bocourti, or for any other fish not classified within the family Ictalariidae, for purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. 933. PROGRAM OF PUBLIC EDUCATION REGARDING USE OF BIOTECHNOLOGY IN PRODUCING FOOD FOR HUMAN CONSUMPTION.

(a) Public Information Campaign.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall develop and implement a program to communicate with the public regarding the use of biotechnology in producing food for human consumption. The information provided under the program shall include the following:

(1) Science-based evidence on the safety of foods produced with biotechnology.

(2) Scientific data on the human outcomes of the use of biotechnology to produce food for human consumption.

(b) Authorization of Appropriations.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 934. GAO STUDY.

(a) In General.—The Comptroller General shall conduct a study and make findings and recommendations with respect to determining how producer income would be affected by updating yield bases, including—

(1) whether crop yields have increased over the past 20 years for both program crops and oilseeds;

(2) whether program payments would be disbursed differently in this Act if yield bases were updated;

(3) what impact this Act's target prices with updated yield bases would have on producer income; and

(4) what impact lower target prices with updated yield bases would have on producer income compared to this Act.

(b) Report.—The Comptroller General shall submit a report to Congress on the study, findings, and recommendations required by subsection (a), not later than 6 months after the date of the enactment of this Act.

SEC. 935. INTERAGENCY TASK FORCE ON AGRICULTURAL COMPETITION.

(a) Appointment.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall establish an Interagency Task Force on Agricultural Competition (in this section referred to as the "Task Force") and, after consultation with the Attorney General, shall appoint as members of the Task Force such nine employees of the Department of Agriculture and the Department of Justice as the Secretary considers to be appropriate. The Secretary shall designate one member of the Task Force to serve as chairperson of the Task Force.

(b) Hearings.—The Task Force shall conduct hearings to review the lessening of competition among purchasers of livestock, poultry, and unprocessed agricultural commodities in the United States and shall include in such hearings review of the following matters:

(1) The enforcement of particular Federal laws relating to competition.

(2) The concentration and vertical integration of the business operations of such purchasers.

(3) Discrimination and transparency in prices paid by such purchasers to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(4) The economic protection and bargaining rights of producers who raise livestock and poultry under contracts.

(5) Marketing innovations and alternatives available to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(c) Report.—Not later than 1 year after the last member of the Task Force is appointed, the Task Force shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the findings and recommendations of the Task Force for appropriate administrative and legislative action.

SEC. 936. AUTHORIZATION FOR ADDITIONAL STAFF AND FUNDING FOR THE GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION.

There are authorized to be appropriated such sums as are necessary to enhance the capability of the Grain Inspection, Packers and Stockyards Administration to monitor, investigate, and pursue the competitive implications of structural changes in the meat packing industry. Sums are specifically earmarked to hire litigating attorneys to allow the Grain Inspection, Packers and Stockyards Administration to more comprehensively and effectively pursue its enforcement activities.

SEC. 937. ENFORCEMENT OF THE HUMANE METHODS OF SLAUGHTER ACT OF 1958.

(a) Findings.—Congress finds as follows:

(1) Public demand for passage of Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the “Humane Methods of Slaughter Act of 1958”) was so great that when President Eisenhower was asked at a press conference if he would sign the bill, he replied, “If I went by mail, I'd think no one was interested in anything but humane slaughter”.

(2) The Humane Methods of Slaughter Act of 1958 requires that animals be rendered insensible to pain when they are slaughtered.

(3) Scientific evidence indicates that treating animals humanely results in tangible economic benefits.

(4) The United States Animal Health Association passed a resolution at a meeting in October 1998 to encourage strong enforcement of the Humane Methods of Slaughter Act of 1958 and reiterated support for the resolution at a meeting in 2000.

(5) The Secretary of Agriculture is responsible for fully enforcing the Act, including monitoring compliance by the slaughtering industry.

(b) Sense of Congress.—It is the sense of Congress that the Secretary of Agriculture should fully enforce Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the “Humane Methods of Slaughter Act of 1958”) by ensuring that humane methods in the slaughter of livestock—

(1) prevent needless suffering;

(2) result in safer and better working conditions for persons engaged in the slaughtering industry;

(3) bring about improvement of products and economies in slaughtering operations; and

(4) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce.

(c) Policy of the United States.—It is the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods, as provided by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the “Humane Methods of Slaughter Act of 1958”).

SEC. 938. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) Penalties and Foreign Commerce Provisions of the Animal Welfare Act.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting “Penalties.—” after “(e)”;

(B) by striking “$5,000” and inserting “$15,000”; and

(C) by striking “1 year” and inserting “2 years”; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: “or from any State into any foreign country”.

(b) Effective Date.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 939. IMPROVE ADMINISTRATION OF ANIMAL AND PLANT HEALTH INSPECTION SERVICE.

(a) Definitions.—In this section:

(1) Secretary.—The term “Secretary” means the Secretary of Agriculture, acting through the Administrator of the Service.

(2) Service.—The term “Service” means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(b) Exemption.—Notwithstanding any other provision of law, any migratory bird management carried out by the Secretary shall be exempt from the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including regulations).

(c) Permits; Management.—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder or cooperator of the Service; and

(2) manage and take migratory birds.

SEC. 940. RENEWABLE ENERGY RESOURCES.

(a) Environmental Quality Incentives Program.—Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa), as amended by section 231 of this Act, is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4); and

(3) by adding at the end the following:

“(5) assistance to farmers and ranchers for the assessment and development of their on-farm renewable resources, including biomass for the production of power and fuels, wind, and solar.”.

(b) Cooperative State Research, Education, and Extension Service.—The Secretary of Agriculture, through the Cooperative State Research, Education, and Extension Service and, to the extent practicable, in collaboration with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other appropriate entities, may provide education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources, including biomass for the production of power and fuels, wind, solar, and geothermal.

SEC. 941. USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR RURAL DEVELOPMENT PROGRAMS.

Notwithstanding section 104 of this Act, in each of fiscal years 2002 through 2011, the Secretary of Agriculture shall—

(1) reduce the total amount payable under section 104 of this Act, on a pro rata basis, so that the total amount of such reductions equals $100,000,000; and

(2) expend—

(A) $45,000,000 for grants under 306A of the Consolidated Farm and Rural Development Act (relating to the community water assistance grant program);

(B) $45,000,000 for grants under 613 of this Act (relating to the pilot program for development and implementation of strategic regional development plans); and

(C) $10,000,000 for grants under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (relating to value-added agricultural product market development grants).

SEC. 942. STUDY OF NONAMBULATORY LIVESTOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during marketing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2677. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. LUGAR, Mr. JOHNSON, Mr. NELSON of Nebraska, Mr. TORRICELLI, and Mr. WELLSTONE) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 165. PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) Payment Limitations.—

(1) In general.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

“(1) Limitations on direct and counter-cyclical payments.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $75,000.

“(2) Limitations on marketing loan gains, loan deficiency payments, and commodity certificate transactions.—

“(A) In general.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $150,000.

“(B) Payments and benefits.—Subparagraph (A) shall apply to the following payments and benefits:

“(i) Marketing loan gains.—

“(I) Repayment gains.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

“(II) Forfeiture gains.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

“(ii) Loan deficiency payments.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

“(iii) Commodity certificates.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

“(3) Settlement of certain loans.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or

158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

"(4) DEFINITIONS.—In this section and sections 1001A through 1001F:

"(A) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment" means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

"(B) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

"(C) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

"(D) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(5) APPLICATION OF LIMITATION.—

"(A) MARRIED COUPLES.—A married couple is limited to the amount of payments and benefits described in paragraphs (1) and (2), except that a married couple may receive an additional $50,000 in combined benefits, to the extent that the combined benefit does not exceed $275,000 during the fiscal or crop year (as applicable).

"(B) TENANT RULE.—

"(i) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

"(I) 1000 hours; or

"(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

"(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

"(6) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.".

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking "**PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;**" and inserting "**SUBSTANTIVE CHANGE;**";

(B) by striking "(a) PREVENTION" and all that follows through the end of paragraph (2) and inserting the following:

"(a) SUBSTANTIVE CHANGE.—

"(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

"(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.";

(C) in the first sentence of paragraph (3)—

(i) by striking "as a separate person"; and

(ii) by inserting ", as determined by the Secretary" before the period at the end; and

(D) by striking paragraph (4).

(3) ACTIVELY ENGAGED IN FARMING.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).";

(B) in paragraph (2), by adding at the end the following:

"(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

"(i) activities and labor involved in the farming operation; and

"(ii) on-site services that are directly related and necessary to the farming operation.";

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

"(A) LANDOWNERS.—A person that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

"(i)(I) share rents the land to a tenant that is actively engaged in farming; and

"(II) has a share of any payments described in paragraphs (1), (2), and (3) of section 1001 that is commensurate with the person's share in the crop produced on the land for which the payments are made; or

"(ii) makes a significant contribution of active personal management."; and

(ii) in subparagraph (B), by striking "persons" and inserting "individuals and entities"; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES";

(ii) in the matter preceding subparagraph (A), by striking "persons" and inserting "individuals and entities"; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES"; and

(II) by striking "person, or class of persons" and inserting "individual or entity, or class of individuals or entities";

(E) by striking paragraph (5);

(F) in paragraph (6), by striking "a person" and inserting "an individual or entity"; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

"(c) ADMINISTRATION.—

"(1) REVIEWS.—

"(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

"(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

"(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

"(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

"(A) shall initiate a training program regarding the payment limitation requirements; and

"(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.".

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking "person" each place it appears and inserting "individual or entity".

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking "considered a person that is".

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking "5 persons" and inserting "5 individuals or entities".

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

"SEC. 1001F. NET INCOME LIMITATION.

"Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000.".

(c) Food Stamp Program.—

(1) Increase in benefits to households with children.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) Standard deduction.—

"(A) In general.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

"(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

"(ii) the minimum deduction specified in subparagraph (E).

"(B) Guam.—The Secretary shall allow for each household in Guam a standard deduction that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

"(C) Households of 6 or more members.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) Applicable percentage.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for each of fiscal years 2002 through 2004;

"(ii) 8.25 percent for each of fiscal years 2005 and 2006;

"(iii) 8.5 percent for each of fiscal years 2007 and 2008;

"(iv) 8.75 percent for fiscal year 2009; and

"(v) 9 percent for each of fiscal years 2010 and 2011.

"(E) Minimum deduction.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.".

(2) Participant expenses.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ", except that the State agency may limit such reimbursement to each participant to $25 per month".

(3) Federal reimbursement.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and" and inserting "the amount of the reimbursement for dependent care expenses shall not exceed".

(4) Effectiveness of certain provisions.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) Loan Deficiency Payments.—

(1) Eligibility.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

"(a) In General.—The Secretary may make loan deficiency payments available to—

"(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

"(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.".

(2) Beneficial interest.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking "A producer" and inserting "Effective for the 2001 crop, a producer".

(e) Specialty Crop Insurance Initiative.—

(1) Research and development funding.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended by striking paragraph (1) and inserting the following:

"(1) Reimbursements.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to provide reimbursements under subsection (b) not more than—

"(A) $32,000,000 for fiscal year 2002;

"(B) $27,500,000 for each of fiscal years 2003 and 2004;

"(C) $25,000,000 for each of fiscal years 2005 and 2006; and

"(D) $15,000,000 for fiscal year 2006 and each subsequent fiscal year.".

(2) Education and information funding.—Section 524(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(4)) is amended by striking subparagraph (A) and inserting the following:

"(A) for the education and information program established under paragraph (2)—

"(i) $10,000,000 for fiscal year 2003;

"(ii) $13,000,000 for fiscal year 2004;

"(iii) $15,000,000 for each of fiscal years 2005 and 2006; and

"(iv) $5,000,000 for fiscal year 2007 and each subsequent fiscal year; and".

(3) Reports.—Not later than September 30, 2002, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(A) the progress made by the Corporation in research and development of innovative risk management products to include cost of production insurance that provides coverage for specialty crops, paying special attention to apples, asparagus, blueberries (wild and domestic), cabbage, canola, carrots, cherries, Christmas trees, citrus fruits, cucumbers, dry beans, eggplants, floriculture, grapes, greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes;

(B) the progress made by the Corporation in increasing the use of risk management products offered through the Corporation by producers of specialty crops, by small and moderate sized farms, and in areas that are underserved, as determined by the Secretary; and

(C) how the additional funding provided under the amendments made by this section has been used.

(f) Initiative for Future Agriculture and Food Systems.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 741) is amended—

(1) in subparagraph (A), by striking "$120,000,000" and inserting "$130,000,000"; and

(2) in subparagraph (B), by striking "$145,000,000" and inserting "$225,000,000".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on December 18, 2001, at 2:30 p.m., to conduct a hearing on the nominations of Ms. Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development; and Ms. Diane L. Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, December 18, 2001, at 9:30 a.m., to mark up the Bipartisan Trade Promotion Authority Act of 2001, which the chairman will propose as a substitute for H.R. 3005. In addition, the committee will consider favorably reporting the following nominations: Richard Clarida to be Assistant Secretary of Treasury for Economic Policy; Kenneth Lawson to be Assistant Secretary of Treasury for Enforcement; B. John Williams, Jr., to be Chief Counsel/Assistant General Counsel for the Internal Revenue Service; Janet Hale to be Assistant Secretary of Management and Budget, Department of Health and Human Services; Joan E. Ohl to be Commissioner of Children, Youth and Family Administration, Department of Health and Human Services; James B. Lockhart III, to be Deputy Commissioner of the Social Security Administration; and Harold Daub to be a Member of the Social Security Advisory Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, December 18, 2001, at 2:30 p.m., to hold a hearing titled, "The Global Reach of Al-Qaeda.

Agenda

Witnesses

Panel 1: Mr. J.T. Caruso, Acting Assistant Director, Counter Terrorism Division, Federal Bureau of Investigation, Washington, DC, and Mr. Thomas Wilshere, Deputy Section Chief, International Terrorism Operational Section, Federal Bureau of Investigation, Washington, DC.

Panel 2: Ms. Michelle Flournoy, Senior Advisor, International Security

Program, Center for Strategic and International Studies, Washington, DC, and Mr. Larry Johnson, Former Deputy Director (1989–1993), Office of Counterterrorism, U.S. State Department, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Melanie Leitner, a fellow on my own staff, during the pendency of S. 1731, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Helen Yuen, a fellow with my education policy office, be granted the privilege of the floor for the remainder of this debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent that Kathy McGarvey, a fellow in my Labor Committee office, be granted the privilege of the floor for the debate and vote on the ESEA conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AFRICAN ELEPHANT CONSERVATION REAUTHORIZATION ACT OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 250, H.R. 643.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 643) to reauthorize the African Elephant Conservation Act.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 643) was read the third time and passed.

RHINOCEROS AND TIGER CONSERVATION REAUTHORIZATION ACT OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 251, H.R. 645.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 645) to reauthorize the Rhinoceros and Tiger Conservation Act of 1994.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 645) was read the third time and passed.

ASIAN ELEPHANT CONSERVATION REAUTHORIZATION ACT OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to Calendar No. 266, H.R. 700.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 700) to reauthorize the Asian Elephant Conservation Act of 1997.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with an amendment.

[Omit the parts in black brackets and insert the part printed in italic.]

H.R. 700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Asian Elephant Conservation Reauthorization Act of 2001".

SEC. 2. REAUTHORIZATION OF ASIAN ELEPHANT CONSERVATION ACT OF 1997.

Section 7 of the Asian Elephant Conservation Act of 1997 (16 U.S.C. 4266) is amended by striking "1998" and all that follows through "2002" and inserting "2001, 2002, 2003, 2004, 2005, 2006, and 2007".

SEC. 3. LIMITATION ON ADMINISTRATIVE EXPENSES.

Section 7 of the Asian Elephant Conservation Act of 1997 (16 U.S.C. 4266) is further amended—

(1) by striking "There are authorized" and inserting "(a) IN GENERAL.—There is authorized"; and

(2) by adding at the end the following:

"(b) ADMINISTRATIVE EXPENSES.—Of amounts available each fiscal year to carry out this Act, the Secretary may expend not more than 3 percent or $80,000, whichever is greater, to pay the administrative expenses necessary to carry out this Act.".

SEC. 4. COOPERATION.

The Asian Elephant Conservation Act of 1997 is further amended by redesignating section 7 (16 U.S.C. 4266) as section 8, and by inserting after section 6 the following:

"SEC. 7. ADVISORY GROUP.

"(a) IN GENERAL.—To assist in carrying out this Act, the Secretary may convene an advisory group consisting of individuals representing public and private organizations actively involved in the conservation of Asian elephants.

"(b) PUBLIC PARTICIPATION.—

"(1) MEETINGS.—The Advisory Group shall—

"(A) ensure that each meeting of the advisory group is open to the public; and

"(B) provide, at each meeting, an opportunity for interested persons to present oral or written statements concerning items on the agenda.

"(2) NOTICE.—The Secretary shall provide to the public timely notice of each meeting of the advisory group.

"(3) MINUTES.—Minutes of each meeting of the advisory group shall be kept by the Secretary and shall be made available to the public.

"(c) EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory group.".

SEC. 5. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CONFORMING AMENDMENTS.—The Asian Elephant Conservation Act of 1997 is amended as follows:

(1) Section 4(3) (16 U.S.C. 4263(3)) is amended by striking "the Asian Elephant Conservation Fund established under section 6(a)" and inserting "the account established by division A, section 101(e), title I of Public Law 105–277 under the heading 'MULTINATIONAL SPECIES CONSERVATION FUND' ".

(2) Section 6 (16 U.S.C. 4265) is amended by striking the section heading and all that follows through "(d) ACCEPTANCE AND USE OF DONATIONS.—" and inserting the following:

"SEC. 6. ACCEPTANCE AND USE OF DONATIONS.".

[(b) TECHNICAL CORRECTION.—Title I of section 101(e) of division A of Public Law 105–277 (112 Stat. 2681–237) is amended under the heading "MULTINATIONAL SPECIES CONSERVATION FUND" by striking "Rhinoceros and Tiger Conservation Act, subchapter I" and inserting "Rhinoceros and Tiger Conservation Act of 1994, part I".]

(b) TECHNICAL CORRECTIONS.—

(1) The matter under the heading "MULTINATIONAL SPECIES CONSERVATION FUND" in title I of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 4246; 112 Stat. 2681–237), is amended—

(A) by striking "section 5304 of" and all that follows through "section 6 of the Asian Elephant Conservation Act of 1997" and inserting "section 5 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5304), part I of the African Elephant Conservation Act (16 U.S.C. 4211 et seq.), and section 5 of the Asian Elephant Conservation Act of 1997 (16 U.S.C. 4264)";

(B) by striking "16 U.S.C. 4224" and inserting "section 2204 of the African Elephant Conservation Act (16 U.S.C. 4224)";

(C) by striking "16 U.S.C. 4225" and inserting "section 2205 of the African Elephant Conservation Act (16 U.S.C. 4225)"; and

(D) by striking "16 U.S.C. 4211" and inserting "section 2101 of the African Elephant Conservation Act (16 U.S.C. 4211)".

(2) Effective on the day after the date of enactment of the African Elephant Conservation Reauthorization Act of 2001 (107th Congress)—

(A) section 2104(a) of the African Elephant Conservation Act is amended by striking "this Act" and inserting "this title"; and

(B) section 2306(b) of the African Elephant Conservation Act (16 U.S.C. 4245(b)) is amended by striking "this Act" each place it appears and inserting "this title".

SEC. 6. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL FISH AND WILDLIFE FOUNDATION.

Section 10(a)(1) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3709(a)(1)) is amended—

(1) by striking "2003" and inserting "2005"; and

(2) in subparagraph (A), by striking "$20,000,000" and inserting "$25,000,000".

Mr. REID. Mr. President, I ask unanimous consent that the committee amendment be agreed to; the bill, as amended, be read the third time, and passed, and the motion to reconsider be laid upon the table, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (H.R. 700), as amended, was read the third time, and passed.

30TH ANNIVERSARY OF THE ENACTMENT OF THE FEDERAL WATER POLLUTION CONTROL ACT

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 265, S. Con. Res. 80.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 80) expressing the sense of the Congress regarding the 30th anniversary of the enactment of the Federal Water Pollution Control Act.

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, en bloc, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 80) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 80

Whereas clean water is a natural resource of tremendous value and importance to the United States;

Whereas there is resounding public support for protecting and enhancing the quality of the rivers, streams, lakes, wetland, and marine water of the United States;

Whereas maintaining and improving water quality is essential to protecting public health, fisheries, wildlife, and watersheds, and to ensuring abundant opportunities for public recreation and economic development;

Whereas it is a national responsibility to provide clean water for future generations;

Whereas substantial progress has been made in protecting and enhancing water quality since the date of enactment, in 1972, of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) due to concerted efforts by Federal, State, and local governments, the private sector, and the public;

Whereas serious water pollution problems persist throughout the United States and significant challenges lie ahead in the effort to protect water resources from point sources and nonpoint sources of pollution;

Whereas further development and innovation of water pollution control programs and advancement of water pollution control research, technology, and education are necessary and desirable; and

Whereas October 2002 is the 30th anniversary of the enactment of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.): Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That, as the United States marks the 30th anniversary, in October 2002, of the enactment of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), Congress encourages the people of the United States and all levels of government to recognize and celebrate the accomplishments of the United States under, and to recommit to achieving the goals of, that Act.

HONORARY CITIZENSHIP FOR PAUL YVES ROCH GILBERT DU MOTIER

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 286, S.J. Res. 13.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 13) conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. LEAHY. Mr. President, I am pleased to cosponsor this resolution to grant honorary citizenship to the Marquis de Lafayette.

Aside from being a hero of the American Revolution, the Marquis de Lafayette is known for the grand tour he took of the new Republic in the 1820's. During his visit to Vermont in 1825, a town was renamed as Fayetteville until it was changed again to Newfane in 1882.

He also laid the cornerstone of the Old Mill, a historic building on the University of Vermont's campus. The school now honors his memory with a statue on campus.

It is not inappropriate, at a time when we are engaged in a struggle against international terrorism, we recall that even in our infancy, this country has always had friends and allies from other parts of the world. After two hundred years, the world has gotten smaller and our international allies and coalition partners are essential to our long term success in the difficult times ahead. We should never forget this nation's friends.

Mr. REID. Mr. President, I ask unanimous consent that the joint resolution be read the third time, and passed, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 13) was read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 13

Whereas the United States has conferred honorary citizenship on four other occasions in more than 200 years of its independence, and honorary citizenship is and should remain an extraordinary honor not lightly conferred nor frequently granted;

Whereas Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette or General Lafayette, voluntarily put forth his own money and risked his life for the freedom of Americans;

Whereas the Marquis de Lafayette, by an Act of Congress, was voted to the rank of Major General;

Whereas, during the Revolutionary War, General Lafayette was wounded at the Battle of Brandywine, demonstrating bravery that forever endeared him to the American soldiers;

Whereas the Marquis de Lafayette secured the help of France to aid the United States' colonists against Great Britain;

Whereas the Marquis de Lafayette was conferred the honor of honorary citizenship by the Commonwealth of Virginia and the State of Maryland;

Whereas the Marquis de Lafayette was the first foreign dignitary to address Congress, an honor which was accorded to him upon his return to the United States in 1824;

Whereas, upon his death, both the House of Representatives and the Senate draped their chambers in black as a demonstration of respect and gratitude for his contribution to the independence of the United States;

Whereas an American flag has flown over his grave in France since his death and has not been removed, even while France was occupied by Nazi Germany during World War II; and

Whereas the Marquis de Lafayette gave aid to the United States in her time of need and is forever a symbol of freedom: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette, is proclaimed to be an honorary citizen of the United States of America.

DESIGNATING 2002 THE YEAR OF THE ROSE

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to Calendar No. 285, S.J. Res. 8.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 8) designating 2002 as the "Year of the Rose".

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. REID. Mr. President, I ask unanimous consent that the joint resolution be read a third time, passed, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the joint resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 8) was read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 8

Whereas the study of fossils has shown that the rose has been a native wild flower in the United States for over 35,000,000 years;

Whereas the rose is grown today in every State;

Whereas the rose has long represented love, friendship, beauty, peace, and the devotion of the American people to their country;

Whereas the rose has been cultivated and grown in gardens for over 5,000 years and is referred to in both the Old and New Testaments;

Whereas the rose has for many years been the favorite flower of the American people, has captivated the affection of humankind, and has been revered and renowned in art, music, and literature;

Whereas our first President was also our first rose breeder, 1 of his varieties being named after his mother and still being grown today; and

Whereas in 1986 the rose was designated and adopted as the national floral emblem of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress—

(1) designates the year of 2002 as the "Year of the Rose"; and

(2) requests the President to issue a proclamation calling on the people of the United States to observe the year with appropriate ceremonies and activities.

ORDERS FOR WEDNESDAY, DECEMBER 19, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until the hour of 11:30 a.m. tomorrow, Wednesday, December 19; that immediately following the prayer and the pledge, the Senate resume consideration of the farm bill; further, that the vote on cloture on the substitute amendment occur at 1:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, there will be rollcall votes on the farm bill tomorrow morning, as we know.

ORDER FOR RECESS

Mr. REID. Mr. President, I ask unanimous consent that if there is no further business to come before the Senate, following the statement by the Senator from Arkansas for 5 minutes and the statement by the Senator from Alabama for 10 minutes, the Senate stand in recess under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I appreciate everyone's cooperation. I know the hour is late. It is a very difficult bill for everyone, but I do appreciate the cooperation tonight.

The PRESIDING OFFICER. The Senator from Alabama.

WANTING A FARM BILL

Mr. SESSIONS. Mr. President, I have the permission of the Senator from Arkansas to go first.

I do take offense at the distinguished Senator from Iowa, Mr. HARKIN, saying we do not want a farm bill. That is not true. I do want a farm bill. I do not think there is a Senator here who does not want one, and I would like to see one completed before we leave.

I have been talking to farmers back home in my State, and they tell me frankly they like Cochran-Roberts. I am pleased to support the amendment that Senator HUTCHINSON has offered that has the House structure with some additional language in it that we think makes the bill even better. That was my farm bill that I offered, along with Senator HUTCHINSON and four Democrats. There were four Democrats and three Republicans on that bill. I believe the Presiding Officer was on that bill. It was a good bipartisan bill.

As the bill went through the system, the committee dealt with it and the majority leader dealt with it, and pretty soon we had a bill that was not as balanced as we would like to see it.

A lot of people in this Senate who care about agriculture—and there are some other than Senator HARKIN—are really concerned about the legislation and want a good bill.

Senator COCHRAN from Mississippi who chair the Agriculture Appropriations Subcommittee is one of the most knowledgeable people in this Senate on agricultural issues.

Senator PAT ROBERTS chaired the House Committee on Agriculture and is one of the most knowledgeable people in this Senate on agriculture.

Senator LUGAR, the former chairman of the Agriculture Committee and one of the finest Members of this body, is not comfortable with this legislation, and he certainly, as a farmer, cares about agriculture. So does Senator GRASSLEY who spoke earlier, a farmer himself, and a senior member of the Agriculture Committee.

They just do not agree with Senator HARKIN on everything that is in a bill that he admits is not perfect.

What we ought to do, and what I would have expected to happen, is that these responsible, experienced Senators and farm experts would be able to get together and work out some of the problems and not end up with a problem with the House and a problem with the President.

How are we going to get a bill passed if it cannot be conferenced? How are we going to get a bill passed if the President vetoes it? It is not going to happen. Let's get together now. That is the problem.

My farmers are telling me they believe all three of these bills can help them. They like all three of these bills, but we have to look at it in terms of a national policy and work out something with which everybody can work.

The problem has been, frankly, that the majority has not shown enough respect, in my view, to Senators COCHRAN, ROBERTS, GRASSLEY and LUGAR who have been trying to make some improvements in the bill. They have not talked to them on any significant issue, only minor issues, and we end up at loggerheads. The President is very unhappy with what he sees.

Even if we pass something before we leave, if it is not legislation that is likely to move forward, we have not done anything. That is why I appreciate Senator HUTCHINSON's offering of our original bipartisan bill that we know can get through the House, and we believe the President will sign it. I believe we will have a farm bill in a matter of days—hours, really. That would be good for agriculture.

The people with whom I have talked are concerned about delay. They would like this bill passed as soon as possible. They want to make their plans for next year. They want to talk with their banks and see about the financing they will need. We do need to move as fast as possible.

It would be quite preferable for us to move and have a bill passed that the President would sign before we recess. There is no doubt about that. I would like to see that done. But Senator HARKIN and the majority leader are basically saying: Take our bill just as we have written it, even though we have a vote or two over 50 for it, but we will not talk with you.

I have seen Senator DASCHLE when he was the Democratic leader use the power of 40 votes and ask for compromise and get it time and again. That is what this body is about. I just have not seen enough progress in a bipartisan way here. I believe there has just been an effort to stampede this bill through to try to gin up people and say: The Harkin bill is the only one that can do the job, and it must be passed now; and if you do not pass the Harkin bill now, you do not care about farmers, you do not care about agriculture, you would just as soon leave them out there and let them go bankrupt. That is just not true. I resent that.

I come from a farming family. My daddy had a farm equipment dealership. My grandparents were farmers. I grew up in the country. I know about farming. I have seen them come into my daddy's business with a tractor broken down, with hay in the field, a hay baler not working, needing help, knowing if the rain came and they did not get the crop in, they could lose most everything. And we did not have the programs then that we have today. I understand that. I grew up in that community. I want a farm bill, and I do not like it when somebody says I do not. And I do not like it when they say: If you do not agree with me and agree to vote on a bill I want on which we will accept no significant amendments, then we are going to accuse you of being against agriculture. I do not believe that is right.

That is where we are, and everybody knows it. There is no mystery about where this deal is tonight.

I want to make one more point.

There are several problems with the Harkin bill. From what I am hearing, other people are also expressing those concerns. It seems to me that the Harkin bill will increase production at a time when our production is high. And if it goes higher it will be even harder to sustain legitimate crop prices. That is a real problem. We have pretty high production now. Cotton is up. None is down that I know of. We don't need to institutionalize or create an incentive to do that.

We want to do this thing in a way that does not leave us subject to the charge of the Europeans who say we are protectionists and that we are violating WTO commitments. If we can avoid violating them and accomplish the same thing, we ought to do it. I hope and pray that the Europeans will see their extraordinary subsidies for agriculture are not justified. I hope they will begin to reduce some of that, and we will see increased exports around the world in other places besides Europe.

If we can avoid it, we ought not violate our trade agreements. I am afraid in a few years the experts will say we are in violation of our international trade commitments, putting us at a disadvantage when we try to negotiate with our trading partners who I think have been violating the law consistently. We will not be as authoritative with the same moral basis to argue they need to get right with the law.

We need a bill that can go to conference and be signed by the President promptly. That is why I believe the legislation Senator HUTCHINSON has offered tonight is a good vehicle for that.

There are two ways we can get a farm bill as I see it, just like this. We can have a good-faith, compromise negotiation discussion between the slim majority and the leaders on this side who are fine people, fine Senators, who have a history, a record, and a career of supporting agriculture—Senators GRASSLEY, ROBERTS, COCHRAN—and talk with them and see if they cannot work out something. If they do not, we have another vehicle, a vehicle Senator HUTCHINSON would offer, to solve the problem. Those are the two ways. Maybe there will be another and cloture will be achieved.

I know one thing: If we did those two things, we would be out of here and we would have a bill the President would most likely sign and we would have fulfilled our duty.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. I thank the distinguished Senator from Alabama for his cosponsorship of this legislation and for his excellent statement. I also commend the Presiding Officer this evening for his role and hard work on the peanut program and his great victory on that issue and his hard work on the Agriculture bill and for his willingness to stay this late. I am sure the Presiding Officer is ready to wind this up.

I wish my colleagues could have seen the farmers I met with this past Saturday. One asked the prospects for getting a bill completed and to the President. I began to explain the Senate process. We have cloture; we may not get it. If we get it, we get a bill that has to go to conference. There is a lot of difference between the House and the Senate. I explained that and their eyes glazed over. There were tears. They said that would not do a lot of good for making loans and plans and getting ready for the upcoming planting season.

We have reached the point of finger pointing, both sides saying the other does not want a bill this year. I suggest Senator SESSIONS outlined two ways we have a chance of getting one. They are genuine compromises. We can pass the House bill I filed this evening, which I urged in my floor speeches we move this year. I wrote Chairman HARKIN and urged quick action and voted for the Harkin commodity title, and voted for the committee bill, voted for cloture last week; I voted for cloture today. I want a farm bill.

The way I see it, Senator HARKIN made a significant admission and said, if we invoke cloture and pass his bill tomorrow night, it will be weeks before a conference can work out the differences between the House and Senate and get a bill to the President.

There were a lot of Democrats who voted against Cochran-Roberts. But do we say a lot of Democrats do not want a farm bill because they would not support that? Of course not. We all have ideas of what the ideal farm bill is. We cannot get an ideal farm bill in these closing days. None of us would know exactly what it was.

There is one way we can get a bill this year. That is to move this House-like bill cosponsored by Republicans and Democrats—four Democrats, three Republicans—and move it immediately to the President. Tomorrow we will find out who is really wanting a bill this year and who is really wanting to stall one out—whether it is pride of authorship: my bill is the only bill, or whether we are willing to get an improvement in farm policy under this budget and to the President and signed into law.

I hope tomorrow there is good news this Christmas for America's farmers.

I thank the Presiding Officer for his patience, and I yield the floor.

RECESS UNTIL 11:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11:30 tomorrow, Wednesday, December 19, 2001.

Thereupon, the Senate, at 9:36 p.m., recessed until Wednesday, December 19, 2001, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate December 18, 2001:

EXECUTIVE OFFICE OF THE PRESIDENT

NANCY DORN, OF TEXAS, TO BE DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET, VICE SEAN O'KEEFE.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

EMMY B. SIMMONS, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT. (NEW POSITION)

DEPARTMENT OF JUSTICE

BRIAN MICHAEL ENNIS, OF NEBRASKA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEBRASKA FOR THE TERM OF FOUR YEARS, VICE CLEVELAND VAUGHN.

CHESTER MARTIN KEELY, OF ALABAMA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF ALABAMA FOR THE TERM OF FOUR YEARS, VICE WILLIAM HENRY VON EDWARDS, III, RESIGNED.

JOHN WILLIAM LOYD, OF OKLAHOMA, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS, VICE ROBERT BRUCE ROBERTSON.

WILLIAM SMITH TAYLOR, OF ALABAMA, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF ALABAMA FOR THE TERM OF FOUR YEARS, VICE ROBERT JAMES MOORE.

DAVID DONALD VILES, OF MAINE, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF MAINE FOR THE TERM OF FOUR YEARS, VICE LAURENT F. GILBERT.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. GEORGE J. FLYNN, 5536
COL. JOHN F. KELLY, 7821
COL. MARYANN KRUSADOSSIN, 1134
COL. FRANK A. PANTER JR., 2226
COL. CHARLES S. PATTON, 9576
COL. MASTIN M. ROBESON, 1984
COL. TERRY G. ROBLING, 1530
COL. RICHARD T. TRYON, 7313

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. EMERSON N. GARDNER JR., 0157

BRIG. GEN. RICHARD A. HUCK, 7508
BRIG. GEN. STEPHEN T. JOHNSON, 0874
BRIG. GEN. BRADLEY M. LOTT, 8545
BRIG. GEN. KEITH J. STALDER, 5748
BRIG. GEN. JOSEPH F. WEBER, 1316

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY, JUDGE ADVOCATE GENERAL'S CORPS AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 531, 624 AND 3064:

To be major

LESLIE C. SMITH II, 1032 JA

LIBRARY OF MICHIGAN

MAY 0 5 2006

U.S. DOCUMENT
RECEIVED DEPOSITORY